Eurobank

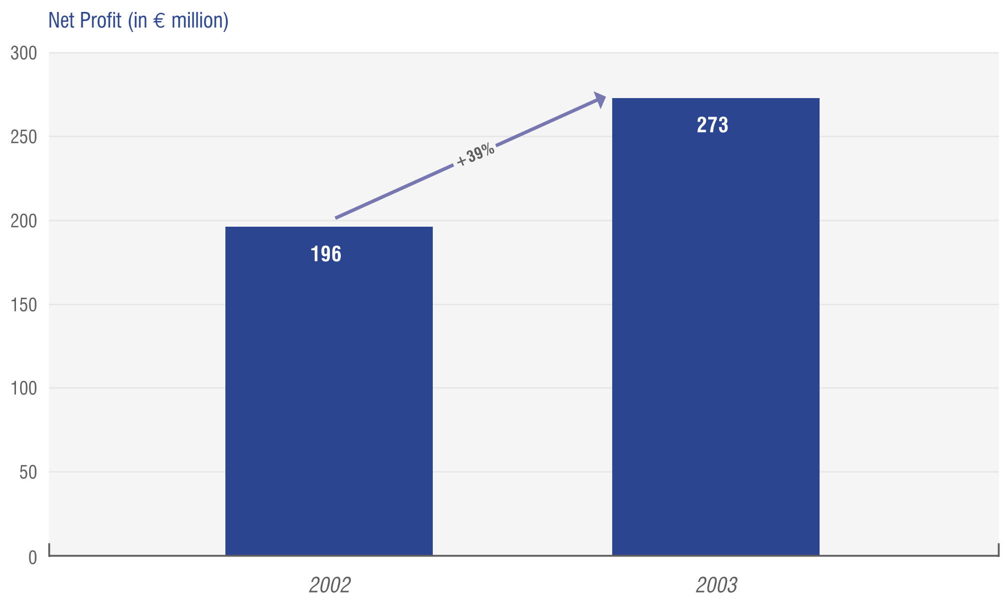
ANNUAL REPORT 2003

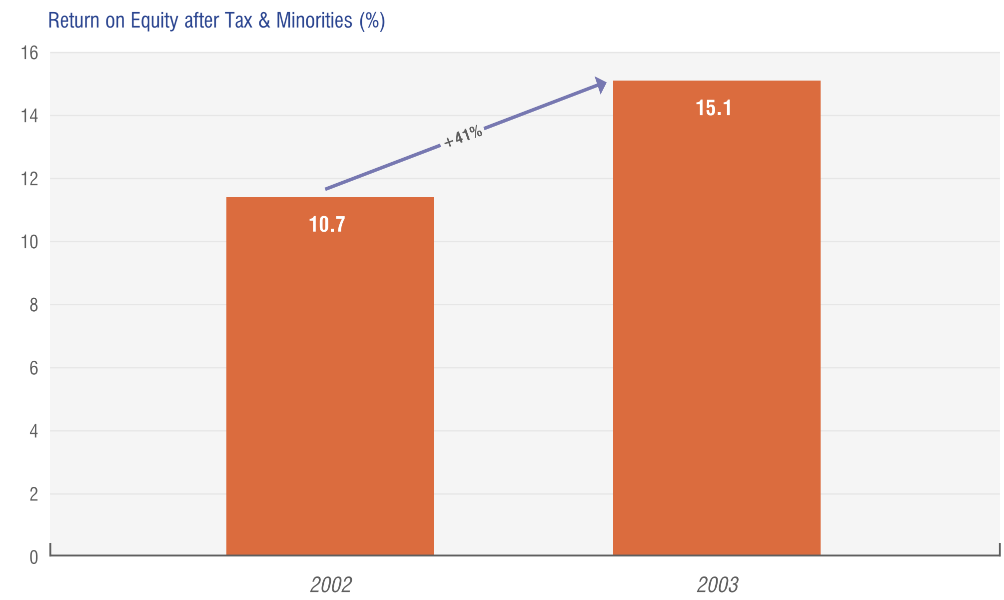
EFG Eurobank Ergasias S.A.

CONTENTS

The Year in Review

Financial Highlights





Key Consolidated Figures of EFG Eurobank Ergasias

	2003	2002	*Change*
(Amounts in million euro)			
Balance Sheet			
Loans and Advances to Customers (net)	**16,333**	13,361	*22.2%*
Deposits	**17,309**	17,033	*1.6%*
Total Shareholders' Equity	**1,793**	1,822	*(1.6%)*
Total Assets	**28,030**	24,622	*13.8%*
Profit and Loss			
Net Interest Income	**849**	724	*17.3%*
Net Fee and Commission Income	**310**	250	*24.0%*
Core Income [1]	**1,159**	973	*19.0%*
Total Operating Income	**1,215**	992	*22.5%*
Total Operating Expenses	**664**	590	*12.6%*
Provisions for loans and contigent liabilities	**157**	111	*41.3%*
Core Profit [2]	**338**	273	*23.8%*
Profit before tax after minorities	**373**	270	*37.8%*
Profit after tax and minorities	**273**	196	*39.0%*

1. Net Interest Income + Net Fees and Commissions.
2. Core Income - Operating expenses - Provisions.

	2003	2002
Key Financial Ratios		
ROA (after tax)	1.06%	0.92%
ROE (after tax and minorities)	15.08%	10.7%
Net Interest Margin (over total assets)	3.22%	3.30%
Core Income to Total Operating Income	95.4%	98.2%
Cost / Income Ratio	54.6%	59.4%
Cost to Assets	2.5%	2.7%
Total Capital Ratio (Tier 1)	10.44%	11.96%
Non-Performing Loans Ratio	3.3%	3.7%
Data Per Share		
Earnings per Share (€)	0.89	0.65
Dividend per Share (€)	0.60	0.47
Dividend Yield (year-end prices)	3.9%	4.2%

Ratings

	Long-Term	Financial Strength	Short-Term
Moody's	A2	C+	P-1
Standard & Poors'	BBB+	-	A-2
FITCH	A-	B/C-2	F2

Letter to Shareholders

Dear Shareholders,

2003 was particularly successful for EFG Eurobank Ergasias, as the Bank continued its dynamic development, strengthening its position in the Greek market and the wider region and substantially expanding its operations and profitability.

Last year was characterized by a substantial recovery in global financial markets, a mitigation of uncertainty, as well as resumed confidence in global economic recovery. In this environment, the Greek economy maintained its high growth rates and the profitability of the Greek banking sector recovered.

Eurobank's performance reflects its target to continue its strong and healthy expansion. In 2003, consolidated net profit after tax rose significally by 39% to € 273 million, as a result of organic expansion and market share gains in most segments.

Despite increasing competition, the Bank achieved market share gains in important and profitable segments such as in consumer credit, where Eurobank captures the leading position, in mortgage lending and in business lending. The enhancement of our position in the asset management business was also notable, as we remained at the top, expanding strongly our market share by around four percentage points to 20% in the management of (non-money market) mutual funds. At the same time, we retained the number one position in equity placements, IPOs and the brokerage business, where we also achieved a notable increase in our market share to 16.5%. Apart from the operations in the Greek market, 2003 was also marked by the decisive strengthening of our presence abroad, through the increase of Eurobank's participation in subsidiary banks in Bulgaria and Romania and our entry in the Serbian banking sector.

At the operational level, 2003 was a year of important developments for the organizational restructuring of the Bank aiming at improving the efficiency of the Bank to the benefit of clients. To this end, we completed successfully the restructuring of the Bank into two divisions, Retail and Wholesale, increasing efficiency at all levels and contributing to an important rise in business volumes and cross-selling. On the same lines was the project of establishing a Value Based Management System, which started in 2002 and continued during 2003. The system enables the quantification of profitability and the creation of value, both at the level of the Bank as a whole and at the level of specific departments and units. This way, resources and capital can be allocated according to a unified and transparent system of evaluation which guarantees growth and value creation on a continuous basis.

In 2003, the absorption of the two closed-end funds, Ergoinvest SA and Investment Development Fund SA was also concluded. Through these acquisitions, the Bank's position in capital markets was further enhanced and substantial economies of scale in portfolio management were achieved together with tax benefits for the years 2003 and 2004.

2003 was also a very important year for the expansion of our operations to neighbouring countries, supporting the transformation effort and the development of these economies through the transfer of expertise, technology and capital investment. The year was characterized by a series of important strategic initiatives to establish the Group as a regional force in the area of Southeast Europe and especially in countries looking to enter the European Union. In this framework, Eurobank increased its participation in Banc Post Romania, and Post Bank Bulgaria and established EFG Eurobank Beograd in Serbia & Montenegro. Specifically, in Romania, Eurobank acquired the majority control of Banc Post's share capital (53.25%) through the purchase of BPI's 17% stake. We have already taken steps to implement new technological infrastructure, design and launch a number of new products addressing the rising needs of the Romanian market, and strengthen the Bank's management team. Our Bank also came to an agreement with the American Life Insurance Company (ALICO) to acquire its 50% stake in the Cypriot company Balkan Holdings Ltd (ACBH), itself owner of 91.71% of the shares of Bulgarian Post Bank AD. Through this acquisition Eurobank takes full control of ACBH. Finally, Eurobank got shareholder control of Postbanka AD in Serbia & Montenegro, which was then renamed to EFG Eurobank Beograd AD. Eurobank intends to reorganize the operations of this Serbian bank by improving its systems and extending its activities in the areas of retail banking, corporate banking and SME lending.

In 2003, Eurobank was chosen, for a second consecutive year, as "The Best Bank in Greece" by the internationally acclaimed US magazine Global Finance, joining some of the world's leading banks. The Bank also received a series of awards for the services offered via its alternative channels. In particular, it was named "The Best Consumer Internet Bank in Greece" by the same magazine, while for a third consecutive year RAM magazine awarded first place to Eurobank's e-banking service, especially for the online support of credit cards and the management of local and international payments. PC Magazine awarded Eurobank first place for its electronic banking transactions service via mobile phone, for its comprehensiveness and quality, combined with the security and support offered to clients. Finally, Europhone Banking, the phone banking service of Eurobank, captured the first place at "The Teleperformance CRM Grand Prix 2003" in the category "Large Call Centers", for the exceptional quality of services it offers to its clients.

Eurobank is the only Greek bank to receive a C+ rating in financial strength by Moody's and to have a B/C individual rating by Fitch Ratings. At the same time, there are positive comments in the rating agencies' reports for the Bank's strong capital base, sophisticated and advanced systems, high quality of its loan portfolio and its ability to rely on organic sources of income to increase its profitability.

Regarding the 2003 financial results, the picture was particularly positive, as consolidated net profit after tax and minorities rose substantially by 39%, amounting to € 273 million. In a very competitive environment, and one full of challenges, Eurobank recorded an increase in its total revenues by 23%, driven by core income (net interest income plus net fees and commissions), which advanced 19%. It is worth noting that this level of core income is the highest ever achieved by Eurobank at a group level and accounts for 95% of total income, a percentage that is the highest among Greek banks. At the same time, lending volumes increased by a robust 22%, combined with the high quality of the loan portfolio, which is the result of the Bank's strict risk management and prudent provisioning policy.

In addition, we intensified our efforts to contain costs, markedly improving the efficiency ratio (cost to income ratio) to 54.6%, and we increased return on equity and return on total assets to 15.1% and 1.1% respectively. This allows the Bank's Board of Directors to propose to the Annual General Meeting of Shareholders the distribution of a particularly satisfactory dividend of € 0.60 per share, compared with € 0.47 in the previous year. Total dividends account for 68% of 2003 consolidated net profit and correspond to a dividend yield for our shareholders of 3.9% at 2003 year-end prices. This dividend yield is the highest among Greek banks. In addition, the strong capital position of the Bank allows us to cancel 6 million outstanding Treasury shares (approx. 2% of capital). At the same time, we plan to continue the share buy-back programme.

2003 signaled the exit of Deutsche Bank as a shareholder of the Bank and the successful placement of its stake primarily with international institutional investors. This initiative of Deutsche Bank was in line with its strategy to divest from non core markets and does not affect the otherwise good relationships between the two banks. The transaction had no impact on the Bank's operations or its share price, which has since followed an upward trend.

Our dynamic presence in the market was also reflected in the performance of Eurobank's share price, which out-performed the Athens Stock Exchange (ASE) Composite Index as well as the banking sector index in Greece and in Europe. In 2003, Eurobank shares advanced 38%, compared with an increase of 29.5% for the ASE Composite and 21.6% for the DJ Euro Stoxx Banks Index, while our share outperformed the market and the sector in 2002 as well. In addition, Eurobank share was included in the FTSE Eurotop 300

Index, which covers the largest European blue chips and was among the 12 companies forming the reserve list of the FTSE Euro 100 Index.

Today Eurobank is a strong bank, which differs from its competitors in its philosophy and the way it performs its operations. The Bank applies a client-centric approach with dedicated networks, continuously trained personnel, high quality services and innovative products, which are characterized by flexibility and competitive terms. The combination of these factors has helped the Eurobank brand to achieve high levels of awareness and to strengthen clients' trust and confidence in the Bank. Our strategy and philosophy reflect our values, place emphasis on quality and provision of integrated services, through transparency and social responsibility, values that determine the business model of our Bank.

At Eurobank we believe that a dynamic and successful company has to demonstrate responsibility for the environment within which it operates and to return some of the benefits it derives from its operations. We pay specific attention to Education, Culture and Athletics, areas where we undertook important initiatives in 2003.

2004, a historic year for Greece, as hosts of the Olympic Games for the first time since 1896, finds Eurobank at the forefront of the growth effort and strongly positioned in the market. Having laid healthy and solid foundations, having successfully completed seven acquisitions and relying on the quality of our people and systems, we remain steadily focused on our vision for a bank which develops dynamically in Greece and in the wider region of southeast Europe, and creates value for its shareholders. The successful course in 2003 and the important initiatives we took during that year in Greece and in the neighbouring markets of Bulgaria, Romania and Serbia & Montenegro form the basis for even greater successes in the coming years.

Building on the achievements of the past and the sound foundations laid, with a great sense of responsibility to our shareholders, we will endeavor to justify your trust and to continue to work hard towards achieving even higher targets.

Athens, February 26, 2004

Xenophon C. Nickitas
Chairman of the Board of Directors

Nicholas C. Nanopoulos
Chief Executive Officer

Honorary Chairman & Members of the Executive Committee

George C. Gondicas
Honorary Chairman
Born in Patras in 1920.
He has served as Chairman of EFG Eurobank, Managing Director of Euromerchant Bank, Management Consultant of Banco Portugues de Investimento, Managing Director of National Investment Bank for Industrial Development and has held managerial positions in the IBRD and the IFC. Mr Gondicas holds a Master's Degree in Government and Economics from Harvard University.

Xenophon C. Nickitas
Chairman
Born in Alexandria, Egypt, in 1930. He has served as Chairman (Ergobank), Vice President (American Express Bank) and has held various positions at Barclays Bank.

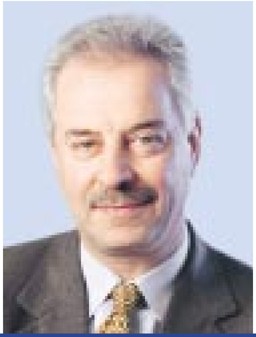
Nicholas C. Nanopoulos
Chief Executive Officer
Born in Alexandria, Egypt, in 1952. He has served as General Manager (Euromerchant Bank), Managing Director (Carroll McEntee & McGinley, member of the HSBC Group) and Senior Manager of the Investment Department (The World Bank). Mr Nanopoulos holds Degrees in Engineering, Economics and Business Administration from the Massachusetts Institute of Technology, the London School of Economics and INSEAD. He also holds a Ph.D in Economics from the University of Reading.

Byron N. Ballis
Deputy Chief Executive Officer
Head of Retail Banking, Mutual Funds and Insurance Activities. Born in Constantinople in 1951. He has served as Managing Director (Interbank of Greece), General Manager (Interamerican Group), Managing Director (National Investment Bank for Industrial Development) and Senior Economist (OECD). Mr Ballis holds a Master's Degree in International Banking and Finance and was awarded the title of Docteur d' Etat in Economic Sciences from Université de Bordeaux.

Nikolaos B. Karamouzis
Deputy Chief Executive Officer
Head of Corporate Banking, Investment Banking, Capital Markets, Private Banking and Institutional Asset Management. Born in Athens in 1952. Professor at the University of Piraeus, Department of Banking and Financial Administration. He has served as Deputy Governor (National Bank of Greece), Chairman (National Investment Bank for Industrial Development), Deputy Governor (ETVA Bank), Director, Foreign Exchange Division (Bank of Greece), Advisor, Federal Reserve Bank of Cleveland, Ohio, USA. Mr Karamouzis holds a Ph.D in Economics from Pennsylvania State University (USA), a Master's Degree in Economics from the American University (USA) and Bachelor Degree from the University of Piraeus, Department of Economics.

Members of the Executive Committee

George N. Alvertis
General Manager
Managing Director, Eurobank Cards S.A., CEO of Open24, Chairman of VISA Hellas, Member of the Board of Europay MasterCard Europe. Born in Athens in 1965. He has served as Deputy Credit Cycle Manager (Citibank Cards), Managing Director - Consumer Lending Division (Interbank), General Manager - Bancassurance products (Interamerican) and Managing Director (Interamerican Cards). He holds a Degree from the University of Athens Law School and his area of specialization is Consumer Lending Business and Payment Systems.



Christos P. Comiopoulos
General Manager
Head of Corporate Banking, Shipping, Leasing, Factoring. Born in Athens in 1949. He has served as Assistant General Manager (Eurobank), Corporate Lending Manager (Euromerchant Bank), Marketing Director (Barclays Bank PLC). He is Chairman of the Board of EFG Eurobank Ergasias Leasing S.A. and Vice Chairman of EFG Factors S.A. Mr Comiopoulos holds a Master's Degree in Economics from the University of Surrey.

Paula N. Hadjisotiriou
General Manager
Chief Financial Officer. Born in Famagusta, Cyprus, in 1957. Mrs Hadjisotiriou is a Chartered Accountant and a member of the Institute of Chartered Accountants of England and Wales (ICAEW). She has served as Assistant General Manager and Chief Financial Officer (EFG Eurobank Ergasias), Head of Finance and Control and Head of Internal Audit (Euromerchant Bank), Deputy General Manager of Internal Audit (John S. Latsis Group of Companies), Senior Auditor (Price Waterhouse & Co., Pannel Fitzpatrick & Co.)

Harry M. Kyrkos
General Manager
Head of Risk Management. Born in Serres in 1953. He has served as General Manager (EFG Private Bank Luxembourg), Managing Director (Egnatia Bank), Managing Director (Banque Nationale de Grece-France), General Manager (National Investment Bank for Industrial Development), Treasurer (ACE Group International), Chairman (Diethniki Mutual Fund Management Company), Credit and Marketing Officer (Bank of America). He holds an Engineering Degree from the National Technical University of Athens and an M.Sc. in Management from the Massachusetts Institute of Technology.

Nikos Pavlides
General Manager
Head of Operations, Technology & Organisation.
Born in Athens in 1946. He has served as General Manager (Ergobank), Manager (Ministry of Social Security, EDP Centre). He holds a Master's Degree and a PhD in Operational Research and Computer Science from the University of Leeds. Mr Pavlidis has held the position of President, and remains a member, of the Greek Computer Society.
He is also a member of the British Computer Society and the British Chartered Engineering Council.

Victor A. Pisante
General Manager
Managing Director, EFG Telesis Finance. Born in Athens in 1965. Co-founder and Managing Director of Telesis Capital since 1993, he has served as Managing Director of Telesis Securities and Vice Chairman of the Board of Telesis Investment Bank until its acquisition by EFG Eurobank Ergasias in 2001. He holds a Degree in Economics & International Relations from Brown University and an MBA from New York University.

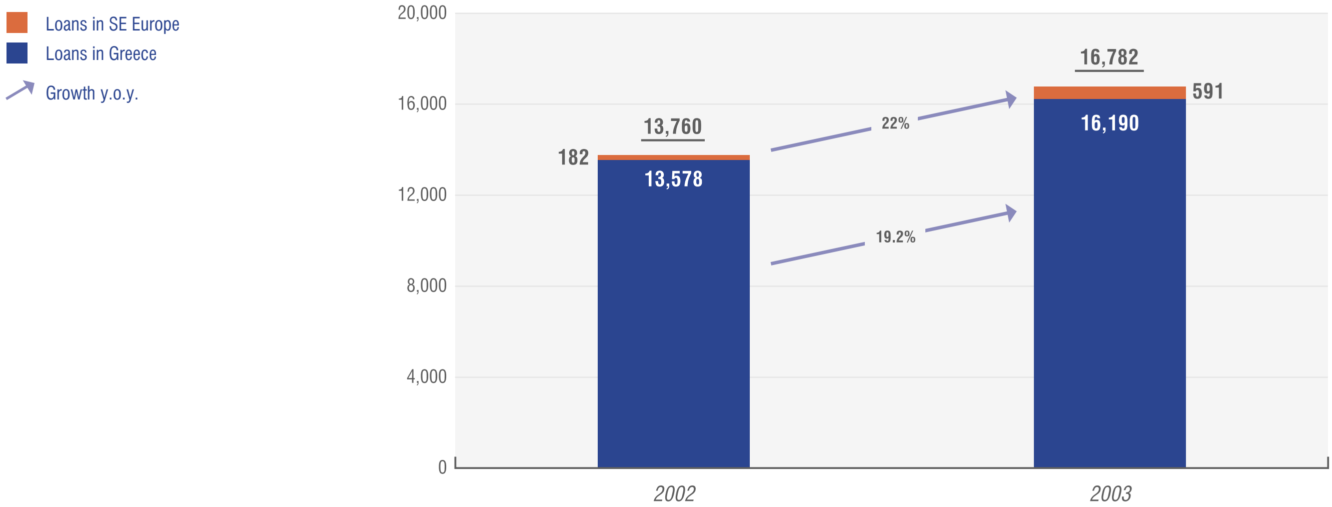
Yasmine D. Ralli
General Manager
Group Treasurer-Head of Global Markets. Born in Alexandria, Egypt, in 1949. She has served as Treasurer, Assistant General Manager, Group Treasurer (EFG Eurobank Ergasias), and Treasurer (Bank of America). She is a Member of the Boards of various Group subsidiaries, as well as a member of the EFG Group Risk Committee. Mrs Ralli holds Degrees in Economics and Business Administration from the University of Maryland.

Financial Review

In the year 2003, EFG Eurobank Ergasias achieved dynamic growth in business volumes in all areas of its operations, a fact which resulted in a notable rise in loans, total revenues and profits.

The Bank's Total Loans in Greece increased by 19.2% to € 16.2 billion[1], leading to an increase in total market share of 40bps to 13.8%. Specifically, business lending in Greece rose by 12.4% to € 9.6 billion. Loans to households grew by 30.6% to € 6.6 billion, as consumer credit recorded an increase of 28% to € 3.5 billion and mortgage credit advanced 33.7% to € 3.1 billion. This robust performance led to an increase in Eurobank's market share in household lending by 60bps, from 15.8% to 16.4%.

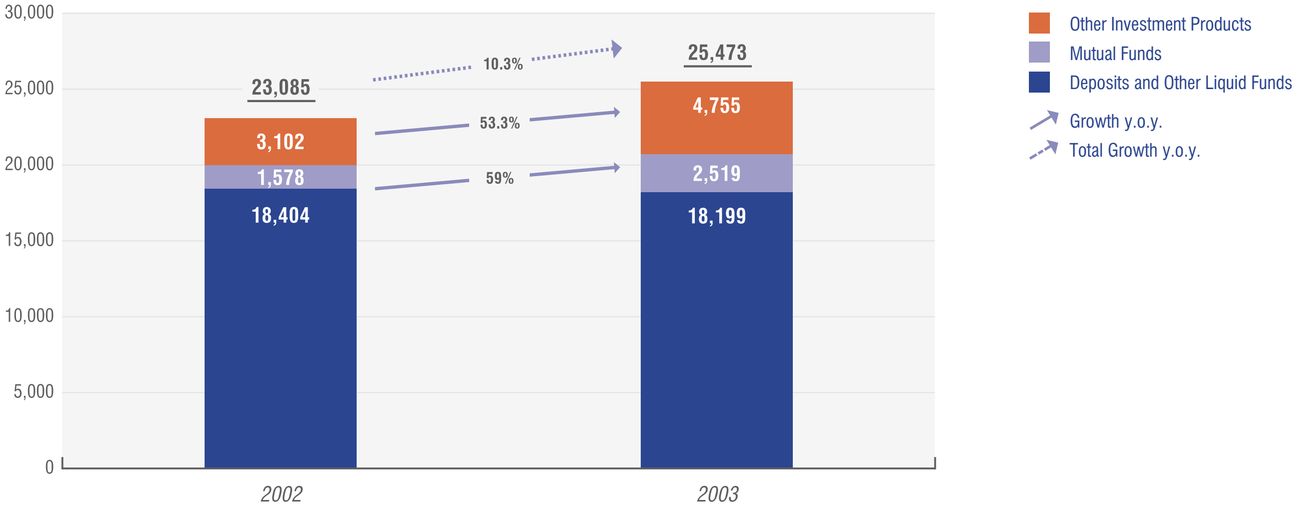
Total Loans (in € million)



Customer Loans at Group level (including the subsidiaries in the Balkans) grew by 22.2% in 2003, reaching € 16.3 billion. Household Lending expanded 34.2% from € 5.1 billion to € 6.9 billion, while Business Lending increased by 14.7% from € 8.6 billion to € 9.9

1. Before Provisions.

Funds under Management (in € million)

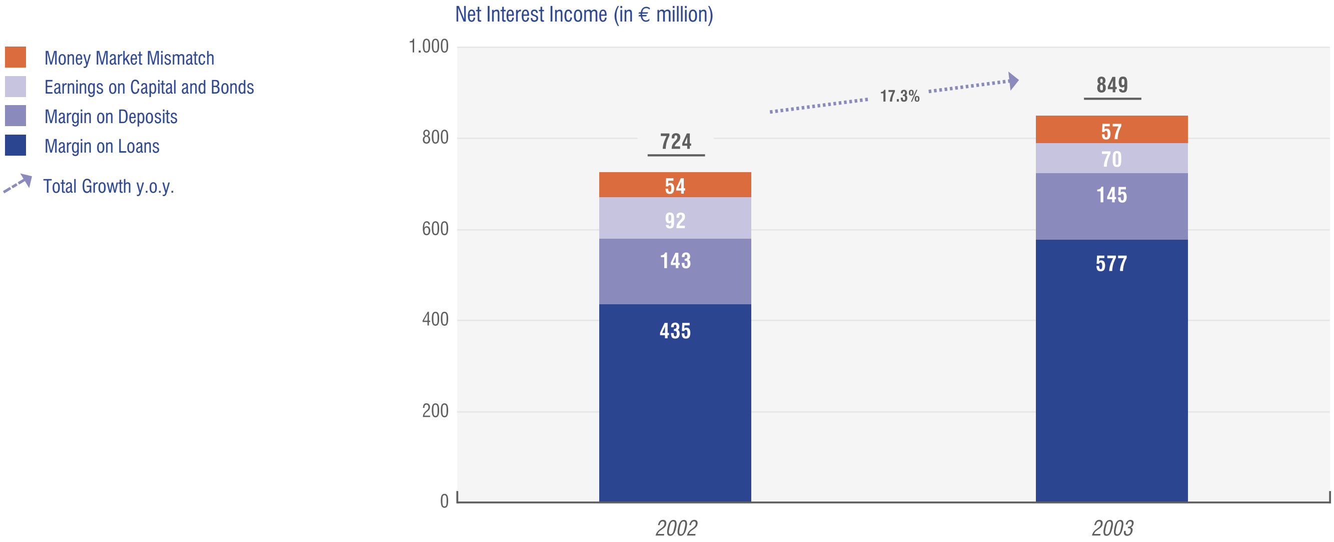


billion. Specifically, Consumer Credit in Greece and abroad expanded by 33.1% to € 3.8 billion and Mortgage Credit advanced by 35.6% exceeding € 3.1 billion.

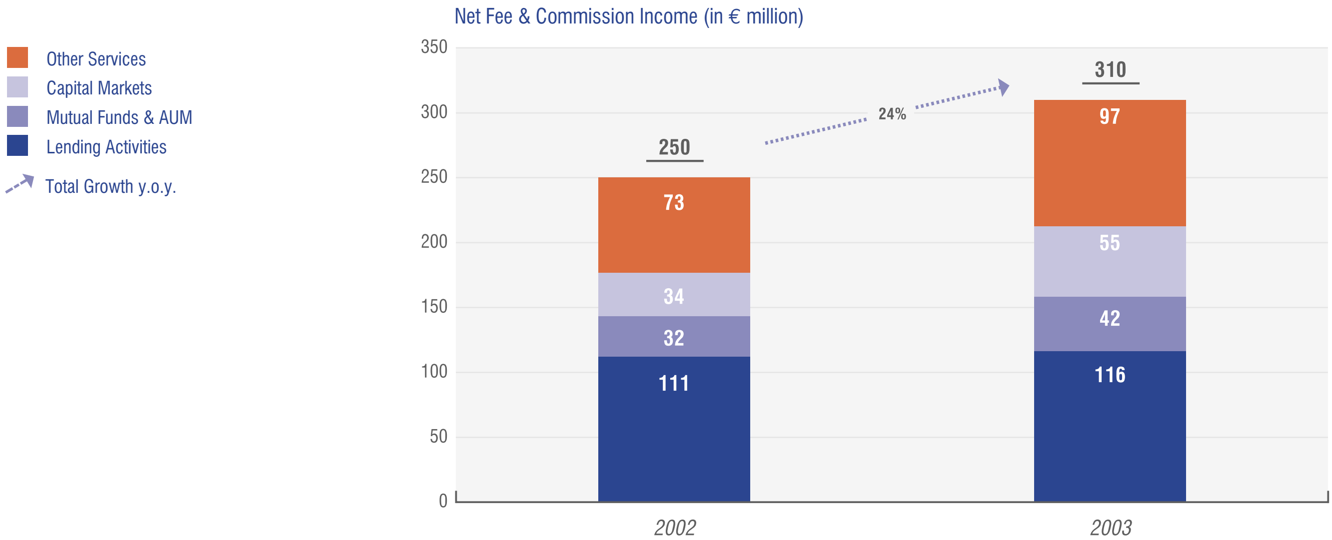
Customer Deposits for the Group increased 2% y.o.y and amounted to € 17.3 billion. Total Customer Funds, including customer deposits, repos, mutual funds and other investment products, rose by 10.3% to € 25.5 billion at current prices.

Total Assets at the end of 2003 recorded an increase of 13.8% reaching € 28 billion, compared to € 24.6 billion at the end of 2002. Balance sheet expansion mainly reflects robust growth in business volumes in Greece and in the region.

Shareholders' Equity at the end of 2003 stood at € 1.8 billion and is among the strongest in the sector. The Bank has not made use of the legal provisions of the Law 3229/2004 for the revaluation of real estate. The Capital Adequacy Ratio stood at 10.4%, comprising almost solely Tier 1 capital. The Group's strong capitalisation ensures its ability to maintain strong growth in the coming years.



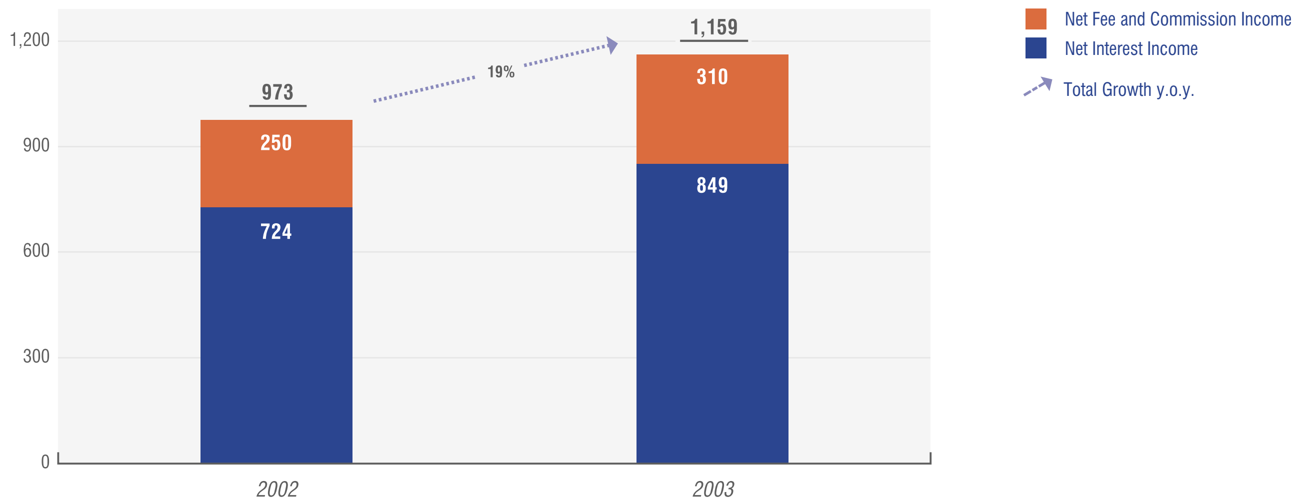
Net Interest Income (NII) increased 17.3% from € 724 million to € 849 million, contributing 70% of Total Operating Income. NII growth was driven by the 33% rise in the



margin on loans, which reached € 577 million. The Net Interest Margin (net interest income over avg. total assets) was maintained above 3%.

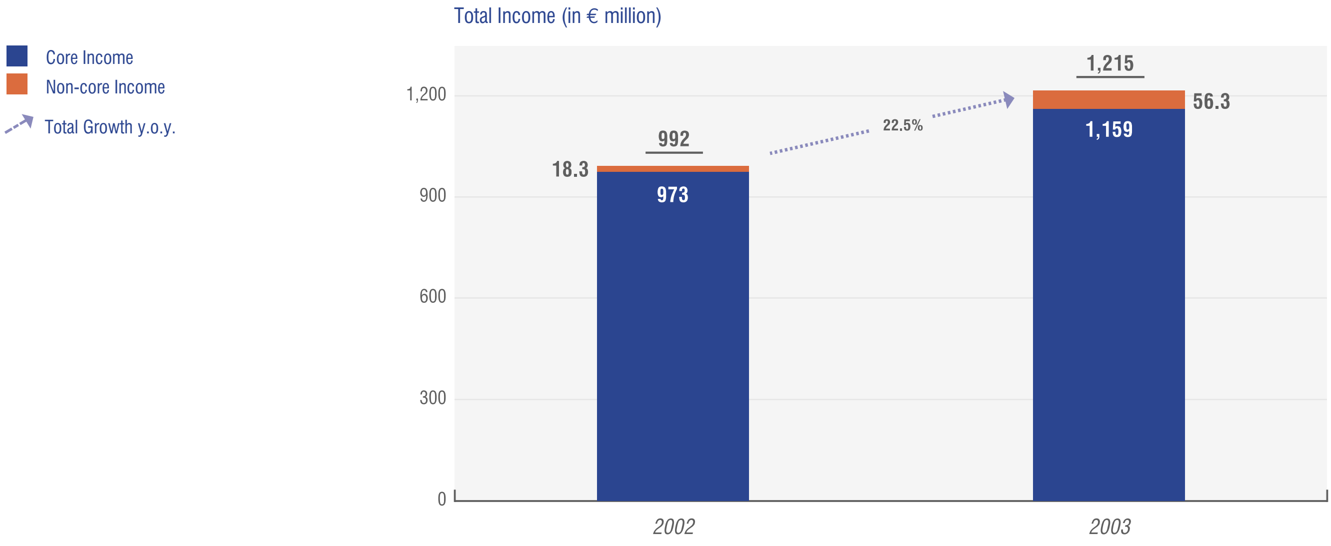
Net Fee and Commission Income recorded a robust 24% rise, from € 250 million to € 310 million, contributing 25.5% of Total Operating Income. Capital markets related fees jumped 61% to € 55 million, on the back of strong market share gains in equity brokerage and a recovery in capital markets from 2Q 2003 onwards. Asset management fees increased 32% to € 42 million, reflecting significant market share gains in the management of non-money market mutual funds.

Core Income (in € million)

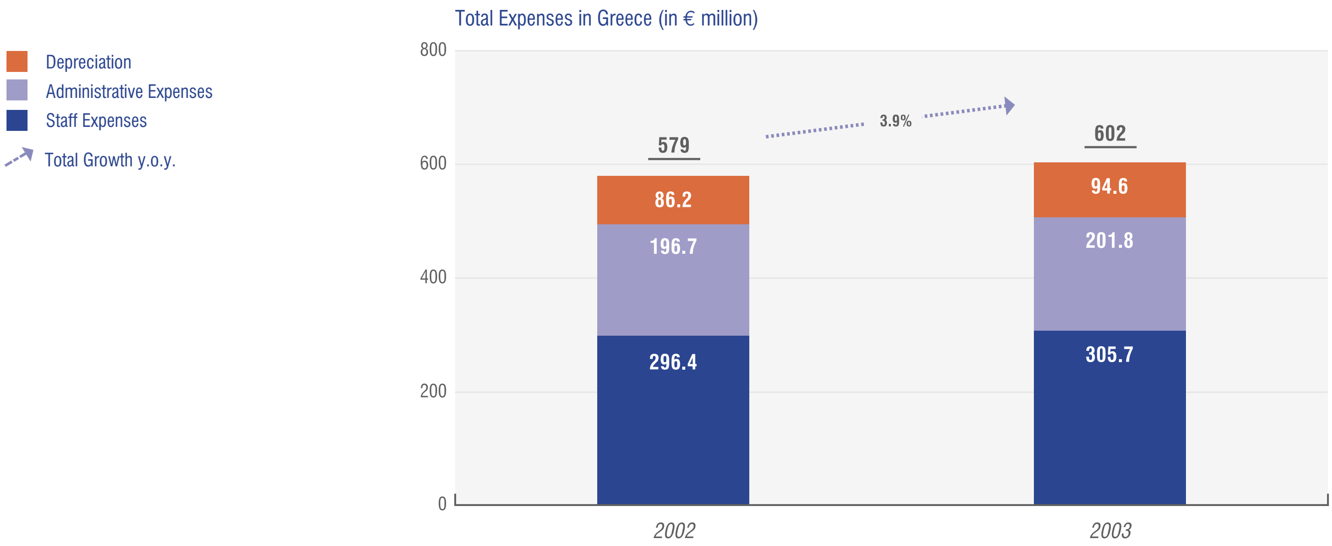


Therefore Core Revenues, comprising Net Interest and Net Fee income, recorded growth of 19%, reaching € 1,159 million (from € 973 million in 2002) and contributing 95% of Total Operating Income.

Other Income, comprising dividend, trading and other operating income, reached € 56 million compared to € 18 million in FY 2002. Consequently the Group's Total Operating Income increased by 22.5% from € 992 million to € 1,215 million, driven mainly by the growth in net interest income and in net fee and commission income.



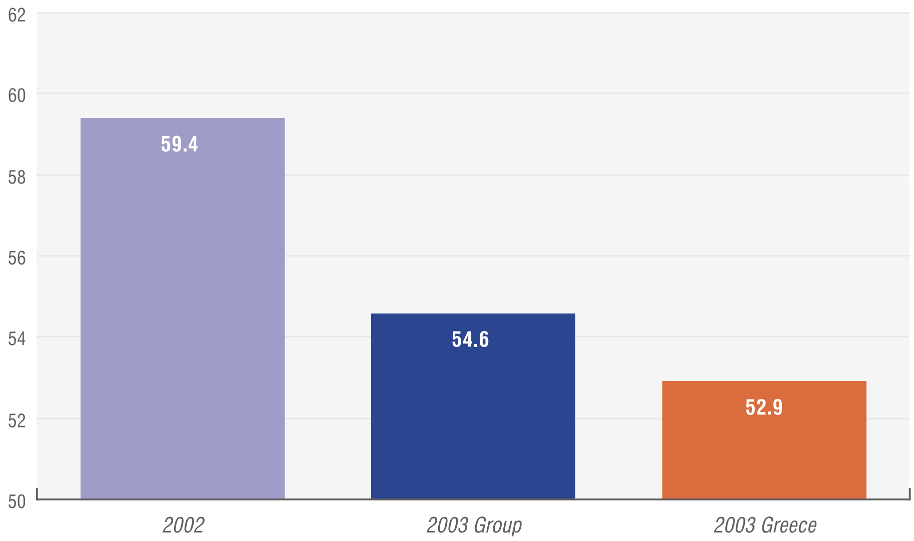
Concerning Operating Expenses, total growth for the operations in Greece exhibited a marked slowdown and stood at 3.9%. As a result, the Cost to Income Ratio in Greece recorded a sharp decline from 59% in 2002 to 52.9% in 2003. At Group level, which



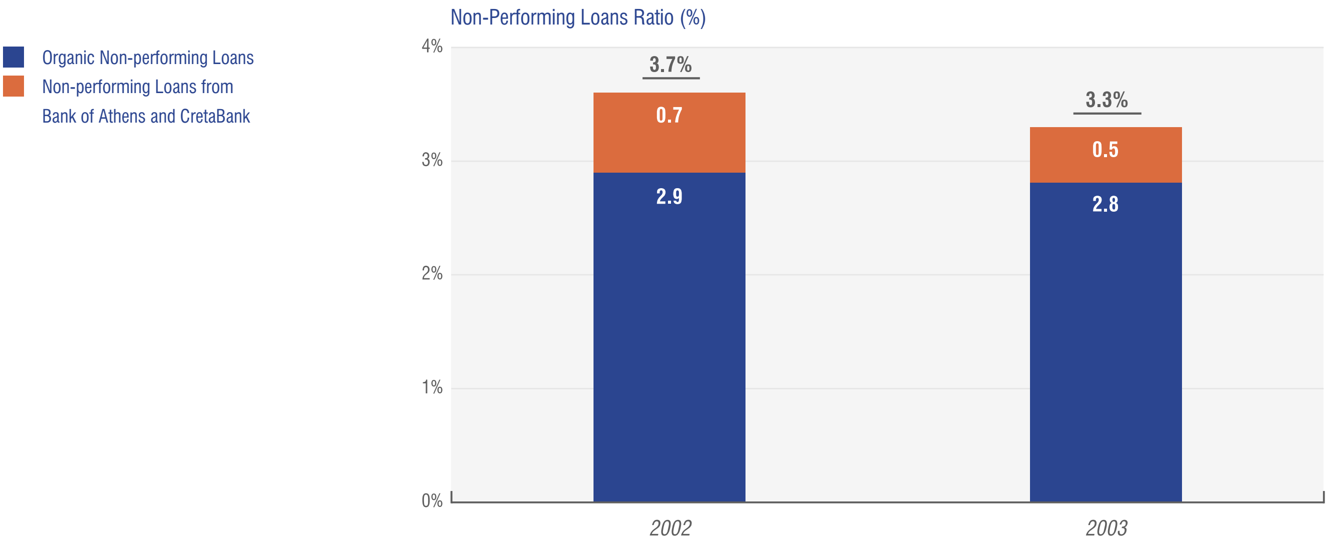
includes Romanian Banc Post in the whole of 2003 compared to only half of 4Q in 2002 accounts, total operating expenses recorded an increase by 12.6% from € 590 million to € 664 million. In total, the Cost to avg. Assets Ratio improved from 2.7% to 2.5%. The Group's Cost to Income Ratio improved significantly from 59.4% in 2002 to 54.6% in 2003, which is one of the lowest in the Greek market.

The quality of the loan portfolio has been improving, with organic non-performing loans (NPLs) at 2.8% of the total loan book at the end of 2003, vs. 2.9% in Dec. 2002. Nevertheless, the Group has maintained its conservative and clearly defined provisioning policy, increasing its provision charges by 35.9% from € 104.9 million to € 143 million in 2003. This level of

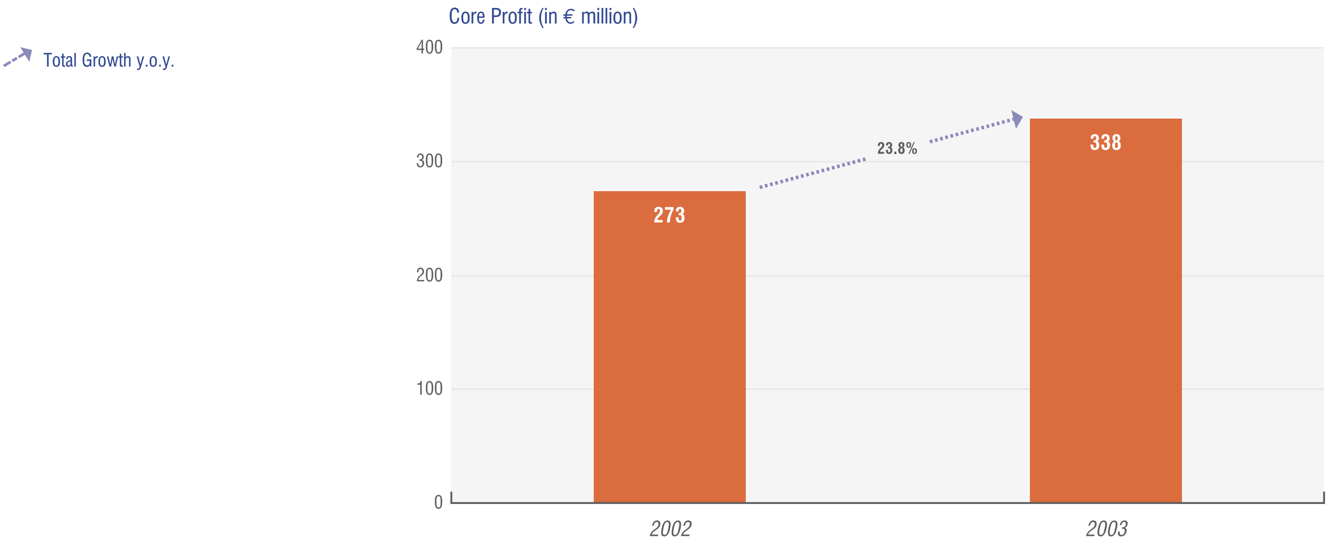
Cost / Income Ratio (%)



provisions corresponds to 96 bps on the average loan portfolio. Total provisions under Greek accounting standards, including general risk provisions, reached € 157 million, compared to € 111 million in 2002. NPLs are 85% covered by provisions, compared to 80% in 2002, a coverage ratio, which is one of the highest in the Greek market. This fact, combined with the high quality of the loan portfolio, safeguards the Bank going forward.

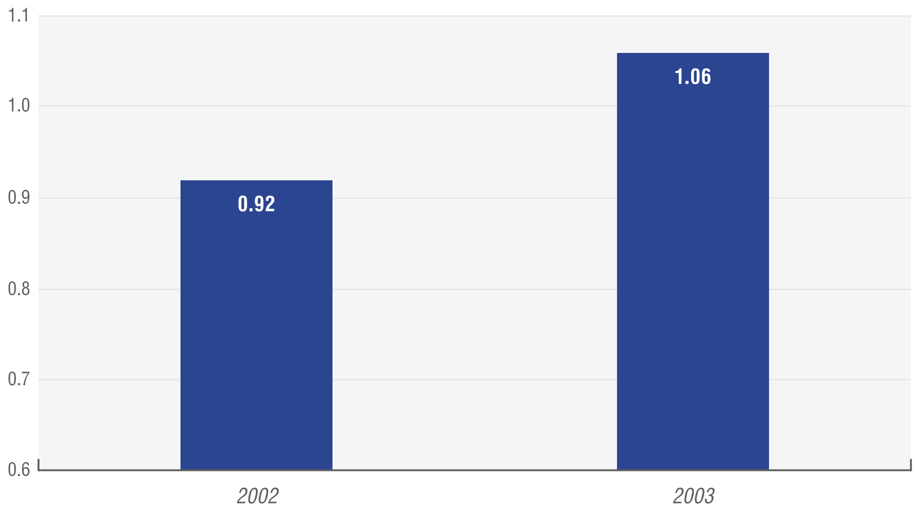


Consequently Core Profit of the Group (net interest income plus net fee income less operating expenses less provisions) climbed 24% to € 338 million in 2003, from € 273 million in 2002. In 4Q 2003, core profit reached a record level of € 95 million.



Profit Before Tax after Minorities in 2003 increased 37.7% to € 373 million. Net Profit after tax and Minorities improved 39% to € 273 million. Consolidated Net Profit after Tax attributable to shareholders amounted to € 273 million, compared to € 196 million in 2002, rising by 39%. The Board of Directors proposes to shareholders the distribution of total dividends of € 185 million or € 0.60 per share, reflecting Eurobank's strong capital position and rising organic profitability.

ROA after Tax (%)



The substantial improvement in the profitability of the Group led to a rise in after-tax Return on average Assets (ROA) from 0.9% in FY 2002 to 1.1% in FY 2003. Similarly, after-tax Return on Average Equity (ROE), at a capital adequacy ratio of 10.4%, increased to 15.1%, compared to 10.7% in FY 2002, while the Return on Required Equity (corresponding to a capital adequacy ratio of 8%) reached 20%.

The EFG Eurobank Ergasias Share

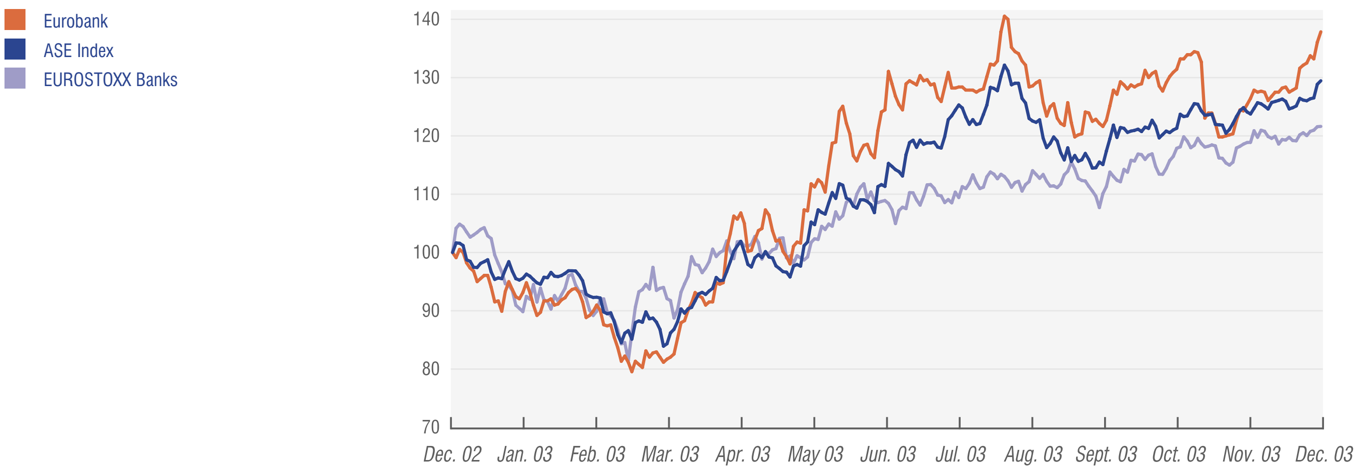
Performance

Since the beginning of the second quarter of 2003 there has been a substantial recovery in global equity markets, following a period of decline. This was particularly important for the Athens Stock Exchange (ASE) signaling the reversal of a negative course that had commenced in September 1999 when the ASE Composite Index had reached its historic high of 6,484. Correspondingly, the domestic market rose 29.5% in 2003 to 2,264 for the ASE Composite Index, as investors' interest increased again. Likewise average daily turnover on the ASE increased 41% to € 141 million, compared with € 100 million in 2002.

In the same period Eurobank share outperformed the domestic market, rising by 38%. This increase was 16.3% higher than the Dow Jones Euro Stoxx Banks Index - itself widely used as a benchmark to measure the performance of the largest European banks.

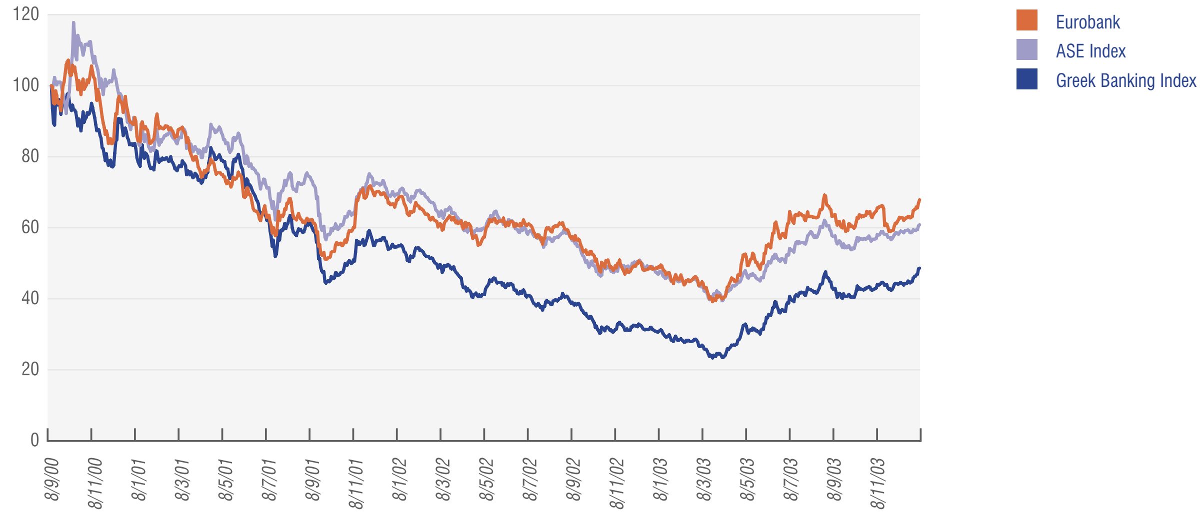
These developments are illustrated in the following graph.

Stock Performance 2003



Since the conclusion of the merger of Eurobank with Ergobank in September 2000, the unified EFG Eurobank Ergasias share price has steadily outperformed the domestic market. Specifically, from September 8, 2000 to December 31, 2003 Eurobank's share price outperformed the ASE Composite Index by 7% and the ASE Banking Sector Index by 19%, as the chart illustrates. The performance achieved supports the reliability of the Eurobank share and is a result of the Bank's sound financials, its strong position in the market and the transparency it offers to its shareholders.

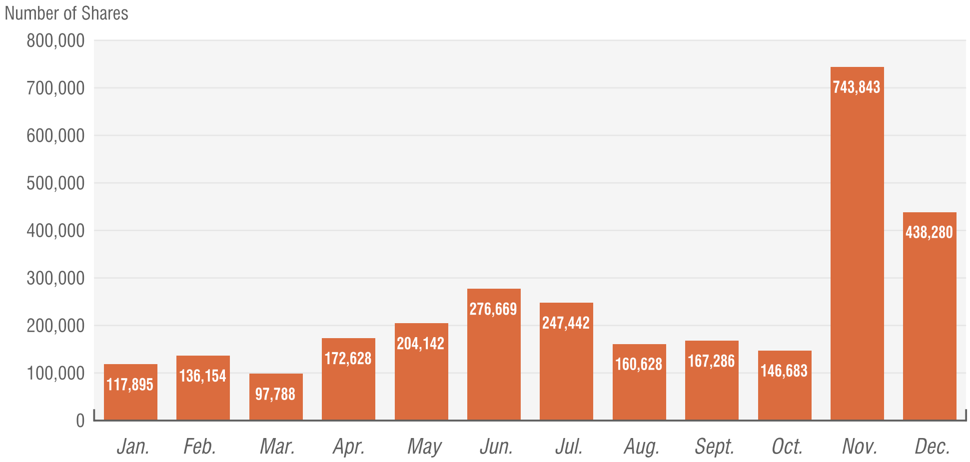
Stock Performance Sept. 2000 - Dec. 2003



Trading Activity

Moreover, the increased trading volume in Eurobank shares in 2003 was particularly noteworthy, with the average daily trading volume raising to 242,000 shares from 104,000 in 2002. The chart below shows the average number of Eurobank shares changing hands

Average Monthly Volume of Eurobank Transactions - 2003



for each month of 2003. The rise in trading activity during November and December 2003 was the result of increasing international investor interest in the Greek market, especially in the banking sector, alongside the strengthening of Eurobank's reputation among the international investor community. Moreover, the successful disposal of Deutsche Bank's 9.3% stake to the market (80% to foreign institutional investors and 20% to domestic institutional investors) led to doubling the foreign shareholders in Eurobank's share capital and to a subsequent increase in the free float by 29.2 million shares.

Months	Share Price at the end of Month (€)	Total Transaction Value (€)
January	10.62	26,292,943
February	10.19	27,748,206
March	9.09	16,889,038
April	11.28	35,050,389
May	11.38	48,785,776
June	13.10	72,487,330
July	14.36	81,725,000
August	14.88	47,802,774
September	13.68	50,346,244
October	14.72	47,501,779
November	14.04	208,871,128
December	15.44	142,107,830

Market Cap - Weight in Indices

Based on the stock's closing price at December 31, 2003, the market capitalization of the Bank amounted to € 4,857 million, placing it among the largest listed companies on the ASE. This, together with the rising free float of 59%, contributed to an increased weighting of Eurobank shares to domestic and foreign indices. At the end of 2003, Eurobank's weighting was 7.6% of the Athens Composite Index, 26% of the Banking Sector Index of the ASE and 11% of the blue-chip FTSE/ASE-20 Index. Eurobank is also a member of a number of foreign indices including the Standard MSCI Greece, MSCI EAFE, Dow Jones Euro Stoxx Banks, FTSE Med 100 and FTSE4Good. In 2003, Eurobank shares were included in the FTSE Eurotop 300

Index, which covers the 300 largest European blue chips. Eurobank ranked 259th with a free float of 75%, while it was also included among the 12 companies forming the reserve list of the FTSE Euro 100 Index, which tracks the 100 largest blue chips within the euro zone.

Dividend Yield

The substantial rise in the profitability of the EFG Eurobank Ergasias Group allowed the Bank's Board of Directors to propose to the Annual General Meeting of Shareholders the distribution of a dividend of € 0.60 per share, which corresponds to a dividend yield of 3.9% at 2003 year-end prices. Therefore, the total return on the shares, including the dividend yield, amounted to 41.9% in 2003. Total dividends paid account for 68% of 2003 consolidated net profit, a payout ratio that is among the highest in the Greek market.

Share Buy-Back Program

Furthermore, the Bank continued its buy-back program during 2003. At the end of 2002, Eurobank held 12,824,104 of its own shares. From these, a total of 8,081,526 shares were cancelled as part of the merger process with Ergoinvest S.A. and another 2,088,749 shares were cancelled as part of the merger process with Investment Development Fund S.A. Therefore, at December 31, 2003, the total number of own shares held by the Bank, including purchases during the year, was 9,320,959 and represented 2.95% of the total number of Eurobank shares.

Share Data	**2003**
Closing price (year-end)	€ 15.44
Highest price	€ 16.58
Lowest price	€ 8.88
Market cap (year-end in € million)	4,857
Treasury Shares	9,320,959
Total no of Shares	**314,550,885**

Insurance Services

Cards

Mutual Funds

Life Insurance

Property & Casualty Insurance

Business Review

Retail Banking

Offering a fast, flexible and high quality service to individuals and professionals, whilst providing innovative products through multiple distribution channels, and employing a professional workforce, with continuously enriched knowledge and experience, are the key competitive advantages of EFG Eurobank Ergasias. A result of these advantages is Eurobank's leading position among Greek Banks in the Retail Banking sector for yet another year.

In 2003 the Bank attracted new customers and also boosted cross selling to its existing client base by restructuring the branch network and by exploiting the capabilities of its improved Customer Relationship Management (CRM) infrastructure. Moreover, the Bank capitalized on the liberalization of consumer credit in Greece in July 2003 in order to offer products that meet specific client needs.

Eurobank was successful in the distribution of innovative, structured products, such as the FORMULA mutual fund. The Bank also played a dominant role in the distribution of shares of Greek public sector companies to the wider investment public, through its branches, thus offering worthy investment opportunities to its clients. In parallel, Eurobank rapidly developed the area of bancassurance, offering novel products to the Greek market.

Branch Network

During 2003 the Bank focused on further harmonizing the organizational structure of the 301 Eurobank branches throughout Greece, as well as the education and specialization of branch staff, aiming to ensure the high quality of products and services it offers. All branch staff followed an intensive education program on products and services, participating in the "Eurobank Academy". The Bank implemented a staff integration program, as well as modern motivational methods in order to maximize staff performance.

The concept of Financial Advisors, which constitutes an innovation by Eurobank in the Greek market, was successfully extended across the Bank's branches, in support of Eurobank's primary goal of offering optimal client service. Thus, the Financial Advisors, Small Business Advisors and Housing Advisors were intensively trained to offer solutions and advice to all clients of the branch network.

On the organizational front, many of the processes of the Branch network were revised, achieving a reduction in the execution time of operations, in related risk and in operational cost. In addition, as part of safeguarding and improving the quality of services offered, the Bank's specialized Quality Management Services continued to measure customer satisfaction at branch level. The measurements yielded very satisfactory results for yet another year.

Prospects for the coming years appear positive. The combination of a harmonized network, customized solutions, innovative products and simplified processes is expected to improve the position of each branch in its local market and to improve the quality of client service.

Alternative Networks

In addition to Eurobank's branches, retail clients are serviced by numerous alternative networks, such as ATMs, the Open24 service points, EuroPhone Banking, e-banking, m-banking, etc. Retail products are also distributed by a group of financial advisors and through telemarketing methods.

At the end of 2003, the Eurobank ATM network consisted of 698 Automated Teller Machines, of which 358 ATMs were off-site. During 2003 the Bank installed 26 new ATMs in the Greek islands and mainland tourist areas, making Eurobank's ATM network the largest in Greece. The range of products and services offered via the ATM network was further increased. Among new services made available were money transfers in order to pay electricity bills, supplying selected ATMs with € 100 bills and increasing the daily limit for ATM withdrawals from € 1,000 to € 1,500. The volume of transactions processed by ATMs increased by 23% compared to 2002.

Five new Open24 points of sale began to operate in 2003, raising the total number to 50. Open24 is a flexible, technologically advanced alternative sales network of retail banking products and services with core focus on consumer lending and bancassurance products. In its third year of operation, the number of new Open24 clients increased by 90% compared to 2002. In addition, considerable disbursements of mortgage, small business and consumer loans were made compared to the previous year. For 2004 the Bank is considering the expansion of the Open24 network in rural areas, as well as outside Greece.

Eurobank possesses the largest and most modern banking call centre in Greece, which has received numerous distinctions for quality of service throughout its years of operation. EuroPhone Banking, as the Eurobank phone banking service is called, offers the Bank's clients 97 possible services. During 2003, EuroPhone Banking extended its service to clients of Eurobank Cards, the Bank's consumer finance subsidiary, while it also extended its co-operation with EFG Eurobank Securities in order to improve the execution of trades. The use of EuroPhone Banking is widespread: the number of executed transactions in 2003 increased by 44% compared to 2002, exceeding six million, while the number of users increased by 20%, exceeding 295,000.

In 2003, EuroPhone gained first place at the annual competition, “The Teleperformance CRM Grand Prix 2003,” in the category “Large Call Centers”, for the exceptional quality of service it offers to clients over the telephone. The competition is conducted across 40 countries by Teleperformance and examines criteria that define the quality of teleservices (e.g. average waiting time, service quality, politeness, product knowledge, etc.).

The Financial Advisors sales network is a unique service proposition to retail clients, aimed to meet their lending and investment needs at the time and place of their convenience. The Financial Advisors accumulate knowledge and experience by undergoing constant training. They are able to “discover” the needs of each client, assisted by a customer needs identification tool, and offer the most effective solutions. The Financial Advisors, who operate mostly in the Attica and Thessalonica regions, promote mostly Small Business and Mortgage loans. Building on client relationships, they also cross - sell insurance, consumer and deposit products.

Eurobank successfully employs a special telemarketing service to promote consumer finance products, such as the “Open Line” consumer loan and the “Visa Gold” credit card, as well as bancassurance products, a segment in which the Bank commands unique experience in the Greek market for sales over the phone. During 2003, the telemarketing service continued to support the advertising campaigns of Eurobank Mortgage and Small Business loans.

Another popular banking service among Eurobank retail clients is e-banking, a service that has repeatedly received awards from established publications in its field (Global Finance, RAM, PC Magazine, and others) for its technology, its innovative design and the transaction security it provides. Moreover, Eurobank retail clients can receive information directly on their mobile phones, through the Bank’s m-banking service.

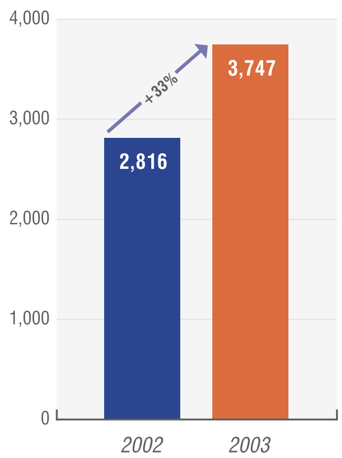
Consumer Lending and Credit Cards

In 2003 EFG Eurobank Ergasias had another successful year in consumer loans and credit cards. The Bank solidified its leading position in the Consumer Lending market by gaining market share and widening the gap from the other major players in the Greek market.

At the end of 2003, the outstanding balances of consumer credit and credit cards in Greece reached € 3.5 billion, lifting the Bank’s local market share by 2.5 percentage points, from 26.4% to 27.9%. In total, outstanding balances at Group level stood at € 3.75 billion. The number of Eurobank Consumer Finance customers rose to over 2.2 million, an increase of 15.3%. As a result of continuous growth, tight expense controls and prudent credit and risk management, the profitability of Consumer Lending Business rose by 51%.

In July 2003, Eurobank was the first to respond to the challenges of the consumer credit liberalization in Greece by launching a new, innovative product, the “Open Line”.

Consumer Lending
Outstanding Balances 2002-2003
(in € million)



Furthermore, the Bank revisited all consumer finance credit criteria and policies, aligning them to the new risk-reward realities. The new product was the result of coordinated efforts over a period of several months and was designed to meet the needs of the liberalized market. Ever since its launch, the “Open Line” has been very successful commercially, generating significant sales and outstanding volumes. Capitalizing on its experience and its long-standing historical and statistical data in Consumer Finance, the Bank increased the credit limit of selected customers, while it also attracted a considerable number of new customers. “Open Line” enjoyed favourable publicity from the local press and its television advertising campaign was commended.

On the credit cards segment, where competition was aggressive, particularly in terms of pricing, Eurobank focused its efforts on providing value added services, in order to attract new customers. In addition, the Bank launched usage promotion programs for existing customers, as well as targeted activation programs for inactive customers.

One major achievement of 2003 in the credit cards business was the cooperation agreement on the credit acceptance business in Greece, with one of the largest local credit card management organizations, Alpha Bank. This cooperation will allow the rationalization of merchants network management, resulting in significant benefits from economies of scale. In addition, this cooperation, combined with the ongoing business agreements, will contribute to maintaining Eurobank’s leading position in this sector. Another important event in 2003 was the absorption of Unit Bank, primarily an auto lending financial organization, by Eurobank. This move enhanced Eurobank’s position in a segment that is crucial to its growth strategy in Consumer Finance.

In 2003 the Bank successfully intensified its cross selling programs to Consumer Finance customers. Cross selling contributes significantly to increased customer loyalty. Customer relationships comprising more than one product -especially if one of them is savings/investments- are more loyal over time.

Regarding infrastructure, in 2003 the improvements in the applications processing system have produced automations in internal procedures, processing speed and efficiencies, while at the same time they have contributed to the provision of high quality services to customers, merchants and dealers. Thus, Eurobank has a daily processing capacity of 7,000 applications. Recognizing the importance of integrated information as a competitive advantage in the consumer credit market, Eurobank has implemented a new centralized Data Warehouse. This system has improved the quality of management information, and is the basic tool for managing and retaining new and existing customer relations.

Productivity gains combined with the reorganisation of infrastructure and the rationalisation of operating expenses have resulted in improving the expense/income ratio of the Consumer Finance Division from 39.5% in 2002 to 33.7% in 2003.

Maintaining a high quality and predictable credit portfolio is crucial for Eurobank. Consequently, during 2003 particular emphasis was placed on credit risk management: systems enhancements, new processes and adequate capacity, to ensure that credit indicators are within internationally accepted benchmarks and compliant with Basel II requirements. These have been confirmed both by internal audits, as well as by two reviews performed by Fair Isaac; an independent company specialized in consumer lending issues.

The expansion of Consumer Finance activities in South Eastern Europe continued in 2003, being one of the strategic priorities of the Bank, with the aim of capturing considerable market share. Bulgarian Retail Services (BRS) produced excellent results in its first year of operation in Bulgaria. Issuing more than 60,000 Euroline credit cards (Euroline is Eurobank's proprietary credit card), BRS posted a net profit (after provisions and before taxes) of € 1.5 million. Following the success of BRS, Eurocredit Retail Services (ERS Cyprus Ltd) was established in Cyprus and started issuing credit cards in cooperation with big local retailers in 2003. The Bank is in the process of establishing similar ventures in Romania and Serbia, expected to operate in 2004. Aside from these countries, the Bank is also examining the expansion of its Consumer Finance activities in other regional markets.

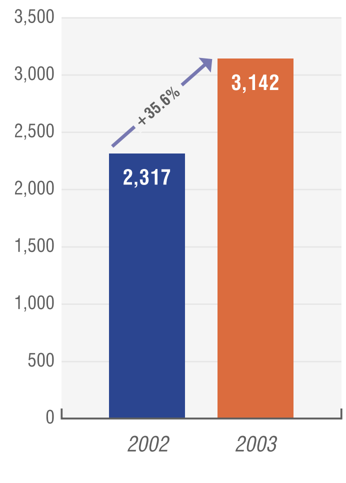
Mortgage Lending

In 2003 intense competition in Mortgage Lending continued, with interest rates and speed of delivery, from pre-approval to disbursement, being the main reference point. Eurobank, maintaining its upward trend, focused on developing new products, as well as on further evolving its services, in order to provide optimal client service.

Mortgage lending balances for the Group increased by 35.6% compared to 2002, amounting to € 3,142 million and representing 18.7% of the Bank's total loan book. In Greece, mortgage lending balances reached € 3,099 million, recording an increase of 33.7%. Incoming applications for new loans were up 37% compared to the previous year.

At the beginning of 2003 Eurobank launched two new mortgage programs, which successfully complemented the Bank's existing product base. "Eurohome Europaiko" offers a floating rate linked with the Base Rate of the European Central Bank. "Eurohome Neoi"

Mortgage Lending
Outstanding Balances 2002-2003
(in € million)



targets clients aged 25-35 and is a unique product designed for this specific client segment. An innovation of Eurobank in Mortgage Lending in 2003 was the New Generation of Flexible Mortgages. These loans are characterized by flexible features, which enable customers to adjust their instalments. Eurobank was the first Bank to introduce these features, which can be applied to all of its mortgage programs in Greece.

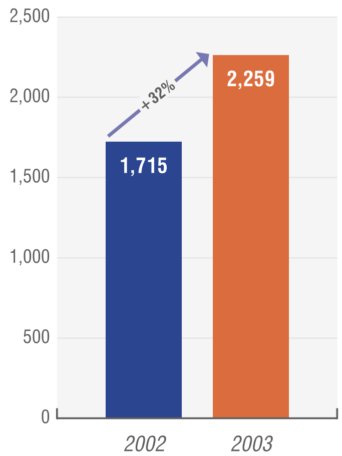
The main volume of mortgage loans was generated by the Eurobank retail branch network, while the Bank's alternative networks also contributed significantly in increasing the mortgage lending business.

In 2003 the main driver of Mortgage Lending growth was the promotion of Eurobank's competitive advantages in this market segment. These include a large product offering, competitive interest rates, long loan duration, quick disbursement times, and flexible service throughout the duration of a loan. Aiming to expand its position in Mortgage Lending, the Bank will focus on further exploiting its sales channels, cross-selling to its existing client base, as well as targeting its mortgage products to new client segments.

Small Business Lending

Within the framework of the Bank's wider reorganization, the Small Business Lending (SBL) Division expanded to comprise all professionals and small businesses with a turnover up to € 2.5 million. SBL clients are serviced by all Eurobank retail branches, which are supported by unified, centralized processes. As a result, Eurobank continued its successful course in SBL in 2003, as it serviced the needs of SBL clients effectively, maintaining low operational cost levels and applying strict credit risk controls.

Small Business Loans
Outstanding Balances 2002-2003
(in € million)



The reorganization boosted the generation of business and the creation of new products and services. The new products responded to fresh market opportunities in Greece in 2003, such as the replacement of professional vehicles, as well as the special needs of specific professional groups, such as doctors and dentists. At the same time, the liberalization of Consumer Credit enhanced the capabilities of the Working Capital, Professional Mortgage and Professional Equipment programs, achieving greater flexibility, speed and simplification. These special products, with the discrete title "120", address professionals and sole proprietors.

SBL clients are serviced at Eurobank branches by the SBL Consultants, a unique feature in the Greek banking market. The latter offer advice to professionals and small businesses, commanding unique knowledge of their specific needs. The consultants undergo constant training in order to be able to offer customized solutions to clients. SBL clients are also serviced by the Open 24 points of sale. In addition, professionals and small businesses can make use of the platform for the automated reception of orders and payments that has been developed in association with Business Exchanges, the b2b commerce subsidiary of Eurobank. In 2003, the SBL Division expanded its operations in Trade Finance (imports - exports) aiming at customising the existing infrastructure and product mix of the Bank in this area to the needs of professionals and small businesses.

A key competitive advantage of Eurobank in the area of Small Business Lending is the automation of its operating processes, which was further upgraded during 2003. Particular emphasis was placed on the electronic reception of client loan applications (ORGANOSIS), the electronic flow of required documents in order to speed up client service, and on the digitization of archives. During 2003 the SBL Division improved and expanded the automated credit scoring of loan applications, adding a specialized scope that monitors and optimizes the loan approval process. All of the above aim to increase service speed, improve the quality of the services rendered, as well as reduce operating costs.

Eurobank's competitive strategy in the area of Small Business Lending is based on product leadership and differentiation, the provision of customised service, as well as on the development of new markets. Implementing this strategy, the Bank aims in the coming years to expand its leading position in the segment of professionals and small businesses by extending client penetration through cross-selling techniques and by focusing on the development of products and services that will address the needs of specific sectors of the Greek economy that present commercial interest.

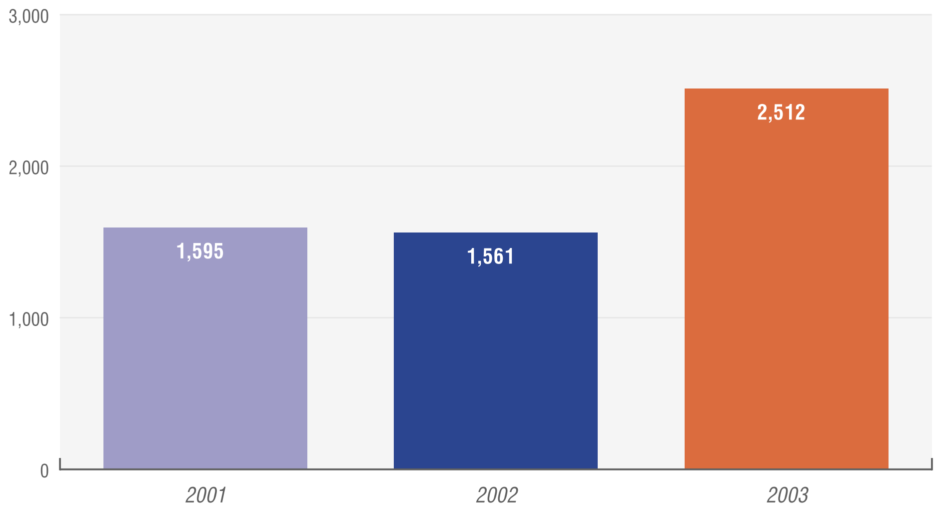
Mutual Funds

During 2003 EFG Mutual Fund Management Company, the Bank's Mutual Fund Arm, maintained its leading position in the Greek market. Assets under management reached € 7.8 billion distributed into 18 mutual funds, servicing more than 110,000 clients.

The company's performance was particularly successful relative to the market, excluding Money Market Funds, with total assets growing by more than 60%, thus substantially raising the company's market share to 20%, compared to 16% in 2002.

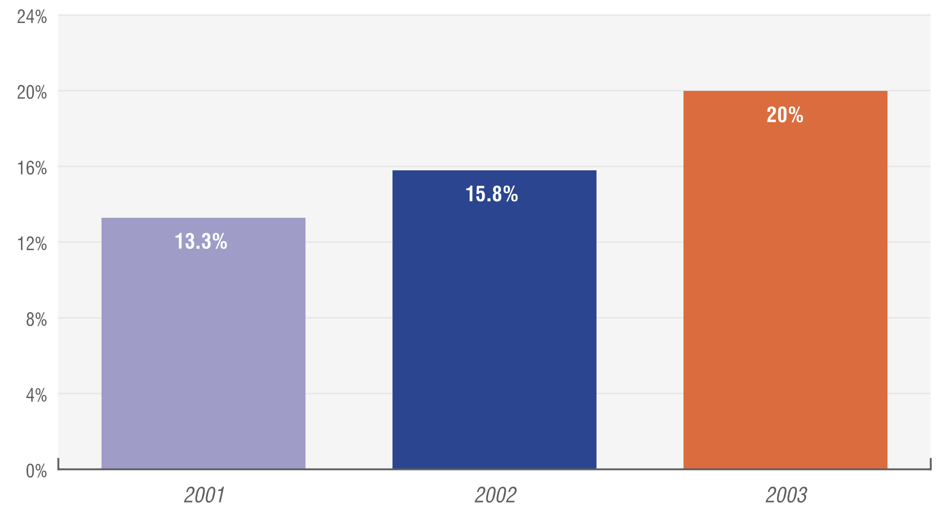
This success is attributed to the strategy to offer prudent and consistent asset management services, by employing managers with excellent experience and in-depth knowledge of their respective fields, and through product innovation (including but not limited to products incorporating capital guarantees and/or high annual income), security, promptness in transactions and the ongoing investments in technology as well as support and education

Mutual Funds under Management 2001-2003 (in € million, excluding Money Market Funds)



schemes. Commitment to high quality management and customer protection is evidenced in the certification, for the second year running, of Eurobank Plus Money Market Fund, Eurobank International Corporate Bond Fund and Eurobank Bond Domestic Bond Fund

Market Shares Excluding Money Market Funds (2001-2003)



from Standard and Poors'. It is worth pointing out that the above-mentioned Funds are the only Greek Funds that have succeeded in incorporating the discipline required to obtain the certification from the well-known International Agency.

The company's aim for 2004 is to maintain its leading role in the Greek market and to increase the range of available products and services, keeping in touch with developments in Europe and the wider region.

Insurance Activities

The presence of EFG Eurobank Ergasias Group in insurance activities was considerably strengthened in 2003. This is attributed to the successful distribution of new products, the intense utilization of the Bank's various networks and to an increased degree of penetration of insurance products in its wider client base.

EFG Life recorded an increase in premium production by 224% compared to 2002, ranking the company among the first ten life insurance companies in Greece. A significant contributing factor to this achievement was the impressive increase of premium production of the already successful product range of "Europlan" products by 416%. The range, which targets individuals and is distributed through the Bank's retail branch network, includes the products "Europlan Pension" and "Europlan Medicash". A new product, the Europlan Return, was added in the Europlan range in 2003. It is an individual policy, which guarantees a lump sum with annual mode of payment. The development of EFG Insurance was impressive, as its total production increased by 34.4% compared to 2002, exceeding € 12 million, with notable performance in insurance against fires. The company distributes its products through the Bank's branch network, as well as through alternative products, while an important part of its activities concerns cross-selling to clients of Mortgage Lending and SBLs. In the area of insurance services, the merger of Ergoinsurance Brokerage S.A. with EFG Insurance Services was successfully completed in April 2003. Particular emphasis was placed on the promotion of General and Professional liability insurance policies, and on upgrading technological infrastructure.

Eurobank aims to strengthen its presence further in the Greek insurance market in 2004 by maintaining high returns on investment and by promoting new products, such as Europlan Capital, in order to better meet client needs. The Bank also aims to extend its presence in pension management programmes.

Factors

Autorenta

Telesis Finance

Eurobank

Asset Management

Private Banking

Securities

Corporate Banking

EFG Eurobank Ergasias Group reasserted its leading presence in the area of Corporate Banking in 2003, as it further enhanced its cooperation with the majority of entrepreneurial groups in Greece. Lending to medium-sized and large corporate entities increased by 10.5% compared to 2002, while balances reached € 7.6 billion. Eurobank aims to create long-term relationships and to provide products and services tailored to the needs of enterprises that are active in Greece and in the wider Balkans area.

The new organizational structure of the Group, which was announced at the end of 2002 and was completed during 2003, played an important role in enhancing Eurobank's strong position in Corporate Banking. Within the framework of the new structure, Eurobank has developed specialized networks to serve corporate clients. The Large Corporations Division, services enterprises with a turnover of over € 25 million with two dedicated Units in Athens and Thessaloniki. The Business Centres Network comprises 32 Business Centres throughout Greece, as well as 11 peripheral service units, servicing enterprises with turnover between € 2.5 and € 25 million. Finally, the Shipping Division services the particular needs of shipping clients. All Corporate Banking networks are supported by various divisions and subsidiaries of the Bank, covering all types of financial services a corporation might require (Leasing, Factoring, investment banking, equity brokerage, real estate, insurance services etc.). This enables Eurobank to provide thorough solutions and services to corporations.

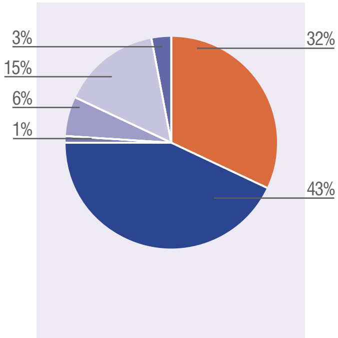
Large Corporates Division

Eurobank provides comprehensive services and specialized solutions to large enterprises, through its Large Corporates Division, covering all types of financing, financial risk coverage, and supporting clients with consulting services. The wide range of specialized products and comprehensive services that Eurobank offers to corporate customers, as well as the knowledge and experience of the Division's staff, have enabled Eurobank to maintain a loyal banking relationship with 92 large groups of companies, which represent 46% of the Division's client portfolio.

The Division assesses the individual needs as well as the creditworthiness of each client and in cooperation with other divisions or subsidiaries of the Bank, provides products and specialized solutions such as: financial Leasing (through EFG Eurobank Leasing); Factoring (through EFG Factors); Investment Banking services i.e. IPO's, rights issues, debt issues (Bonds and Syndications), insurance, mergers and acquisitions advisory services, private equity (through EFG Telesis Finance); Treasury products and derivatives for investment or hedging purposes (through the Treasury of the Bank); trade finance services (through the Imports-Exports Unit); stock brokerage (through EFG Eurobank Securities); pay-roll services; issuance of co-branded credit cards, financing schemes through credit cards; and corporate real estate advisory and agency services (through EFG Properties).

Corporate Banking

Loans to Large Corporates
by Activity Sector
(% of total)



- Manufacturing
- Commerce
- Real Estate Investments
- Construction
- Services
- Other

In 2003, Eurobank enhanced further its presence in the large corporates market, safeguarding the quality of its loan portfolio, as well as achieving a higher return on the Bank's risk assets. Loans amounted to € 3.47 billion, an increase of 5.1% compared to 2002. The Large Corporations Division aims to intensely exploit its main competitive advantages in 2004 in order to expand its dynamic presence in the market. Among those advantages are its staff, its client orientation and its continuous commitment to offer comprehensive services and specialized products, catering to the particular needs of its clients. The Division also aims to further improve its portfolio quality and profitability.

Shipping

In 2003 Eurobank consolidated its position as an expert organization in Shipping, an area where it has been active in the past nine years. Core financial services are offered to shipping companies that have a proven ability to manage their business successfully through the shipping cycles.

Business retained internally as of the close of 2003 reached USD 375 million, recording an increase of 17.1%. Investment opportunities are expected to grow in 2004, albeit at a lower pace given the prevailing high asset values in the dry sector. In light of these developments, the Bank is expected to enhance its presence further, mostly through deals involving second hand vessels and to a lesser extent newly-built tonnage.

Business Centres Network

In 2003, the Business Centres Network was reorganized and currently includes 32 Business Centres, as well as 11 peripheral service units, throughout Greece. The client profile of the Business Centres Network includes companies with an annual turnover in excess of € 2.5 million. The transition to the new organizational structure was successfully concluded in the first quarter of 2003. The new structure boosted lending to medium-sized enterprises, which reached € 4.2 billion in 2003, climbing by 15.3% compared to the previous year.

The Business Centres Network introduced new products in 2003, in cooperation with other divisions and subsidiaries of the Bank, in order to cater for the short-, medium- and long-term financing needs of its client base, guided by the particular needs of each individual client. The new products aim to protect clients from f/x risk, as well as to provide interest rate risk coverage over a long-term horizon. The new products also meet client demand for modern and efficient financing tools, such as syndicated and bond loans.

In parallel, the expert staff of the Business Centres offer advice on a wide range of products and services to medium-sized enterprises, including alternative financing methods through leasing and factoring, structured money market products, internet-based services, insurance products and payment services. The Bank continued to invest in intensive training programs on products, services and technology during 2003, thus enriching the capabilities of its banking and financing services advisors, geared at offering comprehensive solutions to the clientele of the Business Centres.

In 2003 the Business Centres Network launched an ambitious program to upgrade its technological infrastructure, placing priority on management information and lending systems. The upgraded applications will enable the Bank to compile comprehensive data on its client base of medium-sized enterprises and on each individual Business Centre. The new applications will also lead to the provision of faster and multidimensional service to the particular client base. The program for upgrading the Business Centres Network's technological infrastructure is expected to be completed in 2004.

Moreover, the Business Centres Network, with the assistance of the special unit for the development of operations and cross-selling, extended its cooperation with other divisions and subsidiaries of the Bank in order to fully exploit its existing client relationships, as well as to grow its client base.

Capitalizing on its new structure, its human resources and on new technologies, the Business Centres Network achieved very high response rates to client demands, compared to the market. Moreover, the Network grew its client relationships both horizontally and vertically, in support of its objective to establish Eurobank as the Bank of first choice among business clients. In addition, the Network invested in a new platform for the service of imports and exports, which is expected to become fully operational in 2004. The platform will contribute to the development of this particular service, as it will enable the offering of new products and financing tools to medium-sized enterprises, as well as the flexibility of conducting settlements over the Internet, thus reducing the final cost to the business client.

Leasing

EFG Eurobank Leasing, the wholly owned subsidiary of EFG Eurobank Ergasias has been active in leasing since 1992 and has been consistently included among the leading Greek leasing companies in the past few years. The number of clients in Greece amounts to 4,500, while the value of total leased assets at the end of 2003 amounted to € 642 million. Specifically, the value of new leased assets in 2003 amounted to € 274 million. The company was particularly active in the area of real estate leasing, with the value of signed contracts in this segment amounting to € 188.5 million, representing 46% of total leased assets. Clients also showed great interest in real estate leasing as an investment tool. This product is experiencing rapid growth, as the local real estate market matures.

In the area of vendor leasing, the company widened its existing relationships with vendors, while new agreements were reached with suppliers across a variety of sectors. Vendor leasing has been very popular both among suppliers, and among corporate clients.

The EFG Eurobank Ergasias Group is also active in operating car leasing to enterprises and individuals, through its wholly owned subsidiary EFG Autorental S.A. The fleet of passenger cars leased by EFG Autorental amounted to 1,150 vehicles at the end of 2003, with a total value of € 30.5 million.

The outlook for the leasing sector appears particularly positive, reflecting the strong demand by the Greek business community. EFG Eurobank Ergasias Leasing aims to satisfy client demands by offering value-adding leasing programs, tailored to the current corporate environment. In 2004, the tax abolition for the transfer of property in sale and lease-back cases, as well as the anticipated abolition of tax on goodwill, are expected to activate dormant fixed corporate assets and to become a driving force for obtaining long-term capital for new investment financing.

Factoring

The dynamic course of EFG Factors, a subsidiary of Group EFG Eurobank Ergasias, led to the capture of 22% market share in the Greek factoring market, from 17.9% in 2002. The overall factoring turnover amounted to € 806 million, an increase of 63% over 2002. During 2003, EFG Factors continued providing classic factoring products to the Greek market, while launching new forfeiting, reverse factoring and back-to-back factoring products with great success. Aside from its people, the company fully exploits the potential of Eurobank's Wholesale Banking Division and other Group subsidiaries for the distribution of its products. Distinguished for the quality of its service and for the improvement of its business performance, EFG Factors captured the award for "Best Global Import Factor" in 2003 from "Factors Chain International". The company's plans for 2004 include the development and promotion of mainly export factoring in Bulgaria and in Romania, as well as the enhancement of its presence in Greece.

Investment Banking, Capital Markets & Private Banking

Investment Banking

Eurobank maintained its leading position in investment banking in 2003, through its fully owned subsidiary EFG Telesis Finance. In particular, EFG Telesis Finance consolidated and further strengthened its leading position in public offerings and private placements, debt issues and advisory services, particularly in mergers and acquisitions. This performance coincided with growth in capital markets, progress in the Greek Government's privatization program, as well as significant domestic demand for credit.

EFG Telesis Finance led the domestic Equity Capital Markets (offerings and private placements) with a market share of 33%. It is worth noting that during 2003, EFG Eurobank Ergasias Group participated in 13 of the 16 public offerings that took place in Greece, acting as Global Coordinator in all major offerings (OPAP III, Piraeus Port Authority, Public Power Corporation III). The Group underwrote total risk of approximately € 300 million (€ 2.2 bn total value issued). Total demand generated by the Group far exceeded the underwriting value, with notable examples being OPAP III and Piraeus Port Authority, where Eurobank accounted for 35% and 33% of total retail demand respectively. Moreover, EFG Telesis Finance acted as co-Lead Manager in the private placements of 9% of COSMOTE shares (value € 270 million) by Telenor and 9% of EFG Eurobank Ergasias shares (value € 385 million) to institutional investors through an accelerated book building process.

In advisory services, EFG Telesis Finance arranged the two first ever LRCs (Leveraged Re-Capitalization) in Greece, namely Frigoglass (€ 40 million) and The Coca-Cola Company (€ 473 million). EFG Telesis Finance also acted as an advisor in some of the year's most significant M&A transactions, such as Folli Follie's bid for the acquisition of 40% of the Hellenic Duty Free Shops. The company had a leading advisory role in the privatization of the Public Corporation for Natural Gas (DEPA) and for the development of Hellenic Telecommunication Organization's (OTE) Estate. Finally, EFG Telesis Finance was a leading advisor for the tenders for the shares of Hellas Can (by Crown Holdings) and for the shares of Papastratos (by Phillip Morris).

In 2003, EFG Telesis Finance expanded its leading position in debt capital markets, providing integrated solutions to corporate financing through syndicated lending facilities and bond issues, as well as structured products aimed at public sector entities, such as a € 105 million international bond for TANEO. In the private sector, EFG Telesis Finance arranged 12 issues of syndicated loans and bonds, ranking first in terms of total volume with a market share of 24.6%. Total volume of syndicated loans and bonds arranged by the company reached € 1 billion, with some of the most significant transactions being those of Germanos, the Public Power Corporation (PPC), Chipita and Everest.

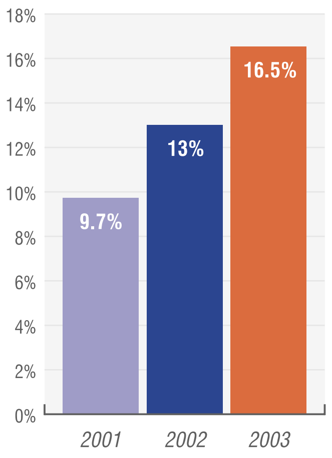
As part of its Balkans growth strategy, EFG Telesis Finance continues to broaden its service offering to Greek and local enterprises in this region.

EFG Telesis Finance also manages the private equity portfolios of Eurobank. This offers the opportunity to exploit its existing expertise in a rapidly growing part of domestic economic activity, while providing an attractive risk/reward profile.

Adding value and providing tailored solutions to clients are the cornerstones for achieving further growth in EFG Telesis Finance. In particular, Eurobank's investment banking arm aims at maintaining its leading position in capital markets building on its extensive backlog of mandates, its vast business expertise, and its ability to execute successfully. The company had more than 150 signed mandates at the end of 2003, an important factor both for maintaining robust business volume and at diversifying its client base.

Investment banking in Greece is characterized by intense competitive environment. EFG Telesis Finance has been distinguished for its dynamic presence, as well as the high quality and diversity of the services it offers. The company's expertise enables it to play a significant role in the development of other products that are gradually appearing in the domestic capital markets, such as asset backed securities and structured finance.

Market Share in
Stock Exchange Transactions
2001-2003



Equity Brokerage

2003 saw an international market recovery following a three-year downturn. The Athens Stock Exchange (ASE) General Index rose by 29.5% from 1,748 points on December 31st 2002 to 2,263 points on December 31st 2003. The average daily market turnover during the same period increased by 41% to € 141 million, from € 100 million in 2002.

In this environment, EFG Eurobank Securities achieved significant growth while maintaining its leading position in the Greek market, with a market share of 16.5% based on stock brokerage transaction value.

EFG Eurobank Securities maintained for yet another year its leadership position in the Greek Derivatives market, with a market share of 16% in the Athens Derivatives Exchange, while it successfully continued its activities as a broker, offering intermediary transactions. The presence of the company was particularly dynamic in equity offerings in 2003. The company acted as the exclusive broker in the Greek market in the offerings of Cosmote, Coca-Cola HBC and EFG Eurobank Ergasias, in collaboration with leading international investment banks. The company also had a significant presence in the offerings of PPC, OPAP, Intralot, Hellenic Technodomiki, as well as in the IPO of the Thessalonica Port Authority.

2003 was the second year of operations of the International Capital Markets Desk. The desk achieved significant turnover increase, acquiring a considerable number of new private and institutional clients. The year was rich in developments, as capital markets posted significant profits following three difficult years. It is worth noting the significant increase in demand for emerging market equities, particularly in China, which resulted in an increase of the company's relevant activities. For 2004 the company aims to develop new investment products in order to meet the increased demand of Greek investors for international equities. In 2003, EFG Eurobank Securities launched its market making operations.

A competitive advantage of EFG Eurobank Securities is its emphasis on the provision of quality services through alternative channels, such as phone banking and the Internet. The prominent role of phone banking for the execution of securities transactions is worth highlighting. Eurobank clients increasingly use this service, which is available through EuroPhone. Clients have direct access to the capital markets over the telephone and can perform their transactions, accurately and securely, irrespective of their location. The service eurobanktrader.gr is also an important execution tool for clients wishing to conduct market transactions exclusively over the Internet.

Treasury

During 2003, the Treasury activities of EFG Eurobank Ergasias included foreign exchange, interest rate, derivatives and bonds, as well as liquidity management and treasury sales. Further development of sales was a principal priority of Treasury. Its sales group is structured according to international standards and has desks covering a wide range of customers and products. More specifically, the Treasury sales group services institutional customers, both in Greece and in Europe, large and medium-sized corporates and shipping clients, as well as individual clients of the private banking and retail divisions of the Bank. Treasury has developed capital markets and investment products geared to specific customer needs. Structured notes and deposits, foreign exchange, interest rate and commodity derivatives are among the products that Treasury offered to its customers in the past year.

The Treasury division was also very active in diversifying markets and products in order to maximise the return to risk ratio. Eurobank maintained its leading position among Hellenic Republic primary dealers in the primary and secondary Greek sovereign bond market. The

Bank is also active in exchange-traded interest rate and bond derivatives on EUREX, as well as in bond trading through EuroMTS. Finally, the Treasury division maintains an active participation in trading corporate bonds and bonds of Southeastern European sovereigns, particularly in Bulgaria and Romania, where the Bank has an active banking presence.

The division was particularly successful in raising liquid funds from international institutional investors by issuing two bond loans, with a duration of three and five years respectively, and total value of € 1 billion. Eurobank is the only Greek bank to date to issue a five-year senior note to international investors. Another alternative source of funding was the Euro Commercial Paper (ECP) program, which was placed with Eurozone international institutional investors.

In 2003, the infrastructure of treasury operations of Eurobank's subsidiaries in Bulgaria and Romania was significantly upgraded. These operations are active in the trading of interest rate and foreign exchange, as well as local currency sovereign debt. Their main objectives are asset-liability management and servicing customers, including Greek corporations active in South Eastern Europe.

Private Banking

In 2003, the Private Banking arm of EFG Eurobank Ergasias retained its strong focus on servicing the needs of its clients. The strategic fundamentals set in 2002 continued to influence its business model. The Bank fostered a steady and controlled growth, aiming at a leading position in Private Banking services not only in the Greek, but also in the Southeastern European market.

During this year Private Banking client assets grew by approximately 12%, reaching € 3.9 billion. The growth of assets under management was underpinned by improved gross profit margins and resulted in 40% growth of net profits for the Division.

Building long lasting relationships of trust with clients remained the key pillar of Private Banking's successful strategy. During 2003, the Private Banking division implemented an elective recruitment strategy, aimed at improving the quality and experience of its 76 Private Bankers. Aiming on the development of the Private Bankers and at the enhancement of their ability to offer suitable and quality advice, the Bank offers a rigorous internal training and certification program.

Furthermore, consistent with its commitment to client service quality the Bank merged the International Private Banking Unit with the Athens Private Banking Unit and created the largest Unit in the Private Banking network managing approximately 20% of Private Banking client assets.

Increased volatility during the year combined with low client expectations for investment returns influenced the mix of the products in a decisive manner. Again, structured products played an important role in offering innovative solutions to clients. In total, 40 structured products were launched during the year with total sales of € 300 million. Furthermore, an increased emphasis was placed on upgrading the cooperation of Private Banking with product factories, which resulted in the addition of more bond and equity markets to the Division's market coverage. Client interest for Discretionary Asset Management Services increased as a result of improved returns, as well as of the visible trend among clients for entrusting their wealth management to experienced professionals.

The quest for offering objective client advice, as well as the need to enhance client choices for modern risk diversification instruments, led to the introduction of selective specialized products offered by well-known international investment banks.

In spite of volatility in the financial markets, Private Banking achieved a growth of € 600 million in investment assets resulting in a considerable improvement in the returns of client portfolios.

Asset Management

The formation of EFG Eurobank Asset Management, a 100% owned subsidiary of Eurobank, was completed in 2003. The new company offers integrated asset management and investment advisory services to private and institutional clients with the scope of achieving economies of scale. At the end of 2003 the company's assets under management amounted to € 700 million.

The Investment Division, which employs a team of eight experienced asset managers, manages the portfolios of institutional and private clients. Investments are made with the aim to maximize expected returns, while considering each client's risk appetite and investment horizon.

The Business Development Division of EFG Eurobank Asset Management, consisting of four highly skilled individuals, focuses on institutional client acquisition, enhancement of existing relationships and active marketing of discretionary asset management products to the Bank's Private Banking units.

The company's Investment Strategy Division supports the activities of both the Investment Division and the Business Development Division. The division's team of seven analysts provides research, asset-allocation models and trade ideas of importance to private banking and to institutional clients. The division also makes strategic proposals for portfolio restructurings to clients.

Discretionary Asset Management

During 2003, Eurobank placed significant focus on the substantial enhancement of its discretionary asset management capabilities. New products and portfolio types were launched that better capture the increased investment needs of clients within a globalized market environment and widen their investment choices.

The successful strategic asset allocation and the timely stock selection of the Investment Division produced high returns during 2003. In addition, the range of available products was enriched with three new types of aggressive portfolios, and with five additional strategic asset-allocation products, which follow the recommendations of the Investment Strategy Division, depending on the investment profile of each client. The above efforts led to a 75% increase in the number of private clients with discretionary mandates, and a 65% increase in total assets under management, in 2003.

Institutional Asset Management

During 2003, EFG Eurobank Asset Management established and expanded its position in the Greek asset management and investment advisory market for institutional clients. The company's client base includes pension funds, foundations and endowments, local government bodies and agencies, the Church of Greece, universities, closed-end funds, mutual funds, as well as large companies of the public and private sector.

EFG Eurobank Asset Management has captured a leading role and obtained significant expertise in the provision of integrated advisory services for the portfolio management of pension funds. The company currently provides advisory services to some of Greece's largest pension funds, with total assets of € 4 billion. Among the pension funds serviced are the Pension Fund for Greek Farmers, the Pension Fund for Employees in Health Services, the Health Fund for Municipal Employees and the Pension Fund for Agricultural Co-operatives' Employees.

The company also plays a leading role in the equity portfolio management of pension funds. During 2003 EFG Eurobank Asset Management ranked second, in terms of performance, among the five domestic asset managers of TAP-OTE's Special Fund. In addition, the company has been hired by the Mutual Fund Company of Pension Funds, as one of the two external asset managers of its Balanced Mutual Fund, achieving high returns for the assets under management.

The company also manages Eurobank's proprietary equity portfolio, as well as the portfolio that resulted from the merger of several closed-end funds (Ergoinvest, Investment Development Fund, Ergoinvest Advisors) with the Bank. Furthermore, EFG Eurobank Asset Management provides investment advisory and asset management services to other funds affiliated with Group EFG Eurobank Ergasias.

EFG Eurobank Asset Management has developed its cooperation with domestic financial institutions in providing advisory services for the restructuring of bond portfolios and the structure of capital-guaranteed products. At the end of 2003 the company had signed contracts with 19 securities firms in Greece for the distribution of Eurobank products and services, the main product being the provision of credit for the acquisition of equities, as well as the management of the relevant margin accounts.


EFG Eurobank
Postbank

International Activities

The international strategy of EFG Eurobank Ergasias is to expand into the emerging markets of South East Europe, in order to attain two important strategic goals. The first concerns Eurobank's growth potential over the next five to ten years, through its dynamic positioning in markets that will be converging with the European Union. The second is to build an integrated operational platform. The achievement of these goals will contribute to Eurobank's evolution from a leading Greek bank to a leading regional bank, serving multiple markets with a total consumer population of over 50 million.

The initial investments of the Bank were made in Bulgaria and Romania. Both countries are candidates for EU membership in 2007. Moreover, Eurobank recently made an investment in Serbia & Montenegro. While Serbia & Montenegro is not among the candidate countries for EU membership, nevertheless it is an important market within South East Europe.

During 2003, Eurobank increased its participation in Romanian Banc Post, and focused on the organizational and operational infrastructure in all the countries where it has a presence. An IT platform has been selected, which will be adopted in Romania and Serbia, while a process for the organizational integration of all three subsidiary banks with the parent organization in Greece has been launched.

Bulgaria

In 2003, Bulgarian Post Bank continued its expansion in the local market. Loan volumes increased by 26%, while deposits grew by 24%. Net profit of the bank increased by 63% with all of the main financial indicators showing significant improvement. This was achieved despite the intense competition in the Bulgarian market following the full privatization of the Banking industry in the country.

EFG Eurobank Ergasias holds 91.72% of the bank, through its subsidiary ACBH. Post Bank ranks fifth in terms of assets in Bulgaria, with a network of 119 branches, evenly covering the entire country.

In 2003 the Bank continued streamlining its activities following the completion of the implementation of a new IT platform, thus converting its offices into points of sale and customer service. Furthermore, its new corporate identity, harmonized to that of Eurobank, was introduced to the public. The new corporate identity was coupled with an extensive program of Branch redesigning which will be completed in 2004. Moreover, the ATM network developed further, amounting to more than 60 service points at the end of 2003.

The Bank's human resources were enriched, as a number of experienced local executives were added to its Management team, to support its expansion in both Corporate and Retail markets. It is worth mentioning that Post Bank was awarded as the Bank with the best and most unique program for new hires by the Ministry of Economy, in recognition of its innovation in the management of human resources.

During 2003, Post Bank successfully launched a variety of innovative mortgage, consumer lending and merchant/discount scheme products, thus enhancing its position in retail banking. Moreover, the bank initiated its penetration of the SMEs market, another rapidly growing sector of the Bulgarian economy. In the area of Treasury, Post Bank maintained its leading position in the domestic money and securities market, holding approximately a 20% share. It has also launched a second mortgage bond issue, which was floated successfully.

In parallel with the growth of its business activities, the bank upgraded its control functions by strengthening its Risk Management and Internal Control areas in line with the standards and methodologies of Eurobank.

In recognition of its remarkable performance in 2003, Post Bank was awarded as the "Most dynamically growing Bank" by one of the most reputable local business publications, and as "Best broker in the Bulgarian Stock Exchange" by the Bulgarian Stock Exchange. Among Post Bank's future goals are to further enhance its position in assets and customer deposits, to expand in mortgage lending and lending to SMEs and to develop leasing and factoring activities.

Romania

In 2003, EFG Eurobank Ergasias acquired an additional 17% of Banc Post, previously owned by the Portuguese bank, Banco BPI. As a result of this acquisition Eurobank holds 53.25% of Banc Post, in line with its declared strategic objective to acquire management

control of the Romanian bank. It is worth mentioning that Eurobank also holds an option to acquire an additional 8.75% of Bank Post currently held by General Electric Capital Corp which, when exercised, will increase Eurobank's stake to 62%.
Banc Post has a network of 161 branches evenly covering the entire country. This is very important for a large country like Romania where businesses require a nation-wide coverage.

In 2003 the bank achieved an increase of 31% in its loan portfolio, while deposits expanded by 8%. Banc Post holds 7% of the market in consumer lending business and is the largest distributor of debit and credit cards in the Romanian market, commanding 28% of the market, with over 1.3 million cards issued.

A significant achievement of the bank in 2003 was its award as "Best Retail Bank in Romania for 2003" by Bucharest Business Week, a highly reputable business publication in Romania.

Significant management changes were introduced in 2003, the most important being the nomination of a new CEO. A number of other executives were also appointed in important key positions such as Treasury, Corporate Lending, Operations and Risk Management. The new Management team is considered to be cornerstone in the development of Banc Post. In terms of the Bank's strategy, a three-year strategic plan has been developed, aiming to improve the Bank's position in the local market by introducing new products, to improve its internal organization, to expand in new business areas and to upgrade customer service.

In terms of systems, a new IT platform has been selected and is expected to be fully installed by the end of 2004, thus significantly enhancing the bank's capabilities to upgrade its services but also implement its aggressive strategic plan.

In 2004 Banc Post will expand its lending activities in the areas of large corporations, SMEs and small business lending. At the same time the bank will streamline its retail banking business by introducing new products, as well as upgrading the capabilities of its extensive branch network. The aim is to bring Banc Post up to international banking standards, and to render it a bank capable of fully exploiting the opportunities presented in the highly promising Romanian market.

Serbia & Montenegro

Following its strategy to further expand in the South Eastern European region, Eurobank proceeded in 2003 with the acquisition of Postbanka A.D. Beograd, a small bank in Serbia & Montenegro. The banking market in Serbia is still weak after an extended period of high inflation and the impact of war and embargo, but offers significant potential for future dynamic growth.

Eurobank initially acquired 68.07% of Postbanka A.D. Beograd, and immediately proceeded with a capital increase that raised its participation to 92%. The first step was to change the name of the bank to EFG Eurobank A.D. Beograd. A three-year strategic plan has been developed, and its implementation has begun, in order to secure a strong market share, at a time when other international banks have not yet started developing their businesses more aggressively in the country.

A new management team was appointed and a number of executives were hired in the areas of Corporate Lending, Retail Banking, Risk Management and IT to support the implementation of the bank's expansionary plans.

The Bank's business plan is based on the development of a rationalized Branch network, which will initially cover the wider Belgrade region, providing corporate and SMEs lending, as well as retail lending products. The search for quality local personnel for the branch network and the process of renting appropriate buildings for the Bank's expansion are underway. The launch of the first branches in central Belgrade is expected at the beginning of 2004. The implementation of the selected IT platform for the bank began within 2003, with an expected completion date by mid-year 2004.

EFG Eurobank A.D. Beograd's aim is to establish a dynamic market position. The bank's success depends mainly on its ability to identify areas with business potential and to carefully set up an innovative and aggressive framework.

Key Figures of Consolidated Entities in South East Europe

(Amounts in € million)

BALANCE SHEET	2003	Contibution to consolidated figures (%)
Total Assets	1,157	4.1%
Loans and advances to customers	569	3.5%
Due to customers	811	4.7%
Total shareholders' equity	144	8.0%
INCOME STATEMENT		
Net Interest Income	42	4.9%
Net Fee and Commission Income	28	9.0%
Core Operating Income	70	6.0%
Total Operating Income	80	6.6%
Core Profits	5	1.5%
Profit before Tax, after Minority Interests	9	2.4%
Profit after Tax & Minority Interests	7	2.6%

Technology & Services

The Operations, Organization and Technology Division aims for continuous improvement of the Bank's operational efficiency through the automation of various processes and procedures and the expansion of income-generating capabilities of business units in a tightly controlled cost management environment. In 2003, key focus was placed on systems developments to support expansion of the Bank, while new products were developed to meet the rising customer needs and to respond to changing market conditions.

Improvements to the Altamira platform for banking operations were made, aimed at increasing efficiency and productivity, improving the level of integrity and performance and enhancing overall functionality. The Altamira platform was installed and put into operation with full success during 2002. At the same time, the procedures concerning delayed loans and the "Teiresias white list" were automated, enabling online access to client data. The project for the expansion of the Bank's Corporate Data Warehouse also continued successfully so as to enable accurate, consistent and timely collection, homogenization and storage of all customer and product data across the Bank. The first phase of the project has already been completed and covers the largest part of the most significant business areas, including all customers of the Bank, personal accounts, wholesale credit accounts and investment products.

The second phase of the project is expected to be in place within the first quarter of 2004 and will incorporate the areas of amortized loans and credit cards (issuing & acquiring business). The Data Warehouse exploitation process has commenced with the parallel implementation of the two new MIS systems for respective Business Units, namely Corporate and Private Banking. The homogenous information of the Corporate Data Warehouse will form a strong basis for a more effective management of existing client relations and the development of new ones, on the basis of the Bank's evolving Client Relationship Management system.

Projects to improve the efficiency of the Bank's information systems have been implemented or are at the final stage of implementation, in such a way as to contain investment costs and more effectively support banking operations. Noteworthy enhancements were also made to the security of information systems, through the development of an integrated Corporate Security Information Management System, which consists of Policies, Procedures and Technical Standards. The implementation of this new methodology, combined with the training and vigilance of the personnel and the use of the proper technical means, has increased to a large extent the level of prevention and confrontation of dangers to the Bank's information systems.

At the same time, telecommunications infrastructure was upgraded through proper changes to the planning of the Bank's network. Also, through the installation of modern network equipment, the quality of services offered has improved and a more efficient monitoring of the proper network operation has been achieved. In addition, operating costs fell substantially through the use of alternative telecommunication sources. Similar changes to the network planning took also place in the telecommunication infrastructure of subsidiary companies.

In 2003, the Bank, with the assistance of all business units, extended the range of its Business Continuity Plan and the Disaster Recovery Plan. These plans cover the Information Center of the Bank and business units and safeguard the uninterrupted continuation of operations.

Apart from the projects related to infrastructure development, new products were launched to support business development mainly in the areas of Retail Banking, Wholesale Banking and Treasury. An indicative example is the consumer credit product "Open Line" which enables the extension of a consumer loan facility with collateral, following consumer credit liberalization and market deregulation and the need to offer innovative and flexible products.

Organization, Centralized Services & Support Sector

In 2003, for the purposes of better monitoring Branch activities, the Bank proceeded to the automation of a series of control mechanisms and introduced new reporting, scheduled on pre-defined frequency, to be forwarded to Unit heads. In addition, in order to increase the speed of servicing its clients, the Bank proceeded with the rationalization of the operations performed by the Centralised Units and introduced new technology.

With a view to reducing operating expenses, the Bank entered into agreements with third parties (e.g. outsourced checkbook printing and off-site ATMs cash handling, while maintaining full accounting control and supervision of the outsourcers' performance.)

Moreover, aiming to reduce supplier costs, as demanded by the Network branches or Business Units, the Bank negotiated better terms and conditions with its suppliers and took a step further by formulating pre-defined catalogues, as per type of supplies. These initiatives resulted in the closing of storing premises and the significant suppression of deliveries. Furthermore, for cost containment and administration purposes, the Bank invested in the creation of centralized storing premises and has already commenced the relocation of current storage rooms. It is also worth mentioning that, in 2003, with regard to IT development, the Bank set up a number of applications/databases that allow better monitoring, in terms of budget, of the projects undertaken (new systems/products, etc.).

In 2003 the Bank also launched a project to review procedures applying within the various Units (Network branches and Business Units); in cooperation with a Consulting firm, it has already concluded the revision and publication of Network branches procedures and has defined the timeframe within which it will review the Business Units procedures.

Custodian Services

In 2003, the Custody Division of Eurobank maintained pole position in the Custodian market for Greek Institutional Investors and further increased its client base. Additionally, Eurobank was the only Greek bank mentioned in the annual evaluation of custodian services by the specialized international magazines Global Custodian and GSCS Benchmarks.

At the same time, the new IPOs Shares Allocation product was successfully introduced and the Euromargin product (margin account to the Bank's retail clients for the Greek market) enjoyed significant demand from brokerage companies. Further, the provision of IPO services (i.e. dividend payments and share capital increases) to Greek listed companies was continued with positive results.

As part of its client-oriented approach, the Custody division was restructured in an effort to further accommodate client needs and improve the servicing of institutional clients.

Payment Services

In 2003, the Global Financial Institutions and Payment Services Divisions continued expanding its relations with large foreign financial institutions offering commercial payments, low value payments, cash management and cash letters services. Additionally, Eurobank was among the 17 banks that participated in EBA-STEP 2, the system established by leading European banks to meet the EU requirements on reducing the cost of transferring Low Value Payments within the Eurozone.

The Bank was once again the only Greek bank participating as an exhibitor at the SIBOS Conference, which was held last year in Singapore, enabling it to promote its products and develop close ties with international financial institutions.

Other Activities of the Group in the Financial Sector

Real Estate

For more than a year, EFG Eurobank Properties has been undergoing a radical strategic structural change in order to convert its real estate investment arm into a closed-end real estate fund, taking advantage of the favourable relevant legal and tax framework.

Therefore, 2003 was dedicated to establishing the best course of action and conducting all the preparatory work needed to file the application for the transformation of the company into a closed-end real estate fund. This process did not allow for new real estate investments; however, the company continued to enjoy significant revenues from its existing portfolio, whose market value currently amounts to € 200 million.

In the meantime, business continued as usual in the real estate services sector, taking advantage of the significant brand awareness established in previous years, with the aim to provide its ever-expanding clientele with a full range of real estate services. Services were provided both to individuals and large corporations as well as pension funds and public institutions. A significant project concerned the appraisals of OTE Estate's properties - properties used by the Hellenic Telecommunications Organisation (OTE). This has been one of Europe's largest appraisal projects in recent years, involving more than 2,200 properties all over Greece. The project was undertaken together with FPD Savills.

After a delay attributed to legal issues, EFG Eurobank Properties was officially appointed as underwriter contractor by the Organising Committee of the Olympic Games 2004 for the private accommodation project of foreign visitors.

Although new investments have been postponed due to structural changes underway, the company's turnover increased by more than 15% compared with 2002.

The main goal for 2004 is the transformation of the company into a property fund and its preparation for a successful IPO on the Athens Stock Exchange in late 2004 or early 2005.

Custodian and Payment Services

In 2003, EFG Business Services S.A. continued to grow both physically and financially. With regard to the Salary Domiciliation Program, the Bank improved its offering terms to the employees of its corporate clients, regarding the deposit-investment products and the lending products of retail banking. Furthermore, the customer base of former Ergobank was incorporated in the Salary Domiciliation Program and the methods and procedures for the execution of the salary instructions were homogenised. The Salary Domiciliation program offers a broad spectrum of banking products that cover in a very preferential way, multiple general and specific customer needs from various service channels of the Bank.

In Payroll Outsourcing, further automation of the process was achieved and improvements in the relevant software were also made. In addition, a new software application was introduced for the administration of actual work time data so that more customer needs are covered in the field of Human Resources Management. Custodian and payment services are executed in a unique way, allowing for the costless adaptation of the system to the peculiarities of each company and the provision on-line real-time access to employee data with high security.

2003, saw a number of new business wins in particular large corporations and group companies in the retail, pharmaceutical and maritime sectors. Today EFG Business Services S.A. holds first place in its field, both in the number of corporate clients as well as in the number of employee customers. Compared with 2002, the number of corporate clients rose by 34% and the number of employee customers increased by 31%. Turnover grew by 39% and profit before tax improved by 46%.

B2B Services

Business Exchanges S.A., one of Greece's leading B2B service companies, has aimed since its inception to provide services exclusively to enterprises based on full Application Service Provision (ASP) and outsourcing of related operation services (such as catalogue management, user support, infrastructure support, etc.) with low investment and operational costs.

The market has recognized this model and over 250 enterprises with more than 2,800 users are utilizing these services successfully. Catalogued products have exceeded 40,000, while transactions numbered 35,000 within 2003.

In 2003, Business Exchanges S.A. achieved an increase of 70% in revenues from the electronic marketplace, an increase in its client base of 55% and an increase in transaction volume of 116%, while operating costs were reduced by 36%.

Business Exchanges S.A. is a pioneer B2B service provider, offering a wide spectrum of services, which improve the productivity and effectiveness of a company. Business Exchanges S.A. has developed and is now offering solutions that automate important aspects of the company's activities such as procurement, stock management, order management, surplus inventory disposal, offer management, and transaction clearing through financial instruments - always with low implementation and operational costs. Enterprises can utilize Business Exchange's services either as standalone or integrated with their ERP systems (such as SAP, Logic DIS ERP, etc.) or even with the systems of their transacting partners.

Within 2003, Business Exchanges also offered automated B2B transaction-clearing systems, integrated with the back-end systems of the Financial Institution, which perform clearing for both client and its partners. These automated systems improve time and cost consuming processes, with a parallel reduction of the credit risk derived from receivables collection.

E-banking services

2003 was a very important year for EFG e-solutions, a subsidiary of Eurobank that engages in the provision of e-banking services, advisory services and software development. Paying specific emphasis to increasing turnover while keeping costs under control, the company managed to become profitable from just its second year of operation. In 2003 turnover rose approximately 40% over 2002. The strategic position of EFG e-solutions within the Group offers a significant advantage in the use of new technologies.

EFG e-solutions, apart from its other operations, develops electronic banking applications. In 2003, a plethora of transactions, payments, standing orders, cheques and other applications were developed, offering Eurobank's retail and corporate clients the capability to electronically trade with the Bank 24 hours a day, 7 days a week, from their home or office. Eurobank is the number one bank in Greek e-banking. In 2003, the Bank won first place in all major competitions held in Greece and abroad (Global Finance Magazine, RAM and PC Magazine).

The breadth and depth of experience that EFG e-solutions is accumulating from the development of electronic banking is being successfully followed by the rest of the Bank, targeting cost containment and productivity gains. The implementation of these technologies within Eurobank increases e-banking capabilities and verifies the strategy of the Bank. However, the development of applications is not confined to the Bank. An important part of revenues comes from services offered to third parties with the aim always being to increase competitiveness and create new sources of revenues for Eurobank.

EFG e-solutions has developed and supported the www.open24.gr Internet page, which operates as an electronic marketplace and offers Eurobank corporate customers the ability to promote their products through the Internet. www.open24.gr is considered the leading electronic marketplace in Greece with more than 40 eponymous brands.

Corporate Governance & Risk Management

Corporate Governance

Since the establishment of Eurobank, at the beginning of the '90s, Management set key goals, which permeate the operation of the Bank at all levels. These goals include continuously serving corporate interest, the long-term sustainability and growth of the Bank, complete transparency in its management, equality in the protection and promotion of the interests of all stakeholders, as well as upholding and enhancing the Bank's integrity.

Since its establishment the Bank set out to structure its operations on the basis of corporate governance principles, regarding it as the only way to achieve these key goals. It is worth noting that Eurobank had no need to amend the composition of its Board of Directors when Greek law 3016, which calls for the appointment of non-executive and independent directors, came into effect in 2002, as the Board already included executive, non-executive and independent members. The implementation of corporate governance rules in an international group such as Eurobank, which comprises a significant number of companies active in various segments, requires a system based on the segmentation of responsibility and the creation of "Chinese walls". The Bank established internal policies and procedures to ensure a homogeneous operational mode in its group of companies, under corporate governance principles.

Thus, the principles of corporate governance are an inextricable part of Eurobank's wider corporate culture, and embed the commitment of Management that goes beyond the legal requirements. This reflects Management's strong belief that, over and above legal requirements and obligations, sound corporate governance is a matter of approach, respect to shareholders, who place their trust in Management, as well as an understanding of the immediate and long-term benefits that come with transparent corporate conduct.

Board of Directors

The Board of Directors of EFG Eurobank Ergasias S.A. as elected by the Annual General Meeting of its Shareholders held on May 19, 2003, consists of the following members:

Chairman: Xenophon C. Nickitas
Honorary Chairman (Non-Executive Director): George C. Gondicas
Vice President A´ (Non-Executive Director): Anna Maria Louisa J. Latsis
Vice President B´ (Non-Executive Director): Lazaros D. Efraimoglou
Chief Executive Officer: Nicholas C. Nanopoulos
Deputy Chief Executive Officer: Byron N. Ballis
Deputy Chief Executive Officer: Nikolaos B. Karamouzis
Executive Directors: Harry M. Kyrkos, Nicholas K. Pavlides

Non-Executive Directors: Fotis S. Antonatos, Antonios K. Bibas, Emmanuel L. Bussetil, Dr. Tessen von Heydebreck, Panayiotis K. Lambropoulos, Dr. Spiro J. Latsis, Dr. Bernd Albrecht von Maltzan, Kyriakos I. Nasikas, Stylianos G. Papaderos, Dr. Pericles P. Petalas
Non-Executive Independent Directors: Stamos P. Fafalios, Panayiotis K. Lambropoulos
Secretary: Paula N. Hadjisotiriou

Committees

The committees operating within the Bank and their members are detailed below:

A. Committees appointed by the Board of Directors

Audit Committee
Consists of the following non-executive directors:
E. Bussetil (chairman), P. Petalas, F. Antonatos.

Risk Committee
Consists of the following directors:
H. Kyrkos (chairman), X. Nickitas, N. Nanopoulos, N. Karamouzis, E. Bussetil, P. Petalas.

Remuneration Committee:
Consists of the following directors:
E. Bussetil (chairman), P. Petalas, N. Nanopoulos.

Each of the above committees compiles its code of operations (a summary of which is included in the Bank's code of operations) and appoints its secretary.

B. Committees appointed by the Chief Executive Officer

The Chief Executive Officer, to whom the management of the Bank has been entrusted, is responsible for the establishment, composition, duties and for the general operation of committees, which assist his work. The most important of these committees are the following:

Executive Committee: N. Nanopoulos (chairman), X. Nickitas, B. Ballis, N. Karamouzis, H. Kyrkos, N. Pavlides, G. Alvertis, Ch. Comiopoulos, V. Pisante, I. Ralli, P. Hadjisotiriou.

Strategic Planning Committee: N. Nanopoulos (chairman), X. Nickitas, G. Gondicas, B. Ballis, N. Karamouzis, P. Hadjisotiriou (secretary).

Credit Committee: G. Katsaros (chairman), G. Gondicas, A. Bibas, Ch. Comiopoulos, H. Kyrkos, V. Floros, A. Giannopoulos, I. Viga, A. Chasapis, Ch. Adam, D. Kouris, G. Marinos.

Ethics Committee: X. Nickitas, G. Gondicas, Th. Zambella.

Financial Reporting and Investor Relations

The wide shareholder base of Eurobank, consisting of a large number of retail shareholders, as well as an important number of domestic and international institutional investors, enhances the responsibility of the Bank for transparency, reliability, and equal treatment in the provision of financial information to the investment community. In order to ensure timely information for all stakeholders, the Bank publishes its financial statements, regulatory announcements and press releases of interest to investors to the Greek daily press, as well as on its Internet site www.eurobank.gr. All financial information is available both in the Greek and the English language, ensuring the equal treatment of international investors. Moreover, within the framework of investor relations, the Bank organizes presentations and roadshows to domestic and institutional investors, while the management regularly informs shareholders on Eurobank developments.

The Investor Relations Division of Eurobank services the specialized information needs of institutional investors and capital markets in Greece and abroad. The Division operates according to international best practice. As a result Eurobank won the award for “Best Investor Relations with International Investors” at the “Annual Investor Relations Awards 2003” organized in Greece under the auspices of the Athens Stock Exchange and the FTSE. The Bank has also established the Shareholders’ Registry, to address the needs of all shareholders.

Corporate Governance Unit

In order to ensure best practice in Corporate Governance across the entire spectrum of its activities, Eurobank established a dedicated Corporate Governance Unit. The Unit records the managerial, operational and internal control frameworks for the Bank and its subsidiaries and is responsible for their proper implementation. In addition, the Corporate Governance Division is responsible for informing the relevant regulatory and supervisory authorities, according to domestic law.

During 2003, the Internal Governance Manual, which is based on international best practice and describes the Bank’s internal control environment and governance rules, was revised. The Bank is committed under the relevant legislation to the principles of the Internal Governance Manual and to their implementation. However, these principles extend beyond legislation requirements, and include voluntary commitments of the Bank, which contribute to maintaining and enhancing Eurobank’ s integrity. The full implementation of corporate governance rules was extended in 2003 to the Bank’s subsidiaries, as per a new policy, based on the principles of the EFG Bank Group. This was a move to improve the corporate governance framework by creating a uniform set of rules and guidelines to be followed by each individual subsidiary.

Internal Controls and Audit

The Bank operates a robust system of internal controls, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Achievement of strategic goals through effective and efficient operations
- Safeguarding of the Bank's assets
- Reliability of financial reporting
- Compliance with applicable laws and regulations

The key principles underlying the Bank's system of internal controls are:

Control Environment. This is the foundation for all other components of internal control, providing discipline and structure and influencing the control awareness of employees. Integrity and high ethical values stem from management's philosophy and operating style and appropriate recruitment and training policies ensure the competence of the Bank's employees.

Risk Assessment. The Bank acknowledges that taking risks is an integral part of its business and has set mechanisms to identify those risks and to assess their potential impact on the achievement of the Bank's objectives, as well as to manage them effectively.

Control Activities. Control activities are the policies and procedures that help ensure that management directives are carried out. They occur throughout the organisation, at all levels and in all functions. One of the prime control means of the Bank is segregation of duties.

Information and Communication. The Bank has set effective communication channels to ensure that information is communicated down, across and up within the organisation. Mechanisms are also in place to communicate effectively with outside parties including regulators, shareholders and customers.

Monitoring. The Bank has established mechanisms for the ongoing monitoring of activities as part of the normal course of operations as well as setting up separate control functions whose role is to carry out independent evaluations.

The Bank's Management is responsible for establishing and maintaining an appropriate system of internal controls. The Board of Directors has overall responsibility for ensuring that the system of internal controls is effective and adequate for the size and complexity of the Bank's operations. Management and the Board are assisted in carrying out their responsibilities by the Audit Committee and the Internal Audit function.

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by:

- Reviewing the financial information, which will be provided to the shareholders.
- Assuring the efficiency and effectiveness of the Internal Control Framework, which Management and the Board of Directors have established.
- Monitoring the audit process.

The primary role of the Internal Audit function is to assist the Board and the Audit Committee by providing independent and systematic appraisals of the adequacy, efficiency and effectiveness of all internal controls that are embedded in the Bank's operations and its subsidiaries. Internal Audit makes recommendations to facilitate the continuous improvement of the control systems so that they operate with optimum effectiveness and cost efficiency, reflecting best practice. A direct reporting line to the Audit Committee empowers the function and safeguards its independence. The Bank's Internal Audit function features the highest percentage of internationally qualified auditors among audit divisions in Greek banks.

Compliance

EFG Eurobank Ergasias has established a special Compliance Unit, which ensures that the Bank meets the legal and regulatory requirements, and that it upholds its internal regulations. The Compliance Unit is responsible, among other things, for the distribution of Guidance Circulars to all Divisions and Units of the Bank. The circulars concern issues such as the prevention and elimination of money laundering, the conditions for suspension of Banking / Professional Confidentiality, the protection of personal data, the prohibition of the conduct of transactions in the form of embargos, based on EU Rulings, the observance of the Code of Conduct by personnel and other issues. The Compliance Unit supervises the implementation of the relevant legislation, rules and deontological values and communicates with the authorities involved. Moreover, the Compliance Unit specifies the relevant policies for individual Divisions of the Bank and for companies that belong to the EFG Eurobank Ergasias Group.

Supervision

The Bank of Greece regulates EFG Eurobank Ergasias (the Bank) as a credit institution. Moreover, as part of the EFG Bank Group, Eurobank is also indirectly regulated by the Swiss Federal Banking Commission, which regulates EFG Bank Group at all levels. EFG Eurobank Ergasias, being a listed entity, is also under the supervision of the Capital Markets Commission and the Athens Stock Exchange. External auditors are responsible for the Bank's audit, in accordance to Greek Company Law 2190/1920. The financial statements of the fiscal year 2003 were audited by PricewaterhouseCoopers (auditors: K. Riris, A. Papageorgiou). According to Greek Company Law 2076/1992, internal supervisory bodies are the Internal Audit Division, the Audit Committee and the Compliance Officer of the Bank.

Risk Management

EFG Eurobank Ergasias employs modern techniques, in line with international best practice, for the monitoring and efficient management of risks arising from its operations. Risk management policy is formulated by the Risk Committee of the Board of Directors and the Risk Executive, both at local and international level (EFG Eurobank Ergasias Group and EFG Bank Group respectively). Processes and control mechanisms are supervised by the Internal Audit Division, both at the level of the Bank and the Group, while the different types of risk are monitored by the Risk Management Division of the Bank. Eurobank is supervised at different levels by the Internal Audit Division of the Bank, the Internal Audit Division of the EFG Bank Group, the External Auditors of the Bank and the Group, as well as by the Greek and Swiss authorities (Bank of Greece, Swiss Federal Banking Commission).

Credit Risk

The Bank's loan portfolio is carefully monitored by a dedicated Credit Control Unit, which performs continuous field reviews in the various business units. The main attributes of an efficient credit risk function are the segregation of duties relating to the origination, approval, administration and control of loans, as well as the specific evaluation approaches per loan category. The Bank employs a differentiated credit scoring system for consumer credit and small business loans, independent valuation of collateral for mortgage loans, and full financial analyses for SMEs and corporate lending.

2003 was an important year for the Divisions engaging in the credit control of Wholesale and Retail Banking, as from the very beginning there were projects in progress aiming at the redesign of the organizational structure for a more flexible credit approval process, which would also satisfy the four eyes principle. The Credit Control Division participated actively and supported many of these procedures, the most important being:

• The Development and Control of Credit Rating Systems (MRA–Moody's rating application). Eurobank started using the MRS application in November 2002, being the first Greek Bank that has created around 300 peer groups (with differentiation based on turnover). Furthermore, a special application that keeps records of customers' rating history has been created in order to comply with Basel Accord regulations and to make the calibration process much easier.

• The efforts to re-organise subsidiary banks in the Balkans (Bulgarian Post Bank, Banc Post Romania) according to the standards of Eurobank. More specifically, among the projects successfully accomplished were the establishment of new Credit Committees, the creation of Credit Control Division, the review of credit policies and procedures according to the principles followed by Eurobank, the establishment of new credit rating system and provisioning system (for wholesale) for MIS reporting, the rating of the corporate portfolio based on the new credit rating system and the monitoring of retail lending activities and credit cards (Bulgarian Retail Services).

The quantification of credit risk of derivatives is based on the quantification of market risk. Eurobank uses the measure of Potential Future Exposure (PFE) to quantify and control the credit risk arising from derivative transactions on a daily basis. Thus, total credit risk of Eurobank relating to any counter party includes the sum of approved loans, contingent liabilities and Potential Future Exposure of derivative transactions.

Market Risk

Market Risk is the risk of potential financial loss due to an adverse change in market variables. The Bank is exposed to five types of market risk:

- Interest rate risk
- Equities price risk
- Foreign exchange risk
- Commodities price risk
- Volatilities of the above

The Bank has a set of Market Risk Policies, which cover all of its trading and banking book activities. These policies:

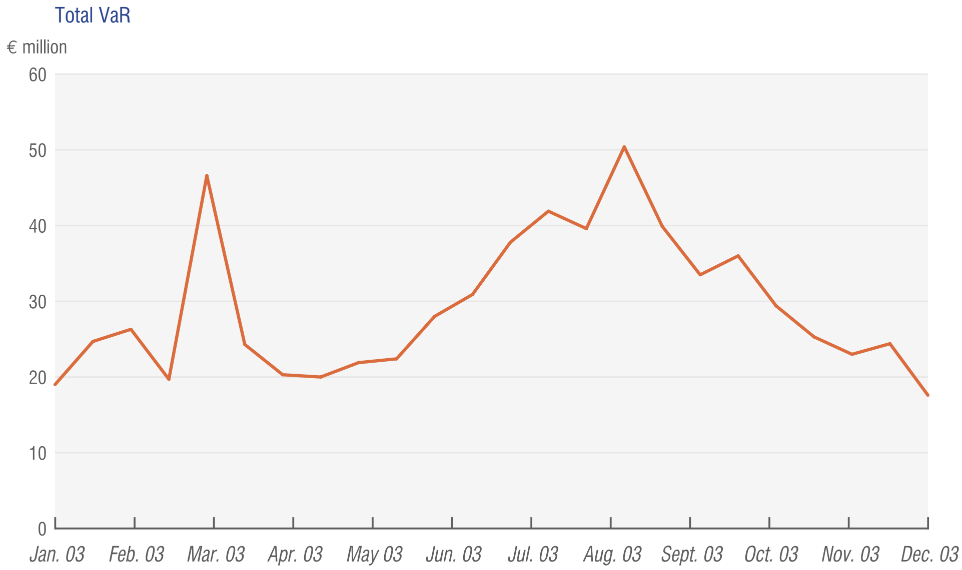
- Set the framework and minimum standard for market risk control throughout the Bank including its subsidiaries.
- Enable compliance with local and Swiss rules.
- Establish a framework that will allow the Bank to gain competitive advantage through risk-based decision-making.

All market risks (interest rate, foreign exchange, equity, commodity) are monitored and measured on a daily basis. It is worth noting that the internal model to measure risks covers all positions in derivatives.

For the quantification of market risk Eurobank uses the Monte Carlo methodology. The confidence interval is 95% and the holding period is 10 days. VaR figures include all of the

Bank's exposures (trading and banking book). For the calculation of the variance covariance matrix 130 days of historical data are used. The following diagram depicts the evolution of Eurobank's "Total Market VaR" (trading and banking book) during 2003.

High: € 50.4 million
Average: € 29.1 million
Low: € 17.6 million



For 2003 the average "Total Market VaR" over "Shareholders Equity" stood at 1.62% and the average "Total Market VaR" over "Profits before Taxes" stood at 7.6% respectively.

Broken down by risk factor, the Market VaR of the Bank over 2003 reveals the following picture:

Amounts in € million	**High**	**Average**	**Low**
Interest Rate	46.9	27.7	16.4
FX	5.5	2.0	0.6
Equity	20.9	14.7	7.0

The Risk Management Division of the Bank monitors also the VaR of subsidiaries, such as EFG Securities and EFG Insurance. For EFG Securities the principles and methodologies are identical to the ones used by the Bank. In the case of EFG Insurance, while the methodologies for the asset side are the same as those used by the Bank, the general principles of its risk management reflect the fact that the risks of its liabilities are driven by non-financial risk factors and thus require specific risk policies. These policies are approved by the Bank and comply with the legislation and rules that govern insurance companies.

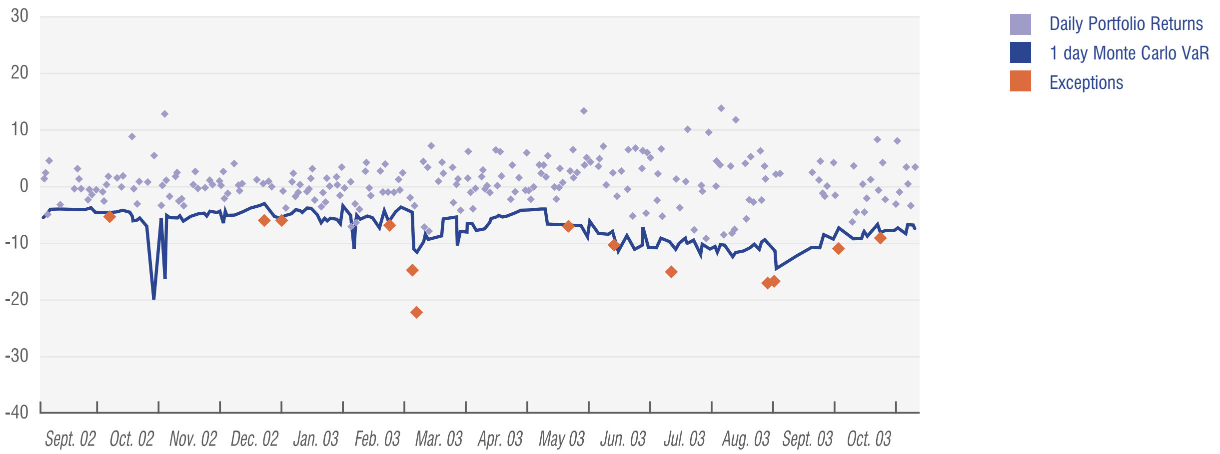
The Risk Management Division has made available to all officers of the Bank an online application of the VaR measurement model and has evolved the VaR methodology from a simple monitoring tool to a decision support tool. The application gives users the opportunity to test a combination of hypothetical transaction scenarios, measure the VaR and marginal VaR and estimate the effect on any part of the Banks position.

In addition to the value-at-risk models, the Bank adheres to strict trading limits that are set by the respective Risk Committees of the Bank and of EFG Bank Group. The Bank's Risk Management Division monitors also on a daily basis all the deals performed by treasury on an "exception report" basis.

Back testing

The Bank has implemented a Back Testing framework in order to test the risk management system's calibration and predictive power. This test consists of more than 250 daily readings. Back testing results confirmed the appropriateness and the sophistication of the model used by the Bank, as the percentage of days where the changes did not exceed the estimated VaR amounted to 94.8% versus 95% which is the confidence level used.

Bank's Back testing Results (Methodology:1 Day Monte Carlo VaR, Confidence Level: 95%)



Therefore, it is estimated that the Bank would not face a capital surcharge by its regulators should it apply to make use of the VaR methodology for determining its market risk capital charge.

Stress testing

As the VaR approach is not appropriate for exceptional market conditions, the Bank has implemented stress testing to simulate the effect of many standard deviation moves of the risk factors and of the breakdown of historical correlations.

Specifically, Sensitivity Analysis and Historical Crisis Simulations are conducted to measure the effect on the Bank's position from changes in risk factors and financial crises of the recent economic history. For each historical crisis event, the relevant changes in the risk factors are extracted for a time horizon ranging from one day to one month and their effect on the Bank's position is determined. Thus, simulations are performed on the effect of a hypothetical repetition of the following crises:

- Iraqi invasion of Kuwait (8/1990)
- Operation Desert Storm (1/1991)
- British Pound devaluation (9/1992)
- Crisis of the South East Asian economies (7/1997)
- Russian Debt crisis (8/1998)
- NATO attack on Serbia (3/1999)
- Greek Parliamentary elections (4/2000)
- World Trade Center terrorist attack (9/2001)

It should be noted that none of the above crises events would have an effect on the Bank's operations.

Liquidity Risk

Liquidity risk is the risk that the Bank will be unable to meet its obligations as they fall due, at reasonable cost or at all.

Policies have been set in order to satisfy both Bank of Greece and Swiss Federal Banking Commission rules. The Bank's liquidity policies are designed to ensure that:

- Sufficient liquid assets are maintained to meet liabilities as they arise
- A prudent proportion of medium term assets are funded by medium term liabilities

- The liquidity position is monitored closely on a daily basis and continuously throughout the dealing operations.

The responsibility for liquidity management has been delegated to the Asset and Liability Committee (ALCO). Last but not least, it is noted that liquidity crises scenarios have been set and relevant limits approved by the Bank's Board of Directors.

Operational Risk

A dedicated Operational Risk Unit manages both quality and operational risk issues at Bank level. The Bank uses an Operational Risk Awareness system to identify and measure operational risk over time. In terms of II Basel Accord, the Bank is ready to implement the first (Basic Indicator) and second (Standardized) approaches.

Eurobank has completed a pilot phase implementation of the Advanced Measurement approach in a number of its divisions and subsidiaries and it is now in the process of applying this particular Operational Value at Risk methodology throughout the Bank. A basic element of this approach is an electronic database, where all operational losses and all operational errors are being recorded.

In the direction of improving operational quality and minimizing operational losses, seven key departments have obtained ISO 9001 certifications.

Provisioning Policy

The Bank follows a strict provisioning policy in all of its portfolios based on credit control and review reports. Provisioning policy differs by loan category, based on the categorisation of credit risk. With regard to wholesale loans in particular, the Bank makes provisions based on corporations' individual ratings. Provisions for retail loans are based on annual exposure and repayment history per product category. Provisions are charged to the accounts each year, with the aim of covering delinquencies that are statistically estimated to potentially become apparent in the following year.

Retail provisions are based on the statistical analysis of each loan category. Provisions are calculated for all loans that are even one day overdue.

Provisions for credit to bank counterparties and countries are reviewed annually by the EFG Group Risk Committee and the Bank's Board of Directors, taking into account Swiss Federal Bank guidelines.

EFG Eurobank Ergasias S.A.

Consolidated Balance Sheet and Income Statement under Greek GAAP

31 DECEMBER 2003

Incorporated in Greece

Company registration No: 6068/06/B/86/07

8 Othonos Street, Athens 105 57, Tel.: (+30) 210 333 7000, Fax: (+30) 210 323 3866, www.eurobank.gr

EFG EUROBANK ERGASIAS S.A.

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2003 - Reg. No 6068/06/B/86/07

		2003	2002
	ASSETS	**Amounts in euro thousand**	
1.	**Cash and balances with central banks**	**1,199,341**	1,089,014
2.	**Treasury bills and similar securities eligible for refinancing with central banks**	**61,145**	456,426
3.	**Loans and advances to credit institutions**		
	a. Repayable on demand	**288,874**	260,330
	b. Other loans and advances	**597,307**	1,022,157
		886,181	1,282,487
4.	**Loans and advances to customers**	**16,804,647**	13,758,613
	Less: Provisions for doubtful debts	**(471,660)**	(397,833)
		16,332,987	13,360,780
5.	**Debt securities including fixed - income securities**		
	a. Issued by government	**6,724,400**	5,594,420
	b. Issued by other borrowers	**754,452**	685,519
		7,478,852	6,279,939
6.	**Shares and other variable-yield securities**	**422,077**	332,045
7.	**Participations in non-affiliated undertakings**	**45,990**	77,712
7.	**a. Investment in associated undertakings**	**19,325**	32,594
8.	**Participations in affiliated undertakings**	**29**	262
9.	**Intangible assets**		
	Other intangible assets	**222,397**	223,318
	Less: Amortisation of intangible assets	**(121,573)**	(114,130)
		100,824	109,188
10.	**Tangible assets**		
	a. Land	**68,665**	65,710
	b. Buildings	**439,805**	506,034
	Less: Depreciation	**(139,831)**	(162,816)
	c. Furniture, electronic and other equipment	**322,830**	212,514
	Less: Depreciation	**(205,511)**	(136,807)
	d. Other tangible assets	**11,258**	9,680
	Less: Depreciation	**(2,839)**	(1,567)
	e. Fixed assets under construction	**59,180**	123,903
		553,557	616,651
13.	**Other assets**	**318,800**	472,019
14.	**Prepayments and accrued income**	**610,808**	513,121
	TOTAL ASSETS	**28,029,916**	24,622,238

NOTES: 1. The consolidated Financial Statements include EFG Eurobank Ergasias SA and the following subsidiary undertakings, which are fully consolidated: EFG Private Bank Luxembourg S.A., EFG Telesis Finance SA., Eurobank Cards SA., EFG Eurobank Ergasias Leasing SA., EFG Eurobank Properties SA., EFG Mutual Funds Co SA., EFG Insurance Services SA, EFG Hellas P.L.C., EFG Eurobank Securities SA., EFG Factors SA, EFG Property and Casualty Insurance SA., EFG Eurodevelopment Investments SA., Be-Business Exchanges SA., EFG Internet Services SA., ELDEPA SA, EFG Life Insurance SA., Alico / CEH Balkan Holdings Limited, EFG Business Services SA, EFG Quality Management Services SA., OPEN 24 SA., Autorental SA., EFG Eurobank Ergasias International (C.I.) LTD, Telesis Direct SA., EFG Eurobank Asset Management Company SA., EFG Hellas (Cayman Islands) Limited, Banc Post SA (Romania), Bulgarian Retail Services SA, Hellas on Line SA, Post Bank A.D. (Bulgaria), Postbanka A.D. (Serbia), Berberis Investment Ltd, Eurocredit Retail Services Ltd. The consolidated Financial Statements also include the following associated undertakings which are accounted for using the equity method: Tefin SA, Kydon SA, Hotel Company of Athens Airport SA., Zenon Properties SA, Unit Finance SA, Global Finance SA, Global Investment Fund Management SA, Global Finance International Ltd. **2.** The Bank EFG Eurobank Ergasias merged via absorption during financial year 2003 the following entities: a) Ergoinvest S.A. on 10.4.2003 with local accounting and tax reference date of 7 November 2002, b) Ergoinvest Advisors S.A. on 7.10.2003 with local accounting and tax reference date of 30.4.2003, c) Investment Development Fund S.A. on 11.11.2003 with local accounting and tax reference date 30.4.2003, d) Unitbank S.A. on 15.12.2003 with local accounting and tax reference date of 31.12.2002. In addition, the merger via absorption of EFG Quality Management Services S.A. has been initiated with local accounting and tax reference date of 30.11.2003 and is expected to be completed by March 2004. **3.** Transactions performed by the absorbed entities from the date of their local accounting and tax reference date and until the completion date of their legal mergers, from an accounting point of view, were recognized as performed on behalf of the Bank. As a result, all the afore-mentioned transactions have affected the 2003 financial results of the Bank except for transactions performed by the merged entity Ergoinvest SA during the period 8.11.2002 until 31.12.2002 which affected the 2002 financial results of the Bank. The impact of the above mergers on the shareholders' equity was as follows: a) increase in share capital of € 18.9 million, b) decrease in share premium of € 40.3 million, c) decrease in own shares of € 28.7 million, d) decrease in special reserves of € 35.9 million resulting from valuation differences (losses) of securities portfolio recognized directly to equity. **4.** The above mergers resulted in merger differences of € 34.8 million which were off set against share premium. **5.** The General Assembly of 19.5.2003 decided the distribution of 1,050,000 new ordinary shares of € 2.89 each, at par, to employees through an increase of the Bank's share capital by € 3 million approximately. The increase was effected with the capitalization of the 2002 profits. **6.** On 17.12.2003 the Bank's share capital and share premium increased by approximately € 2.8 million and € 3.4 million, respectively, from the exercise of stock options distributed to employees, with the issue of 933,952 new ordinary shares of € 2.95 each at par. The afore-mentioned increase was certified on 18.12.2003 and the new shares were listed in the Athens Stock Exchange on 20.1.2004. **7.** In the financial year 2003 depreciation of fixed assets was accounted for in accordance with the provisions of P.D. 299/2003, by applying depreciation rates that most appropriately reflect the useful life of each asset. The new depreciation rates resulted in lower depreciation charge by € 13.5 million approximately. The goodwill calculation of a foreign subsidiary has not yet been finalised due to the non-completion of the fair market valuation of certain properties. **8.** The Bank applied the International Accounting Standards and has, therefore, not complied with the requirements of Company Law 2190/1920, in the following cases: a) the Bank consistently calculates deferred tax, which as at 31.12.03 amounted to € 47.9 million (deferred tax asset) and is included in "Prepaid expenses and accrued income". A special reserve of a corresponding amount that applies to the Bank has been created which will be offset against income tax of future periods when temporary differences are settled, b) Treasury Shares of 29.5 million are deducted from Shareholders Equity whereas according to Company Law 2190/1920 these should be disclosed as a separate category of "Assets", c) the Bank's trading securities portfolio is marked to market. The valuation gave rise to a mark-down of € 17.1 million which has been recognized in the Profit and Loss of 2003, whereas in 2002 it gave rise to a mark-up of € 18.9 million, d) certain figures of the 2003 Balance Sheet and the Income Statement relating to EFG Eurobank Ergasias Leasing S.A. and Autorental S.A. have been restated to comply with International Accounting Standards. Had this restatement not taken place, current period's profit would be lower by € 7.4 million compared to € 9.8 million lower in 2002. **9.** The cost of harmonizing the pension fund program for the employees of the merged companies, with that of the Bank, was finalized in 2003. In addition to an amount of € 4.5 million recorded in the 2002 financial results, an amount of € 9.8 million was capitalized in 2003 and is amortized over a period of 5 years. The 2003 financial results include an amortization charge of € 2 million. **10.** During 2003 the Bank performed sell-buy-back transactions for certain of its shares and recorded the realized losses of € 56.3 million directly to equity. Had the market valuation of participations and securities been performed at the lower of cost and market value the resulting difference would not have affected the equity of the Bank. **11.** The valuation of the subsidiaries securities portfolios as at 31.12.2003 gave rise to valuation differences (losses) of € 0.8 million, of which € 0.5 million are attributable to the Group. The afore-mentioned losses were off set against valuation gains of € 17.1 million, out of which € 7.6 million are attributable to the Group. The aggregate mark-up of valuation differences attributed to the Group amounts to € 7.1 million and increased directly the Group's net equity. **12.** The Bank's management and its legal advisors believe that the outcome of the existing lawsuits inclusive of the Piraeus Bank lawsuit against former Ergobank S.A and certain members of its Board of Directors will not have a significant impact on the Bank's Financial Statements and therefore, no provision for losses has been made. **13.** In accordance with the economic activity sector (STAKOD '03) 86% of the EFG Eurobank Group's revenue is classified under "Transactions of other intermediary financial institutions" (code 651.9) and the remaining 14% under other sectors of economic activity. **14.** The fixed assets of the Bank are free of charges or encumbrances. **15.** The total number of employees as at 31.12.2003 was 13,393.

		2003	2002
	LIABILITIES	**Amounts in euro thousand**	
1.	**Due to credit institutions**		
	a. Repayable on demand	**233,139**	67,713
	b. Time and notice	**4,991,070**	3,774,470
		5,224,209	3,842,183
2.	**Due to customers**		
	a. Deposits	**15,174,459**	14,529,363
	b. Other liablilities		
	ba. Repayable on demand	**162,169**	384,799
	bc. Repurchase agreements (repos)	**1,972,495**	2,118,808
		17,309,123	17,032,970
3.	**Liabilities evidenced by paper**	**2,514,635**	719,943
4.	**Other liabilities**	**690,202**	663,494
5.	**Accruals and deferred income**	**253,458**	297,426
6.	**Provisions for liabilities and charges**		
	a. Provisions for staff pensions and similar obligations	**27,346**	19,442
	c. Other provisions	**69,806**	24,394
		97,152	43,836
6.	**a. Provisions for general banking risks**	**25,036**	16,427
	EQUITY		
8.	**Share capital**	**930,680**	906,017
9.	**Share premium account**	**561,661**	598,553
10.	**Reserves**		
	a. Statutory reserve	**97,200**	85,458
	b. Extraordinary reserves	**250,274**	269,300
	c. Special reserves	**51,620**	75,630
11.	**Fixed asset revaluation reserve**	**3,853**	3,528
12.	**Retained Earnings**	**123,203**	43,708
13.	**Treasury shares**	**(129,537)**	(89,532)
14.	**Consolidation differences**	**(95,603)**	(70,968)
		1,793,351	1,821,694
15.	**Minority interests**	**122,750**	184,265
	TOTAL LIABILITIES	**28,029,916**	24,622,238

		2003	2002
		Amounts in euro thousand	
	OFF BALANCE SHEET ITEMS		
1.	**Contingent liabilities from guarantees to third parties**	**24,588,150**	25,472,467
3.	**Other off balance sheet items**		
	a. Items in custody and safekeeping	**49,869,649**	47,973,811
	b. Commitments from bilateral contracts	**13,347,460**	9,914,396
	c. Credit memo accounts	**13,946,940**	11,118,168
	TOTAL OFF BALANCE SHEET ITEMS	**101,752,199**	94,478,842

INCOME STATEMENT AT DECEMBER 31, 2003

				2003	**2002**
				Amounts in euro thousand	
1.	**Interest receivable and similar income**				
	- Interest income from fixed-income securities			**339,660**	269,305
	- Other interest and similar income			**1,180,628**	1,221,179
				1,520,288	1,490,484
2.	**Interest payable and similar charges**			**(671,427)**	(766,930)
				848,861	723,554
3.	**Income from Securities**				
	a. Income from shares and other variable-yield securities			**8,421**	6,918
	b. Income from shares in affiliated undertakings			**4,541**	5,960
				12,962	12,878
4.	**Commissions receivable**			**513,174**	362,378
5.	**Commissions payable**			**(203,136)**	(112,437)
				310,038	249,941
6.	**Net profit from financial operations**			**34,297**	(5,468)
7.	**Other operating income**			**9,137**	10,881
	TOTAL OPERATING INCOME			**1,215,295**	991,786
8.	**General administrative expenses**				
	a. Staff costs				
	- Wages and salaries			**(245,927)**	(225,827)
	- Staff pension costs			**(60,546)**	(47,947)
	- Other charges			**(31,332)**	(27,620)
	b. Other administrative expenses			**(213,567)**	(189,790)
				(551,372)	(491,184)
9.	**Fixed assets depreciation and valuation**			**(104,140)**	(87,801)
10.	**Other operating expenses**			**(8,517)**	(10,465)
11,12.	**Provisions for loans and advances and contingent liabilities and commitments**			**(156,603)**	(110,818)
	PROFIT ON ORDINARY ACTIVITIES			**394,663**	291,518
15,16,17.	**Extraordinary income, expenses and profit**			**(12,089)**	(14,497)
18.	**PROFIT BEFORE TAX**			**382,574**	277,021
	Analysed as follows:				
	Minority interest	**9,732**	6,573		
	GROUP PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	**372,842**	270,448		
	Less: Income Tax			**(107,448)**	(70,284)
	Add: Deffered Income Tax			**11,202**	(5,648)
	Less: Differences resulting from Tax Audit			**(6,893)**	(66)
	Net Profit After Tax			**279,435**	201,023
	Minority interest			**(6,812)**	(4,868)
	GROUP NET PROFIT AFTER TAX			**272,623**	196,155

Athens, February 24, 2004

THE CHAIRMAN OF THE BOARD OF DIRECTORS **Xenophon C. Nickitas** I. D. No Θ - 914611	THE CHIEF EXECUTIVE OFFICER **Nicholas C. Nanopoulos** I. D. No Σ - 237468	THE CHIEF FINANCIAL OFFICER **Paula N. Hadjisotiriou** I. D. No T - 005040	THE CHIEF ACCOUNTANT **Dimitrios K. Mitrotolis** I. D. No Π - 064395

AUDITORS' REPORT

To the Shareholders of EFG Eurobank Ergasias S.A.

We have audited the above Consolidated Financial Statements and the relevant Consolidated Attachment of the Bank "EFG Eurobank Ergasias S.A." for the year ended 31 December 2003. Our audit was conducted in accordance with the provisions of article 108 of Companies Act 2190/1920 and the auditing procedures, which we considered appropriate based on the auditing standards and principles applied by the Greek Institute of Certified Auditors Accountants. The records of the companies which are included in the consolidation were made available to us and we obtained the information and explanations considered necessary for the purposes of our audit. The valuation methods have been applied consistently. We have confirmed that the Consolidated Directors' Report is consistent with the Consolidated Financial Statements. The Consolidated Attachment discloses the information required by article 130 and the relevant provisions of Companies Act 2190/1920. In the course of our audit it came to our attention that the Group applied International Financial Reporting Standards in certain cases, which are detailed in note 8 to the Balance Sheet. As a result of these divergences from the requirements of Companies Act 2190/1920, the Group's results are understated by € 9.7 million. In our opinion the above Consolidated Financial Statements, which have been prepared in accordance with the relevant provisions of Companies Act 2190/1920, present together with the consolidated Attachment, after taking into account the matter referred to above and the matters referred to in notes 9, 10 and 11 to the Balance Sheet, the financial position of the Group as at 31 December 2003 as well as the results of its operations for the year then ended, in accordance with the prevailing legislation and generally accepted accounting principles which have been applied consistently.

Athens, February 26, 2004

The Certified Auditors Accountants
PricewaterhouseCoopers S.A.

K. Riris **SOEL Reg. No 12111**	PRICEWATERHOUSECOOPERS	A. Papageorgiou **SOEL Reg. No 11691**

EFG EUROBANK ERGASIAS S.A.

BALANCE SHEET AS AT DECEMBER 31, 2003 - Reg. No 6068/06/B/86/07

		2003	2002
	ASSETS	**Amounts in euro thousand**	
1.	**Cash and balances with central banks**	**928,778**	891,424
2.	**Treasury bills and similar securities eligible for refinancing with central banks**	**61,145**	456,425
3.	**Loans and advances to credit institutions**		
	a. Repayable on demand	**215,521**	176,241
	b. Other loans and advances	**665,207**	1,164,954
		880,728	1,341,195
4.	**Loans and advances to customers**	**15,382,405**	12,914,230
	Less: Provisions for doubtful debts	**(431,077)**	(382,341)
		14,951,328	12,531,889
5.	**Debt securities including fixed - income securities**		
	a. Issued by government	**6,445,262**	5,247,660
	b. Issued by other borrowers	**966,812**	930,143
		7,412,074	6,177,803
6.	**Shares and other variable-yield securities**	**387,261**	269,495
7.	**Participations in non-affiliated undertakings**		
	a. Related undertakings	**6,172**	44,971
	b. Other undertakings	**45,989**	70,927
		52,161	115,898
8.	**Participations in affiliated undertakings**	**455,864**	398,713
9.	**Intangible assets**		
	Other intangible assets	**201,592**	153,954
	Less: Amortisation of intangible assets	**(108,886)**	(66,696)
		92,706	87,258
10.	**Tangible assets**		
	a. Land	**39,970**	36,592
	b. Buildings	**238,596**	228,898
	Less: Depreciation	**(109,484)**	(100,678)
	c. Furniture, electronic and other equipment	**194,889**	176,835
	Less: Depreciation	**(132,071)**	(115,173)
	d. Other tangible assets	**244**	258
	Less: Depreciation	**(141)**	(169)
	e. Fixed assets under construction	**7,451**	32,821
		239,454	259,384
13.	**Other assets**	**166,087**	347,421
14.	**Prepayments and accrued income**	**586,944**	489,293
	TOTAL ASSETS	**26,214,530**	23,366,198

NOTES: 1. The Bank EFG Eurobank Ergasias merged via absorption during financial year 2003 the following entities: a) Ergoinvest S.A. on 10.4.2003 with local accounting and tax reference date of 7 November 2002, b) Ergoinvest Advisors S.A. on 7.10.2003 with local accounting and tax reference date of 30.4.2003, c) Investment Development Fund S.A. on 11.11.2003 with local accounting and tax reference date 30.4.2003, d) Unitbank S.A. on 15.12.2003 with local accounting and tax reference date of 31.12.2002. In addition, the merger via absorption of EFG Quality Management Services S.A. has been initiated with local accounting and tax reference date of 30.11.2003 and is expected to be completed by March 2004. **2.** Transactions performed by the absorbed entities from the date of their local accounting and tax reference date and until the completion date of their legal mergers, from an accounting point of view, were recognized as performed on behalf of the Bank. As a result, all the afore-mentioned transactions have affected the 2003 financial results of the Bank except for transactions performed by the merged entity Ergoinvest SA during the period 8.11.2002 until 31.12.2002 which affected the 2002 financial results of the Bank. The impact of the above mergers on the shareholders' equity was as follows: a) increase in share capital of € 18.9 million, b) decrease in share premium of € 40.3 million, c) decrease in own shares of € 28.7 million, d) decrease in special reserves of € 35.9 million resulting from valuation differences (losses) of securities portfolio recognized directly to equity. **3.** The above mergers resulted in merger differences of € 34.8 million which were off set against share premium. **4.** The General Assembly of 19.5.2003 decided the distribution of 1,050,000 new ordinary shares of € 2.89 each at par, to employees through an increase of the Bank's share capital by € 3 million approximately. The increase was effected with the capitalization of the 2002 profits. **5.** On 17.12.2003 the Bank's share capital and share premium increased by approximately € 2.8 million and € 3.4 million, respectively, from the exercise of stock options distributed to employees, with the issue of 933,952 new ordinary shares of € 2.95 each at par. The afore-mentioned increase was certified on 18.12.2003 and the new shares were listed in the Athens Stock Exchange on 20.1.2004. **6.** In the financial year 2003 depreciation of fixed assets was accounted for in accordance with the provisions of P.D. 299/2003, by applying depreciation rates that most appropriately reflect the useful life of each asset. The new depreciation rates resulted in lower depreciation charge by € 10.5 million approximately. **7.** The Bank applied the International Accounting Standards and has, therefore, not complied with the requirements of Company Law 2190/1920, in the following cases: a) the Bank consistently calculates deferred tax, which as at 31.12.03 amounted to € 42.6 million (deferred tax asset) and is included in "Prepaid expenses and accrued income". A special reserve of a corresponding amount that applies to the Bank has been created which will be offset against income tax of future periods when temporary differences are settled, b) Treasury Shares of € 128.0 million are deducted from Shareholders Equity whereas according to Company Law 2190/1920 these should be disclosed as a separate category of "Assets", c) the Bank's trading securities portfolio is marked to market. The valuation gave rise to a mark-down of € 16.4 million which has been recognized in the Profit and Loss of 2003, whereas in 2002 it gave rise to a mark-up of € 19.8 million. **8.** The cost of harmonizing the pension fund program for the employees of the merged companies, with that of the Bank, was finalized in 2003. In addition to an amount of € 4.5 million recorded in the 2002 financial results, an amount of € 9.8 million was capitalized in 2003 and is amortized over a period of 5 years. The 2003 financial results include an amortization charge of € 2 million. **9.** During 2003 the Bank performed sell-buy-back transactions for certain of its shares and recorded the realized losses of € 56.3 million directly to equity. Had the market valuation of participations and securities been performed at the lower of cost and market value the resulting difference would not have affected the equity of the Bank. **10.** In accordance with the economic activity sector (STAKOD '03) the total EFG Eurobank revenue are classified under "Transactions of other intermediary financial institutions" (code 651.9). **11.** The Bank's management and its legal advisors believe that the outcome of the existing lawsuits inclusive of the Piraeus Bank lawsuit against former Ergobank S.A and certain members of its Board of Directors will not have a significant impact on the Bank's Financial Statements and therefore, no provision for losses has been made **12.** The fixed assets of the Bank are free of charges or encumbrances. **13.** The total number of employees as at 31.12.2003 was 6,841.

		2003	2002
	LIABILITIES	**Amounts in euro thousand**	
1.	**Due to credit institutions**		
	a. Repayable on demand	**77,684**	67,676
	b. Time and notice	**5,199,874**	3,964,427
		5,277,558	4,032,103
2.	**Due to customers**		
	a. Deposits	**16,264,661**	14,240,251
	b. Other liablilities		
	ba. Repayable on demand	**87,924**	347,150
	bc. Repurchase agreements (repos)	**1,993,527**	2,048,977
		18,346,112	16,636,378
4.	**Other liabilities**	**527,103**	529,509
5.	**Accruals and deferred income**	**245,337**	265,193
6.	**Provisions for liabilities and charges**		
	a. Provisions for staff pensions and similar obligations	**26,141**	18,630
6.	**A. Provisions for general banking risks**	**25,036**	16,426
	EQUITY		
8.	**Share capital**		
	Paid-up (315,484,837 shares at € 2.95 each)	**930,680**	906,017
9.	**Share premium account**	**561,661**	598,553
10.	**Reserves**		
	a. Statutory reserve	**97,200**	85,458
	b. Extraordinary reserves	**250,274**	269,300
	c. Special reserves	**51,620**	75,630
11.	**Fixed asset revaluation reserve**	**3,853**	3,528
13.	**Treasury shares**	**(128,045)**	(70,527)
		1,767,243	1,867,959
	TOTAL LIABILITIES	**26,214,530**	23,366,198

		2003	2002
		Amounts in euro thousand	
	OFF BALANCE SHEET ITEMS		
1.	**Contingent liabilities from guarantees to third parties**	**24,557,298**	25,359,713
3.	**Other off balance sheet items**		
	a. Items in custody and safekeeping	**45,584,135**	43,927,936
	b. Commitments from bilateral contracts	**12,629,736**	9,395,840
	c. Credit memo accounts	**13,630,455**	10,972,431
	TOTAL OFF BALANCE SHEET ITEMS	**96,401,624**	89,655,920

INCOME STATEMENT AT DECEMBER 31, 2003

		2003	2002
		Amounts in euro thousand	
1.	**Interest receivable and similar income**		
	- Interest income from fixed-income securities	**235,378**	267,090
	- Other interest and similar income	**1,160,418**	1,127,189
		1,395,796	1,394,279
2.	**Interest payable and similar charges**	**(625,205)**	(714,146)
		770,591	680,133
3.	**Income from Securities**		
	a. Income from shares and other variable-yield securities	**9,383**	3,213
	b. Income from participating interests	**2,744**	1,391
	c. Income from affiliated undertakings	**32,415**	15,763
		44,542	20,367
4.	**Commissions receivable**	**296,519**	276,350
5.	**Commissions payable**	**(164,863)**	(144,354)
		131,656	131,996
6.	**Net profit from financial operations**	**25,042**	(7,910)
7.	**Other operating income**	**11,599**	11,972
	TOTAL OPERATING INCOME	**983,430**	836,558
8.	**General administrative expenses**		
	a. Staff costs		
	- Wages and salaries	**(184,980)**	(176,205)
	- Staff pension costs	**(44,079)**	(41,488)
	- Other charges	**(18,648)**	(26,576)
	b. Other administrative expenses	**(162,380)**	(158,291)
		(410,087)	(402,560)
9.	**Fixed assets depreciation and valuation**	**(78,736)**	(67,882)
10.	**Other operating expenses**	**(3,001)**	(1,969)
11,12.	**Provisions for loans and advances and contingent liabilities and commitments**	**(149,630)**	(106,872)
	PROFIT ON ORDINARY ACTIVITIES	**341,976**	257,275
15,16,17.	**Extraordinary income, expenses and profit**	**(11,713)**	(9,758)
18.	**PROFIT BEFORE TAX**	**330,263**	247,517

APPROPRIATION ACCOUNT

	2003	2002
	Amounts in euro thousand	
PROFIT BEFORE TAX	**330,263**	247,517
Less: Income Tax	**(79,501)**	(51,949)
Less: Deferred Income Tax	**(5,514)**	-
Less: Differences resulting from Tax Audit	**11,202**	(5,648)
PROFIT AFTER TAX	**256,450**	189,920
Prior years' retained earnings brought forward	**(312)**	3,985
Distributable reserves	**120,852**	-
Reserve L. 148/67 to cover losses from securities	**-**	4,330
"Deferred" Income Tax	**(11,202)**	5,648
Treasury Shares Reserve	**-**	59,500
NET ATTRIBUTABLE PROFIT	**365,788**	263,383
Appropriation of profits:		
Statutory Reserve	**10,524**	8,044
Dividend € 0.60 per share	**185,319**	144,492
Extraordinary reserves	**90,508**	95,834
Special Statutory Reserves	**10,664**	1,675
Treasury Shares Reserves	**57,518**	-
Distribution of profits to staff	**8,600**	7,300
Distribution of shares to staff	**2,655**	3,035
Distribution of bonus to staff due to Euro conversion	**-**	3,003
	365,788	263,383

Athens, February 24, 2004

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
Xenophon C. Nickitas	**Nicholas C. Nanopoulos**	**Paula N. Hadjisotiriou**	**Dimitrios K. Mitrotolis**
I. D. No Θ - 914611	I. D. No Σ - 237468	I. D. No T - 005040	I. D. No Π - 064395

AUDITORS' REPORT

To the Shareholders of EFG Eurobank Ergasias S.A.

We have audited the above Financial Statements and the relevant Attachment of the Bank "EFG Eurobank Ergasias SA" for the year ended 31 December 2003. Our audit, which has taken into account returns of the branches, was conducted in accordance with the provisions of article 37 of Companies Act 2190/1920 and the auditing procedures, which we considered appropriate based on the auditing standards and principles applied by the Greek Institute of Certified Auditors Accountants. The books and records maintained by the Bank have been made available to us and we obtained the information and explanations considered necessary for the purposes of our audit. The Bank has properly applied the Chart of Accounts for Banks except for the cases referred to in notes 7 & 9 to the Balance Sheet. The valuation methods have been applied consistently. We have confirmed that the Directors' Report is consistent with the Financial Statements. The Attachment discloses the information required by paragraph 1 of article 43a and by article 129 of Companies Act 2190/1920. In the course of our audit it came to our attention that the Bank applied International Financial Reporting Standards in certain cases, which are detailed in note 7 to the Balance Sheet. As a result of these divergences from the requirements of Companies Act 2190/1920, the Bank's results are understated by €16.4 million. In our opinion the above Financial Statements, which have been derived from the books and records of the Bank, present together with the Attachment, after taking into account the matter referred to above and the matters referred to in notes 8 and 9 to the Balance Sheet, the financial position of the Bank as at 31 December 2003 as well as the results of its operations for the year then ended, in accordance with the prevailing legislation and generally accepted accounting principles which have been applied consistently.

Athens, February 26, 2004

The Certified Auditors Accountants
PricewaterhouseCoopers S.A.

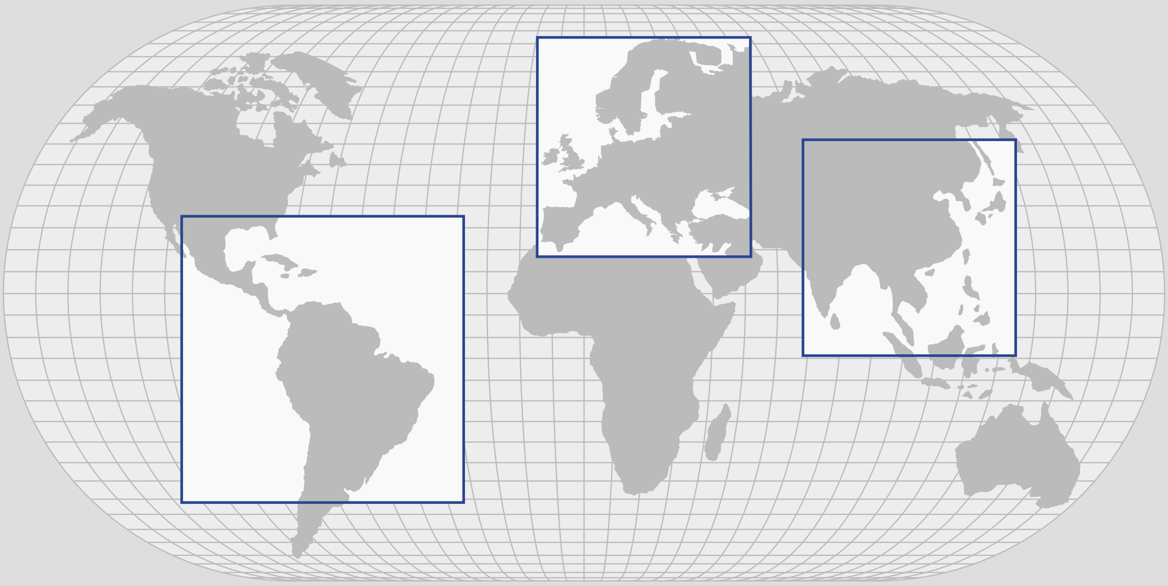
K. Riris
SOEL Reg. No 12111

A. Papageorgiou
SOEL Reg. No 11691

EFG Bank Group

and

EFG Eurobank Ergasias Group



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