

Athens, August 11, 2005

PRESS RELEASE

FIRST HALF 2005 FINANCIAL FIGURES

According to International Financial Reporting Standards (IFRS)

- **Strong increase in Net Profit by 39% (€225m.)**
- **Robust Revenue growth by 23% (€888m.)**
- **Fast expansion of Total Loans by 26% (€24.4bn.)**
- **Strengthening of ROE to 21.1%**

EFG Eurobank's financial results for the first six months of 2005 reflect the Bank's strengthening position in the domestic market, the fast expansion of its operations in SE Europe, the notable improvement of the cost-income ratio, the continuous growth of customer funds under management and the high quality of the loan portfolio. At the end of June 2005, consolidated **net profit** recorded a robust **increase of 39%** reaching €224.7m., from €161.6m. a year ago.

Earnings per share for the first half of the current year rose by 37% and amounted to €1.43 (annualized). The Return on average Assets improved to 1.26%, from 1.10% in 1H'04 and the Return on average Equity exceeded 21%, from 16.7% in the respective period of 2004.

Financial results for the first half of 2005 are fully in line with EFG Eurobank's targets for net profit of at least €450m for the full year and a dividend per share rise of over 15%.

The results illustrate that EFG Eurobank's profitability is largely organic, which is a qualitative advantage for the Bank and underlines its potential for future profit enhancement. The wide range of products and innovative solutions offered, the fast reaction to changing customer needs and the highly skilled personnel are some of the factors that render EFG Eurobank a leading player in Greece and in SE Europe region.

Summary Figures	1H 05	1H 04	Δ%
Total Operating Income (€m)	887.7	722.6	22.8%
Net Profit (€m.)	224.7	161.6	39.0%
EPS annualised (€)	1.43	1.05	37.0%
ROA after tax	1.26%	1.10%	16 bps
ROE after tax and minorities	21.1%	16.7%	438 bps
Cost-Income	47.4%	52.5%	510 bps

Strong Growth of Operations

The strong expansion in the fields of Retail Banking, Corporate Banking, Asset Management and Capital Markets during the first six months of 2005 resulted in a substantial rise in **Total Revenues** by **22.8%** to €888m., from €723m. in the respective period of the previous year. This was largely supported by Core Revenues (Interest & Total Commission Income), which increased by 24.4% to €839m., contributing 94.5% to Group Total Operating Income.

Credit expansion faster than the sector

Credit expansion continued strongly in the domestic market during the first half of the year, with EFG Eurobank growing much faster than the market. In this context, **Total Loans** increased by **26%**¹ in 1H'05, with **Household Lending** (consumer and mortgage credit) rising by 37.9% to €11.4bn. and **Business Lending** growing by 17.1% to €13bn. In Greece, EFG Eurobank expanded its loan balances by 24.4%, versus a market growth of 14.7% (May 2005). The strong expansion of the loan portfolio led **Net Interest Income** up 23.7% to €629.5m. At the same time, the Net Interest Margin (net interest income over average total assets) remained well above 3%, due to composition of the Bank's loan portfolio.

High Quality of Loans

Despite strong credit expansion, the quality of the loan book is maintained at strong levels relative to the Greek peer group. In the first half of the current year, the total **NPL ratio** amounted to 3%, with the coverage ratio standing at 91%. Impairment losses in 1H'05 correspond to 1.36% of the average loan portfolio, mainly due to the continuous shift of the loan mix towards retail loans.

Further progress on Asset Management and Fee generation

Customer Funds and Life Insurance products exhibited substantial growth, as Assets under Management rose by 16.3% to €32.2 bn. The significant increase in lending volumes combined with the Mutual Funds business, the provision of integrated services to corporate customers and other branch network activities helped **Net Fee and Commission Income** to rise by **25.7%** to €178.8m. Similarly, non-banking fees expanded substantially by 32.4% to €30.7m.

Efficiency Gains

Despite the rise of revenues by 22.8%, the expansion of **Total Costs** was limited to 6% for the operations in Greece and 10.8% for the Group. This resulted in a **Cost - Income ratio** of **43.8%** for domestic activities, from 50.2% the same period a year ago and **47.4%** for the Group, versus 52.5% in 1H'04.

Core Profitability at high levels - Increasing Returns

The moderate increase in operating expenses coupled with the significant rise in core revenues led to substantial growth in **Core Profit** (before tax) by 43.4% to €265.8m. Annualised EPS in 1H'05 was up 37% to €1.43. Based on the net profit for the first six months of 2005, the **Return on average Assets** reached **1.26%**, while the **Return on average Equity** improved to **21.1%**, from 16.7% in the respective period of 2004.

¹ Gross loans

Strongly Capitalised

At the same time, EFG Eurobank remains well capitalized. At the end of June 2005, the **Total BIS Ratio** stood at 10.9% and the **Tier I Ratio** reached 8.4%.

Dynamic presence in SE Europe

The Group continued to enlarge its activities outside Greece, with Net Profit of subsidiaries doubling to €9.2m. in the first half of 2005, from €4.5m. a year ago. In the first six months of the current year, the acquisition of Capital S.A and of its subsidiary brokerage company Capital S.A. was completed in Romania. This acquisition followed that of EFG Istanbul Securities A.S. in Turkey and is in line with the wider strategy of the EFG Eurobank Ergasias Group to expand further its operations in capital markets and investment banking in SE Europe. Furthermore, a new leasing company was established in Bulgaria under the name EFG Leasing EAD. The new company is already operational offering a wide range of leasing products through Postbank AD network of 124 branches. In Serbia, the effort to expand and upgrade the domestic branch network (now 18 branches in total) continued, with the bank offering now a wide range of services to corporate customers as well as to individuals, thus growing continuously its market share.

Recent Developments

Recently, the international rating agency Fitch changed EFG Eurobank's rating Outlook to "Positive", from "Stable", based on the Bank's strengthening position within the Greek banking market and in SE Europe, its strong profitability and sound capital base. This development follows the upgrade of EFG Eurobank's long-term rating to A- from S&P last May. Today, EFG Eurobank enjoys the highest ratings among all Greek banks by all rating agencies (Moody's, S&P, Fitch).

It is also worth noting that the Bank successfully launched its credit card asset-backed securities of €750m. in July, the first ever made by a Greek bank, as well as the second residential mortgage securitization (€750m.) in June. For both issues the loan portfolio of the Bank attained the highest possible ratings by Moody's, S&P and Fitch, which confirms the overall high quality of EFG Eurobank's loan book. At the same time, these securitization transactions continue to broaden the Bank's funding programme, bringing alternative sources of long-term liquidity.

The acquisition of Greek Progress Fund S.A is under way, subject to the approval from all relevant authorities. The acquisition is expected to enhance further the Bank's capital position and to allow for fund management synergies.

Summary Figures (€ m.)	1H 05	1H 04	Δ%	SE Europe
Net Interest Income	629.5	509.1	23.7%	58.9
Net fees & Commissions	178.8	142.3	25.7%	31.9
Non banking fees	30.7	23.1	32.9%	0
Core Income	839.0	674.5	24.4%	90.9
Non core income	48.7	48.1	1.3%	2.1
Total Operating Income	887.7	722.6	22.8%	93
Operating Expenses	420.6	379.6	10.8%	72.4
Impairment	152.6	109.5	39.3%	5.6
Core Profit	265.8	185.4	43.4%	12.9
Profit before tax	320.4	236.4	35.5%	15
Net Profit	224.7	161.6	39.0%	9.2
Gross Loans	24,447	19,407	26.0%	1,239
Deposits	17,601	18,535	-5.0%	1,128
Total Assets	38,983	31,679	23.1%	2,183
Total Equity	2,167	1,926	12.5%	203

Portfolio of Loans (Gross, € m)	1H 05	1H 04	Δ%
Consumer Loans	6,265	4,601	36.2%
Mortgages	5,157	3,679	40.1%
Loans to Households	11,422	8,281	37.9%
Small Business Loans	3,453	2,681	28.8%
Loans to Medium enterprises	5,265	4,634	13.6%
Loans to Corporates	4,306	3,811	13.0%
Business Loans	13,024	11,127	17.1%
Total Gross Loans	24,447	19,407	26.0%

Assets Under Management (€ m)	1H 05	1H 04	Δ%
Deposits & Other liquid funds	20,338	20,048	1.5%
Mutual Funds	5,875	2,714	116.5%
Other investment products	5,943	4,891	21.5%
Total Funds under Management	32,157	27,653	16.3%

Financial Ratios	1H 05	1H 04
Net Interest Margin	3.5%	3.4%
Cost-Income	47.4%	52.5%
NPLs (% of loans)	3.0%	2.8%
NPLs coverage	91.4%	100.8%
Provision Charge (% of loans)	1.36%	1.25%
Tier I Ratio	8.42%	8.03%*
Total Capital Adequacy	10.94%	9.93% *
ROA after tax	1.26%	1.10%
ROE after tax and minorities	21.1%	16.7%
EPS annualised (€)	1.43	1.05

* as at 31 Dec. 2004