

# FIRST HALF 2004 RESULTS

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# Cautionary Statement Regarding Forward-Looking Information

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# **HIGHLIGHTS & KEY DEVELOPMENTS**

# A Dynamic First Half

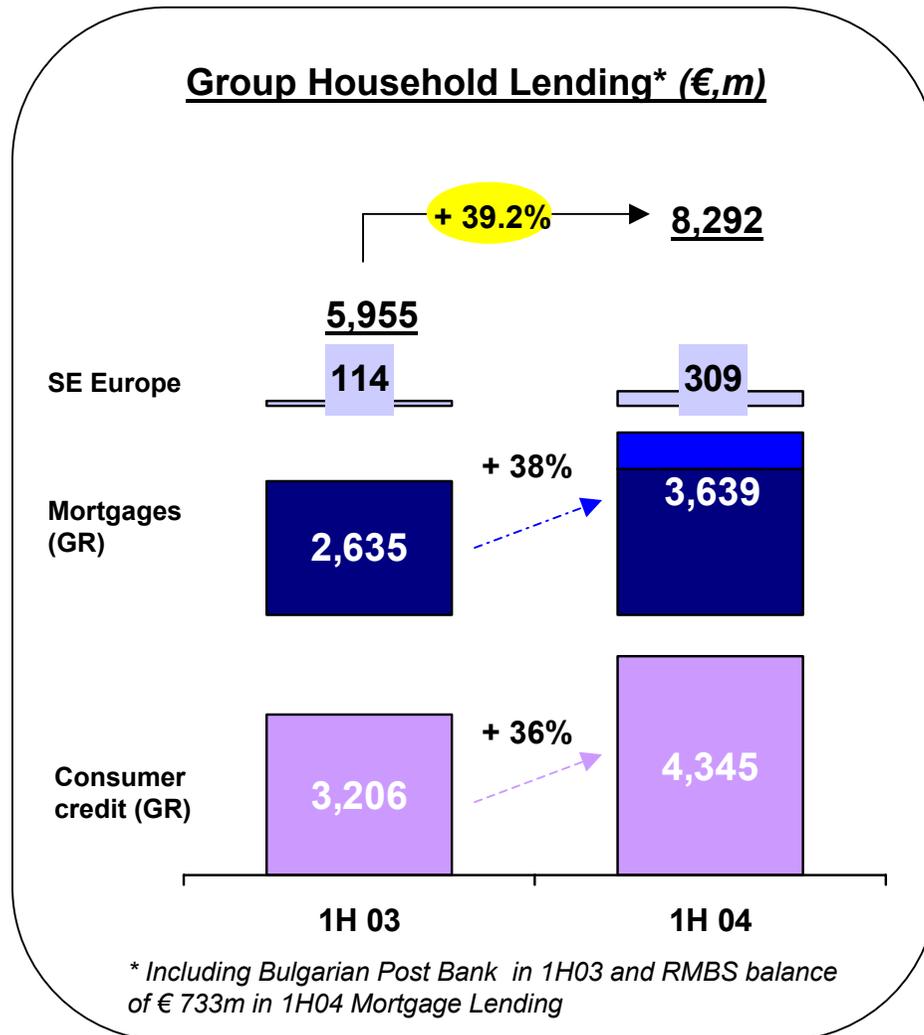
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- ▶ **Net Profit increased by 54.4% to € 179 m**
- ▶ **Robust business expansion: Loans<sup>1</sup> up 25% to € 19.3bn**
  - Household lending up 39% to € 8.3bn
  - Business lending up 16% to €11bn
- ▶ **Spreads remain strong with NIM increasing to 3.3%**
- ▶ **Fees and Commissions increase by 28.5% to € 180m**
- ▶ **Core profit<sup>2</sup> up 35.5% to € 203m**
- ▶ **Cost / Income ratio improves sharply to 48.8% in 1H 04**
- ▶ **Return on Equity at 18.9%**

<sup>1</sup> On a comparable basis, including Bulgarian Post Bank in 1H03 and RMBS balance of € 741m in 1H04 Mortgage Lending

<sup>2</sup> Core Profit = NII + Fees – Cost - Provisions

# Household Lending jumps 39%



## Outpacing the market in Greece

- ▶ Lending to Greek households up 36.6% y-o-y vs. 29.3% for the sector<sup>1</sup> lifts market share to 17.2%
- ▶ Consumer Lending up 36%, market share<sup>1</sup> up to 29.1%
- ▶ Mortgage Lending up 38%, as successful range of profitable 'flexi' loans takes off, market share<sup>1</sup> at 12.0%

<sup>1</sup> BoG May 2004 data

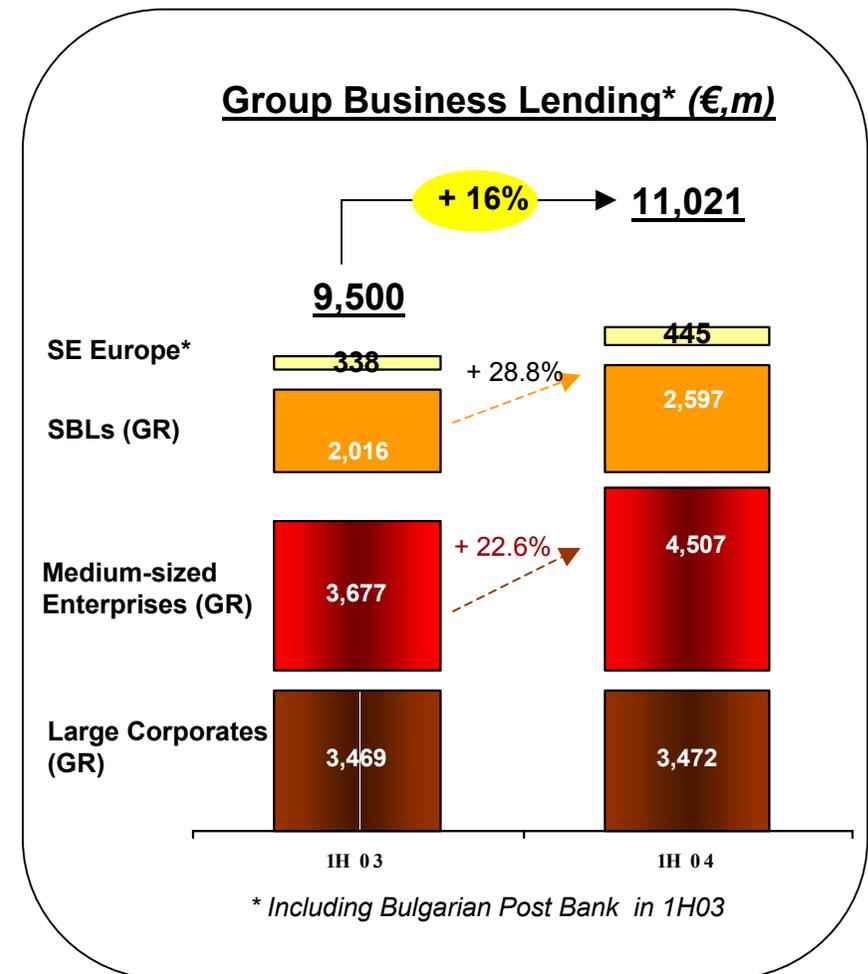
## Vigorous expansion at Group Level

- ▶ Household Lending up 39% to € 8.3 bn
  - Consumer credit rises 39%
  - Mortgage lending expands by 40%
- ▶ SE European household loans triple vs. 1H03

# Business Lending rises 16%

## Leading lender to Greek SMEs

- ▶ Lending to businesses in Greece up 15.5% y-o-y vs. 10.7% of the sector (May '04)
- ▶ Growth is driven by Small & Medium-sized business loans
- ▶ Loans to Greek Medium-sized Enterprises rise 23% to € 4.5 bn
- ▶ Market Leaders in the Small Business segment, with balances up 29% to € 2.6 bn
- ▶ Effective marketing campaign of a new range of financial solutions to Greek enterprises
- ▶ Emphasizing cross-selling
- ▶ Further utilization of alternative channels

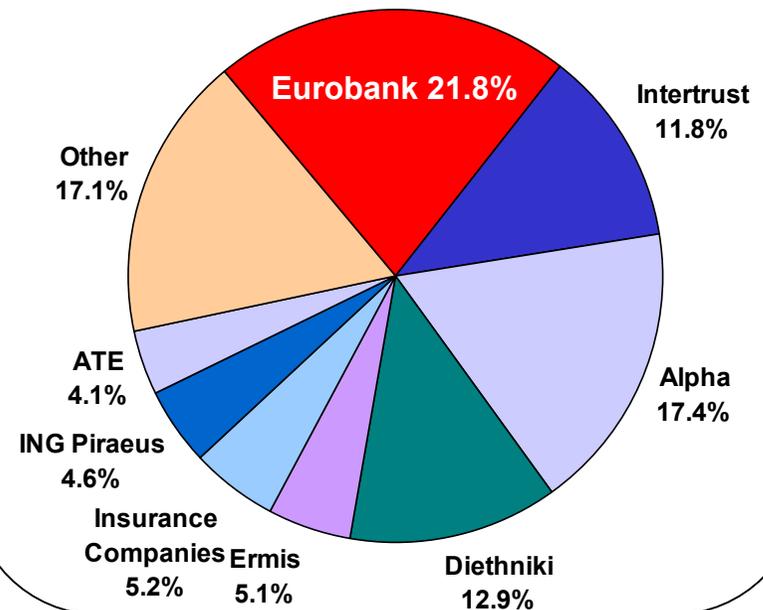


# Asset Management & Insurance Activities

## Mutual Funds

- ▶ No 1 position with 26.7% of total market at end-June 2004 (including Money Market)
- ▶ No1 position with 21.8% of the market (excluding Money Market funds)
- ▶ Agreement to acquire INTETRUST mutual funds management co. with €1.8bn AUM - pending regulatory approval

**Mutual Funds market shares (excl. MM Funds)**  
**June 2004**



## Life Insurance Activities

- ▶ Intense utilization of Eurobank networks leads to deeper penetration of bancassurance products to client base
- ▶ Launch of innovative products leads to significant premiums increase
- ▶ On track to capture a leading position in the Greek insurance market

# FINANCIAL REVIEW

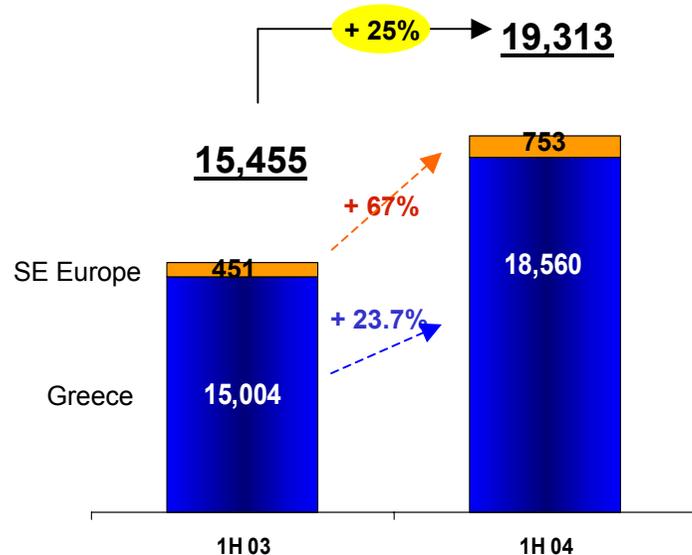
# Robust loan growth at 25% group-wide\*

## Growth Rates in Greece

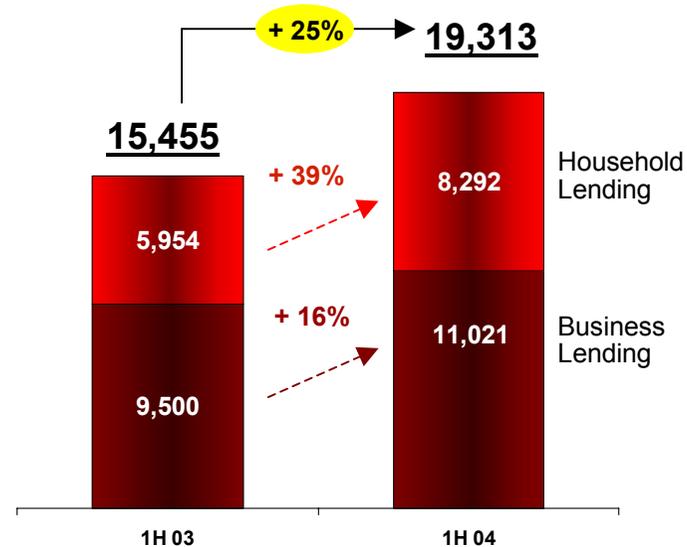


## Loans outstanding (gross, in € m, on a like-for-like basis\*)

### Per Geographic Area



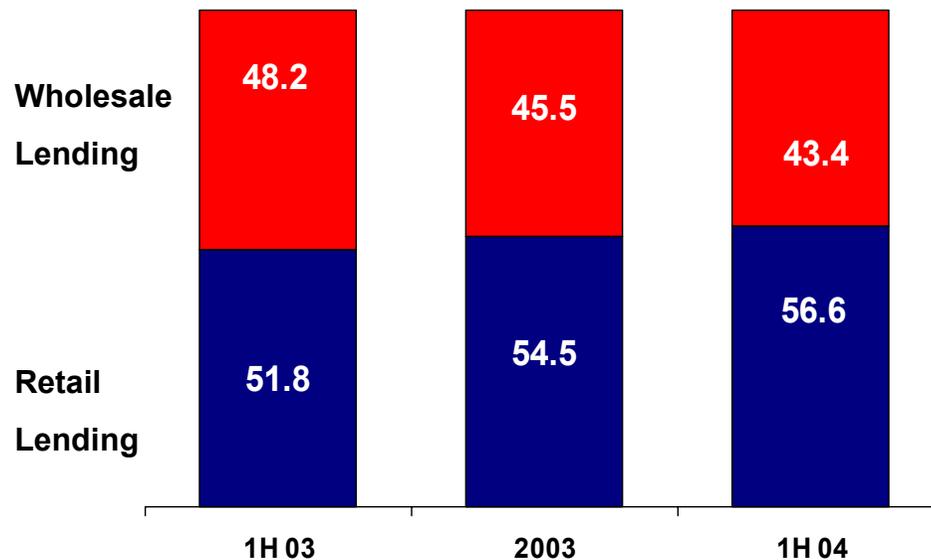
### Per Type



\* Including Bulgarian Post Bank balance of € 242m in 1H'03 and RMBS balance of € 741m in 1H 04

# Retail Lending at 57% of total

Loan book composition\*  
(% contribution per loan category)



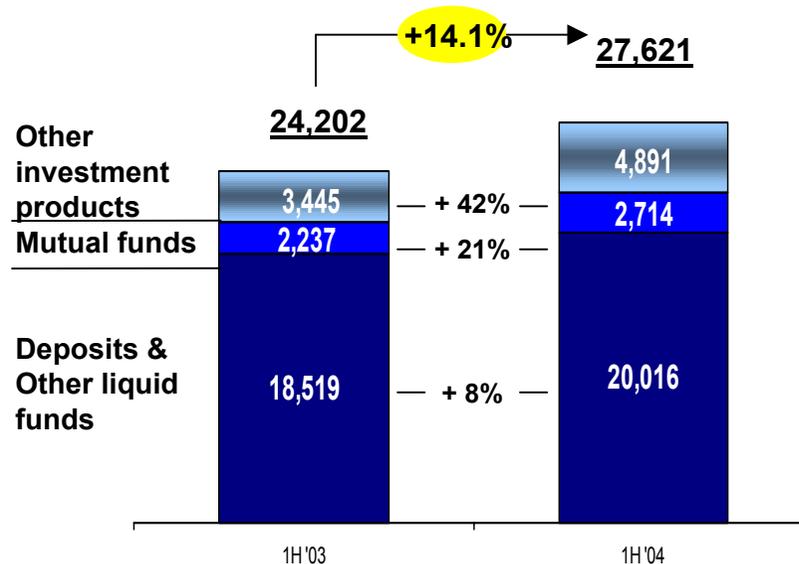
- ▶ Household lending at 43% of total, from 38.5% in 1H 2003
- ▶ Retail lending (Household + SBLs) at 57% of total loans, from 52% in 1H 2003
- ▶ Wholesale lending (Medium-sized & Large corporates) at 43% of the loan book
- ▶ Continuous improvement of loan mix maintains NIM above 3%

\*Including Bulgarian Post Bank in 1H'03 and FY 2003, adding RMBS net balance of € 741m in 1H 04

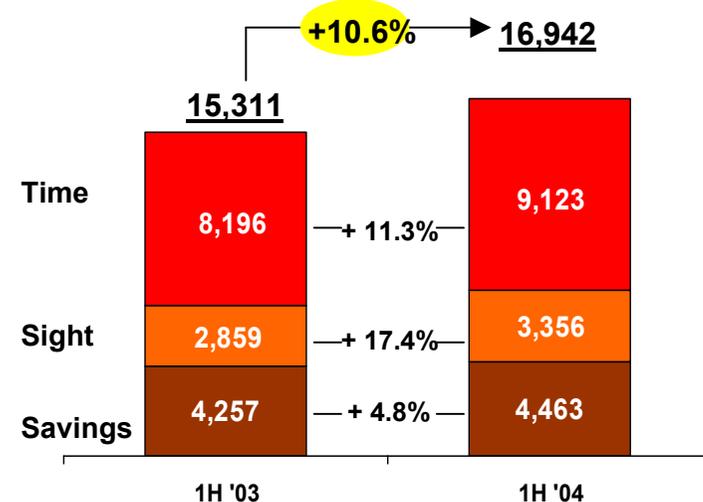
# Customer Funds up 14% to € 27.6 bn

- ▶ Total AUM rise to € 27.6 bn, with liquid funds up 8% at € 20bn
- ▶ Customers increasingly attracted to investment products:
  - Mutual Funds increase 21% to € 2.7 bn
  - Other investment products up 42% to € 4.9 bn

**Customer Funds (in € m)**

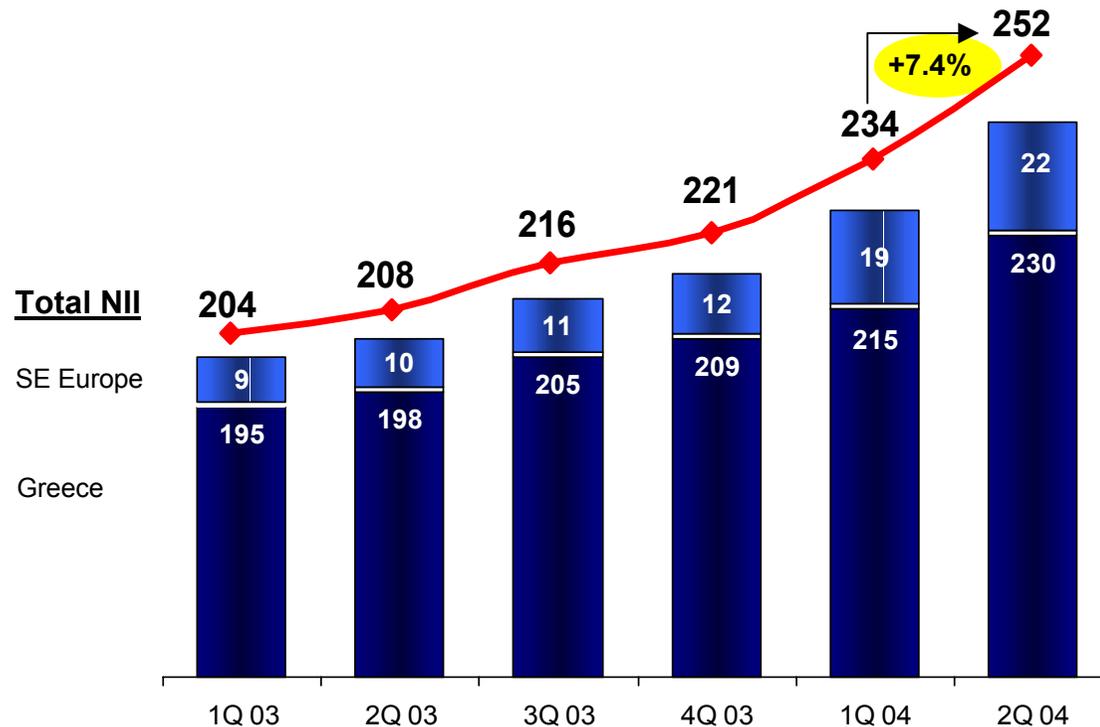


**Deposits' Analysis (in € m, excl. repos)**



# Net Interest Income up 18% y-o-y

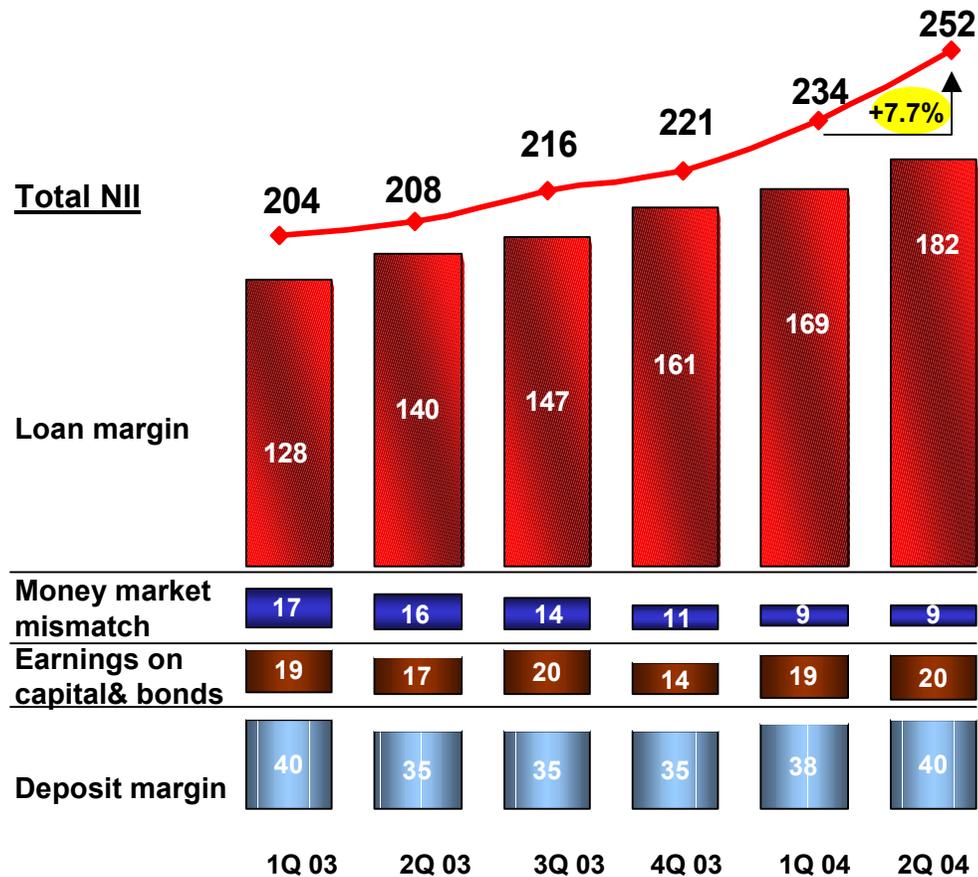
## NII quarterly evolution (in € m)



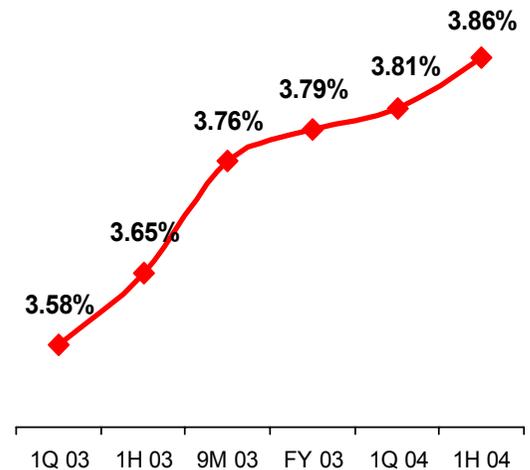
- ▶ 2Q '04 NII rises 7.4% over 1Q '04 for the Group and 6.8% in Greece
- ▶ SE Europe operations contribute 8.4% of NII
- ▶ NII accounts for 67% of Total Operating Income
- ▶ NIM stronger at 3.3% in first-half '04 (from 3.2% in FY '03)

# Loan Margin drives NII (up 31% y-o-y)

NII quarterly evolution (in € m)



Strong Loan Spread\*



\* Greece only

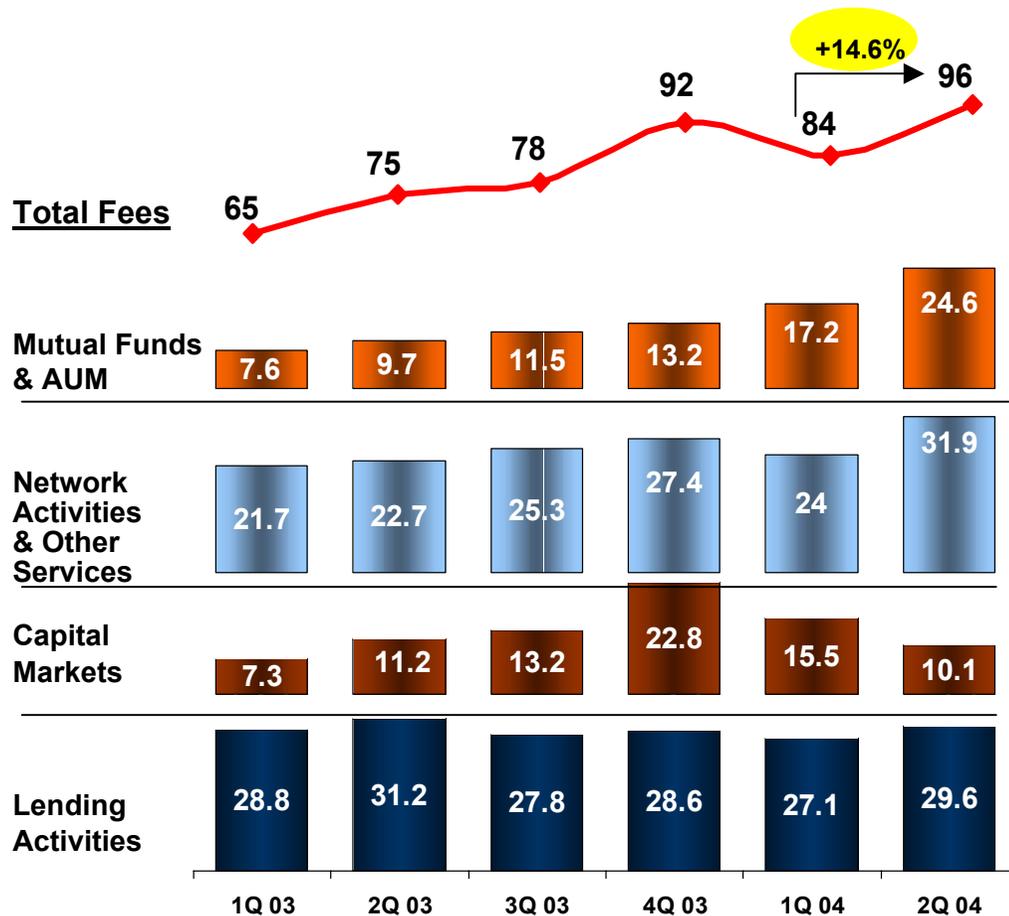
## Strength of Loan spread\* continues

	<u>2003</u>	<u>1Q 2004</u>	<u>1H 2004</u>
Total Deposits & Repos	0.86%	0.84%	0.84%
<b>Loans</b>			
Wholesale (Greece)	1.98%	1.89%	1.92%
<b>Mortgage</b>	<b>1.89%</b>	<b>2.17%</b>	<b>2.21%</b>
<b>Consumer</b>	<b>8.99%</b>	<b>8.57%</b>	<b>8.47%</b>
<b>SBLs</b>	<b>5.02%</b>	<b>4.86%</b>	<b>4.81%</b>
Total Retail (Greece)	5.57%	5.45%	5.46%
<b>Total Loans</b>	<b>3.79%</b>	<b>3.81%</b>	<b>3.86%</b>

\* All Spreads Greece only

# Fee income advances 28.5% y-o-y

Fee income composition (in € m)



▶ Quarterly fee income reaches a new high of €96.2m in 2Q 04, up 14.6% vs. 1Q 04

▶ Fees from Mutual Funds and AUM up 142% y-o-y

▶ Insurance fees almost triples from last year

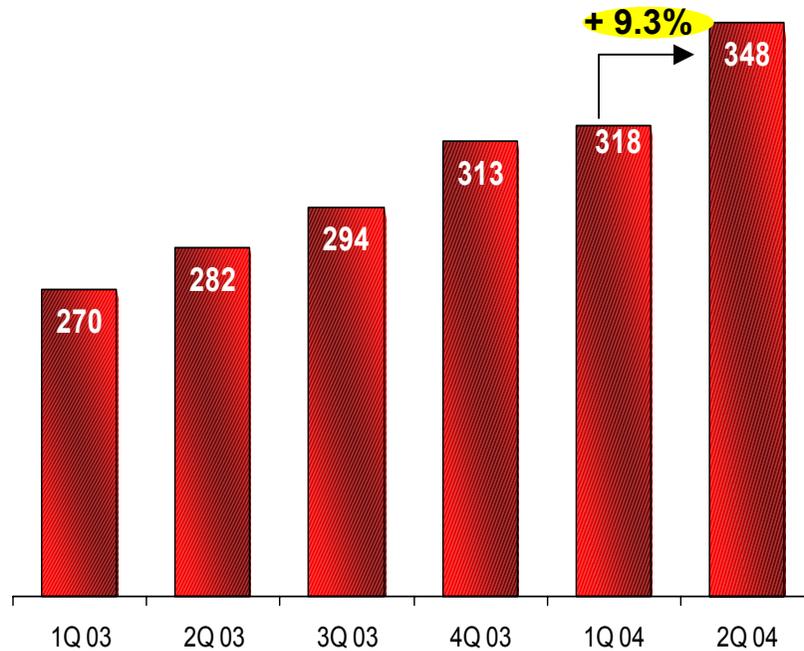
▶ Fee income constitutes 25% of Total Operating Income

# Core Revenues rise strongly by 21% y-o-y

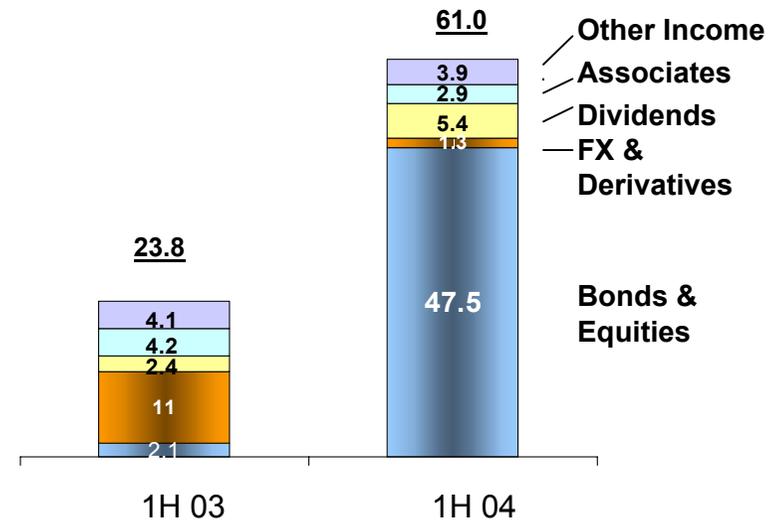
## Non-core income driven by equity gains



**Core Revenues q-o-q evolution**  
*(in € m)*



**Non-core income**  
*(in € m)*

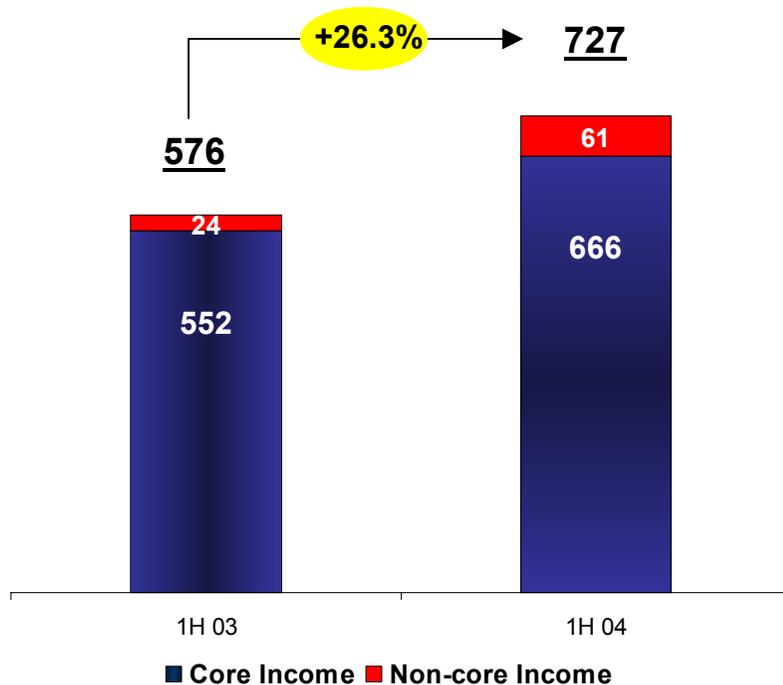


# Total Operating Income up 26%

- ▶ Core Income at 92% of Total Operating Income
- ▶ SE Europe contributes 10%

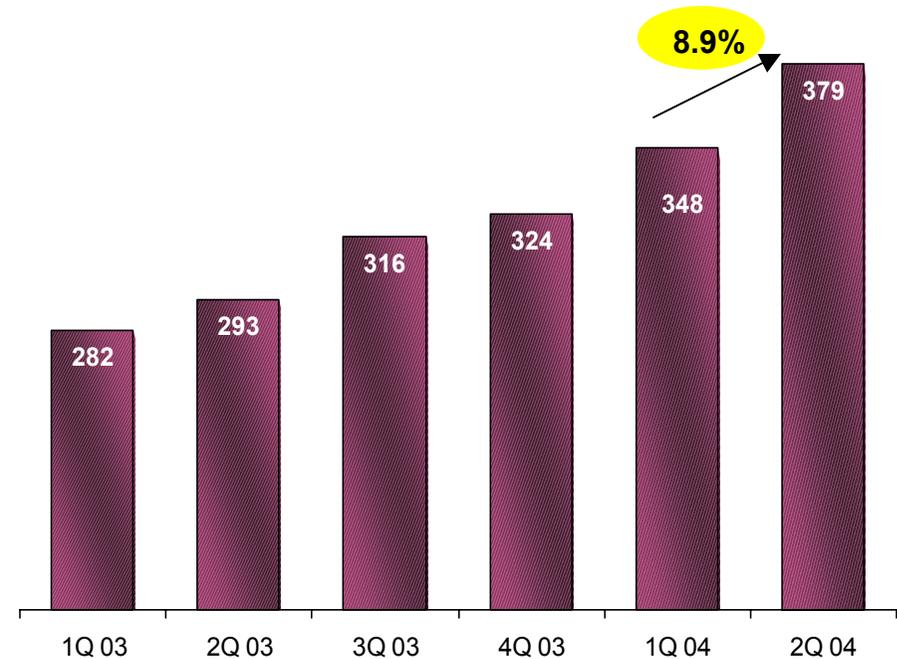
## y-o-y evolution

*(Figures in € m)*

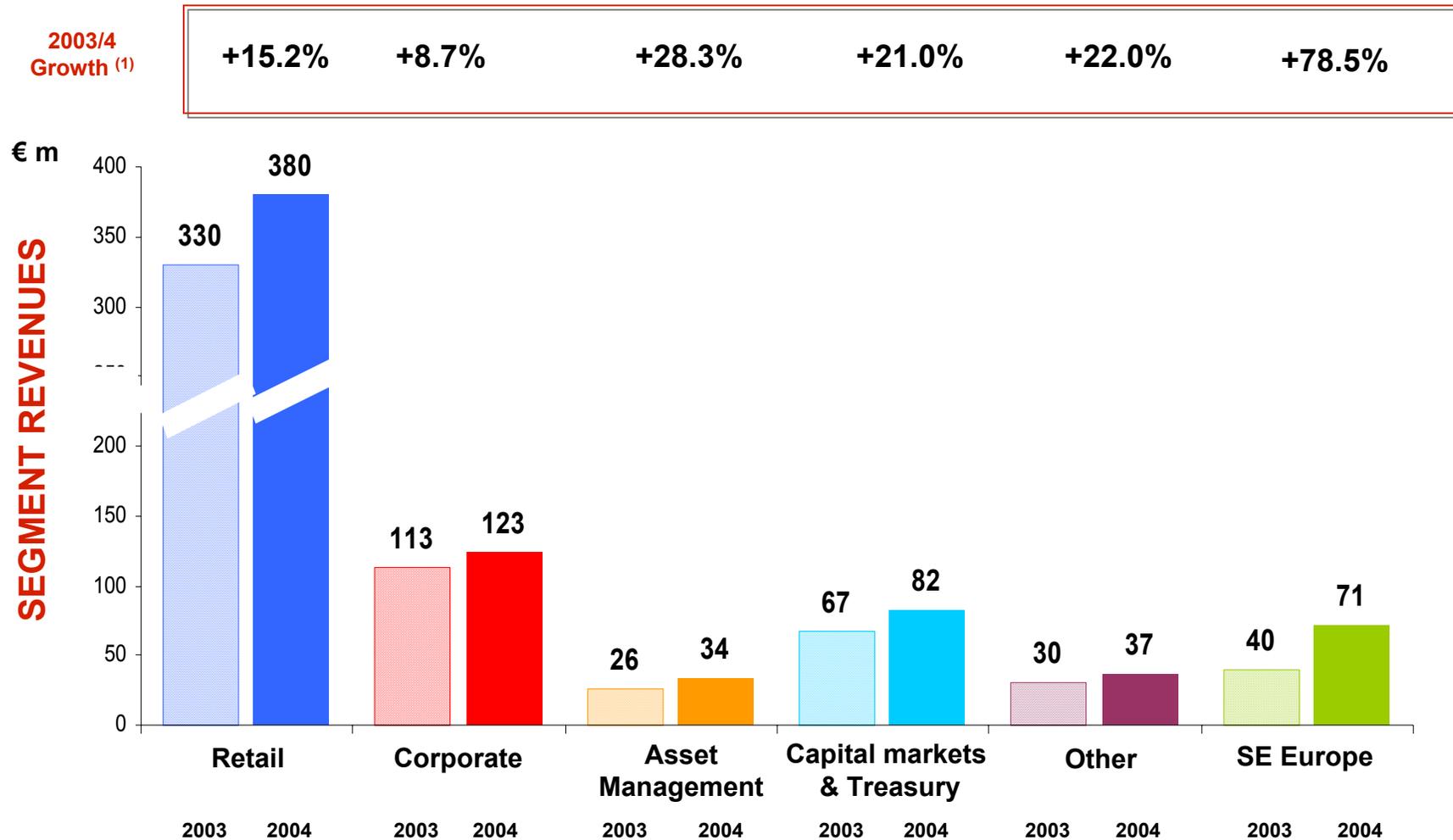


## q-o-q evolution

*(Figures in € m)*



# Leveraging on unique model and single brand franchise boosts revenue across all segments

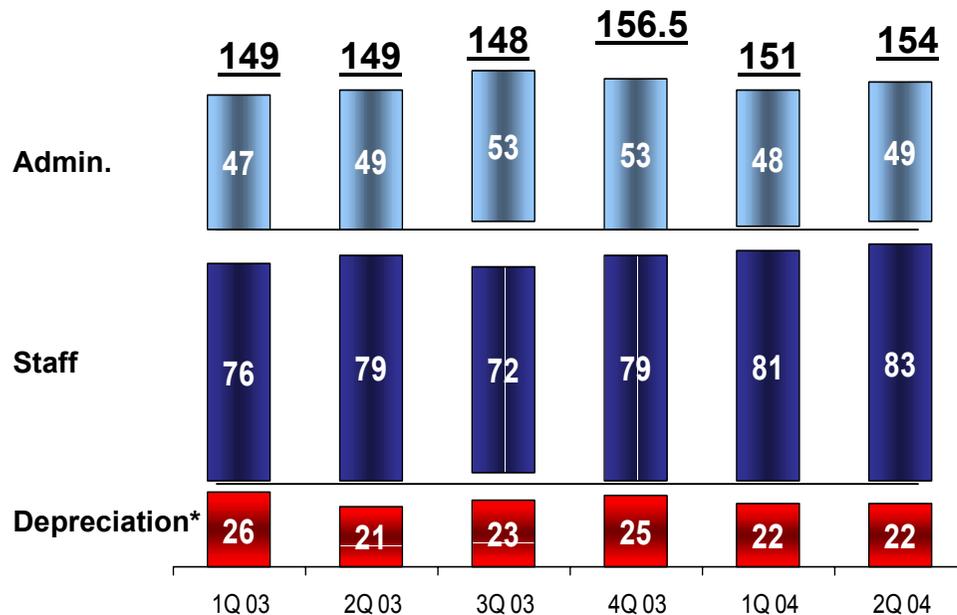


<sup>(1)</sup> Comparison to 50% of the full year 2003 result

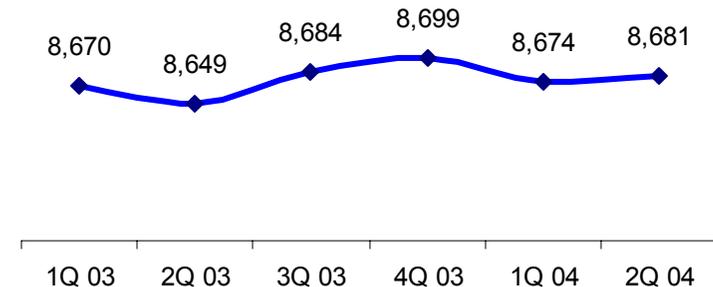
# Cost containment despite rapid organic growth

- ▶ Operating Expenses in Greece up 2.3% at € 304 m in 1H 04
- ▶ On a like-for-like basis\*, Operating Expenses in Greece are up 4.1% y-o-y

## Total Expenses in Greece (in € m)



## Number of Staff in Greece

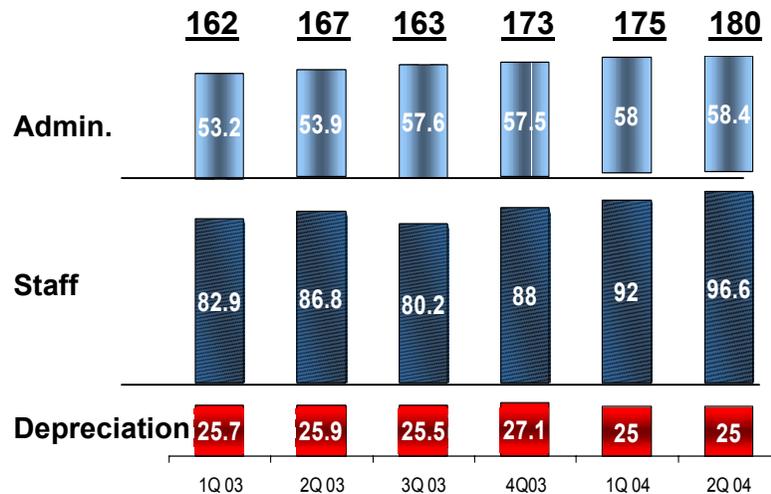


\*Depreciation adjusted for rates changed in 4Q '03 for the whole of 2003

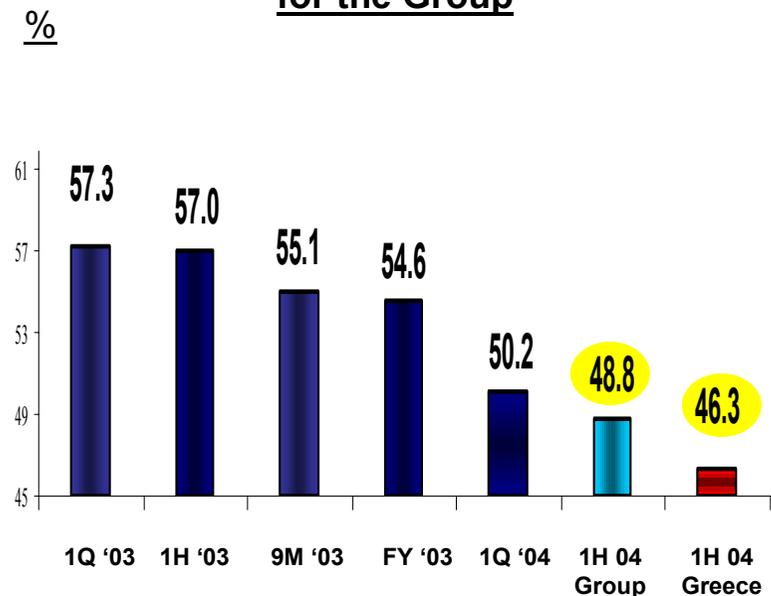
# Sharpening Efficiency

- ▶ Cost / Income ratio at record low levels of 48.8% for the Group,
- ▶ Cost / Income ratio at 46.3% for Greek operations
- ▶ SE Europe entities account for 14.2% of 1H 04 group-wide costs, compared to 9.3% in 1H 03, contributing €50.4m, as Bulgarian Post Bank is fully consolidated from 1Q 04

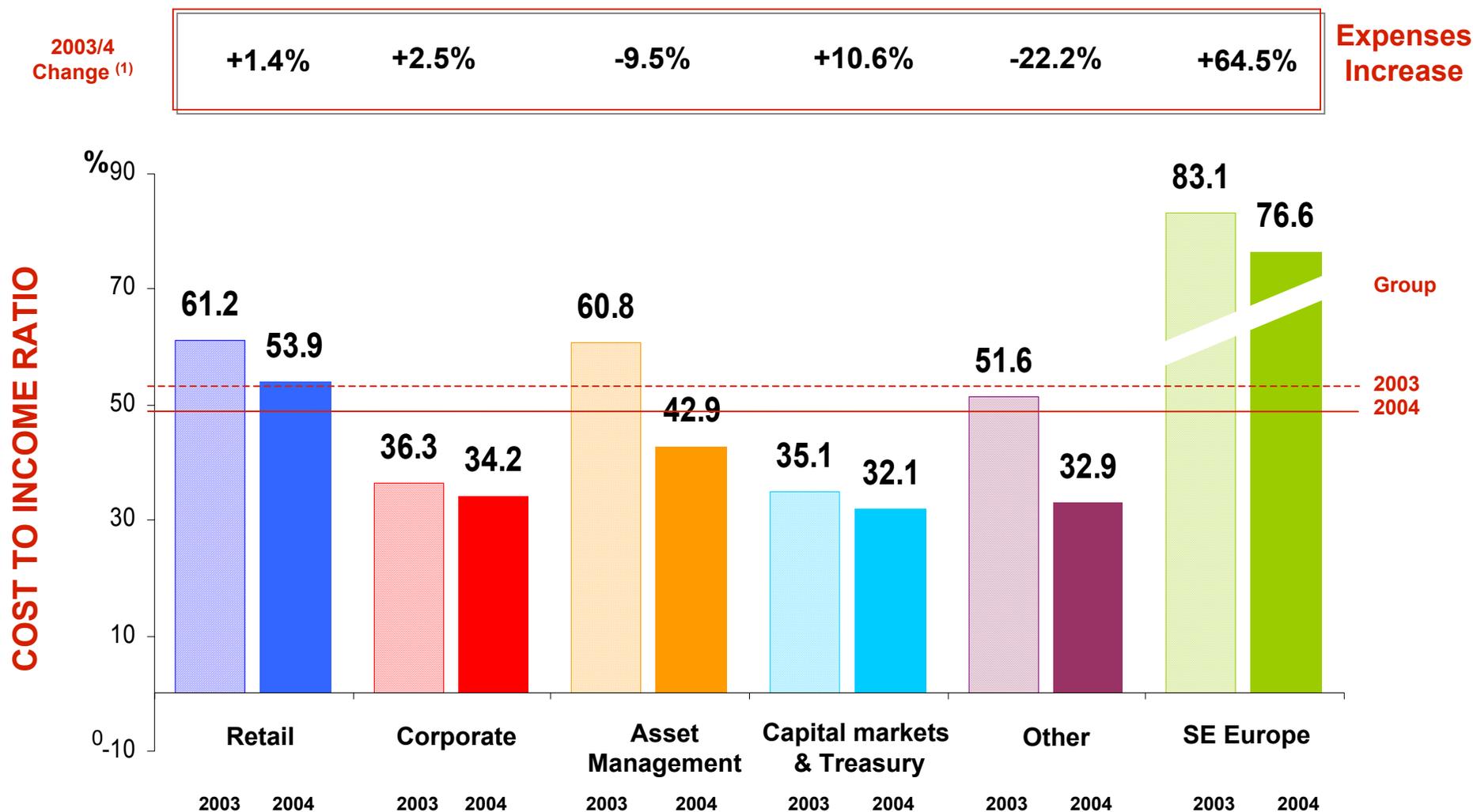
Group Total Costs (in € m)



Cost-Income ratio drops <50% for the Group



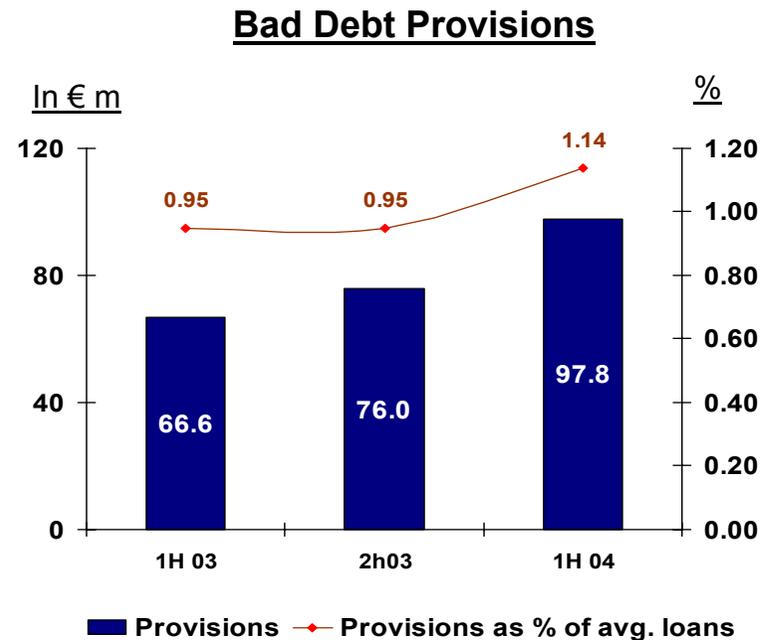
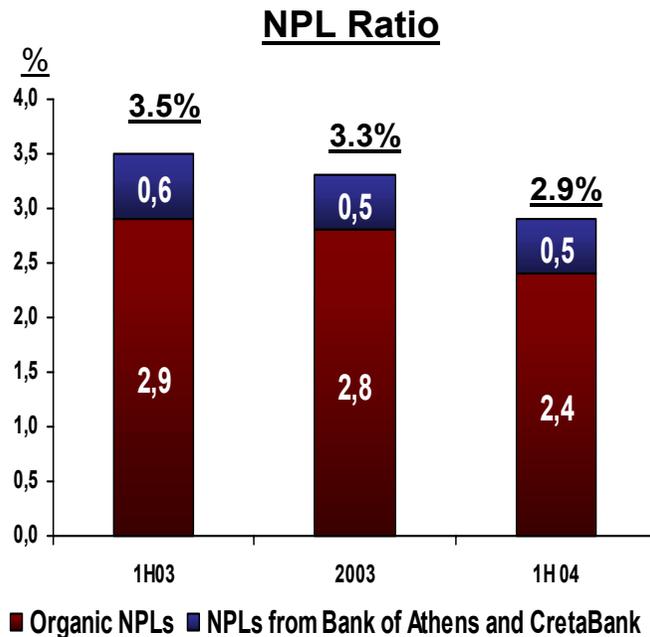
# Stringent discipline on costs and man power enhances efficiency



<sup>(1)</sup> Comparison to 50% of the full year 2003 result

# Asset quality improving

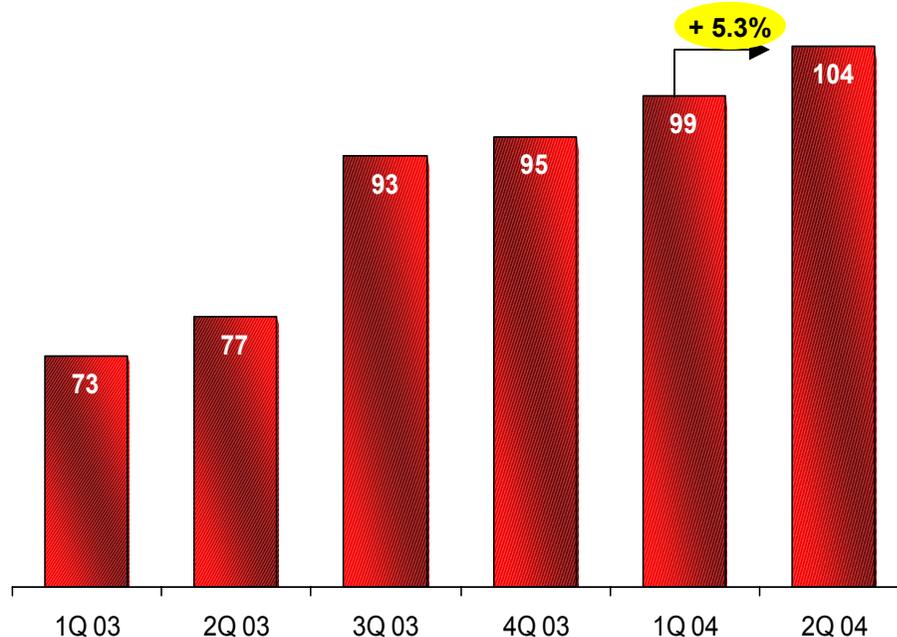
- ▶ Further improvement of Organic NPLs at 2.4% of total loans
- ▶ Vigilant provisioning policy maintained and increasing tax shield
- ▶ NPL Coverage at 92%; provisions cover 128% of non-collateralized part of NPLs



# Core profit up 35.5% y-o-y to € 203m

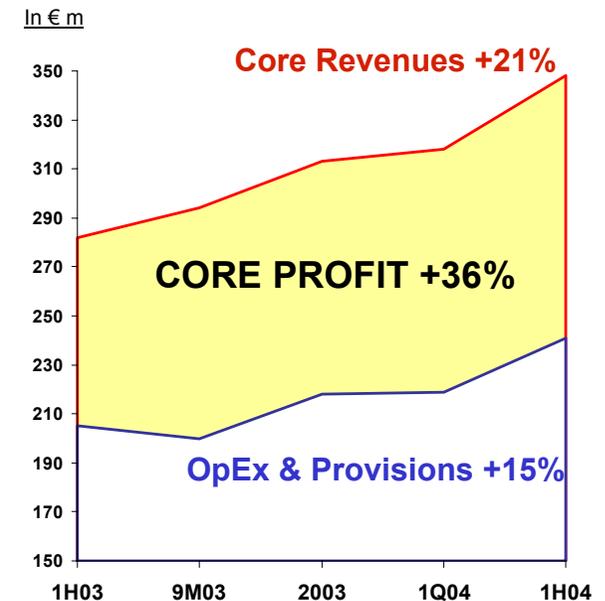
- ▶ Dynamic rise of NII and Fee Income with effective cost containment
- ▶ SE Europe contributes 6% of Core Profit

**Core Profit\* q-o-q evolution (in €m)**



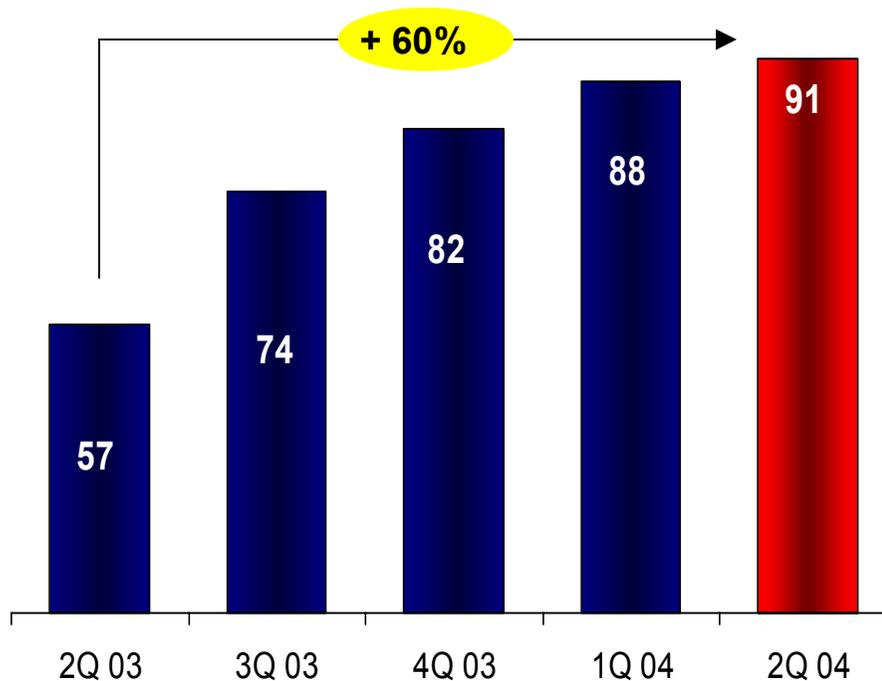
\* Core Profit = NII + Fees – Cost - Provisions

**'Positive jaws'  
drive core profit growth**



# 1H 2004 Net Profit jumps 54% y-o-y to € 179m

Group Net Profit q-o-q evolution (in €m)



▶ Setting new profit record, with 2Q 04 up 60% vs. 2Q 03

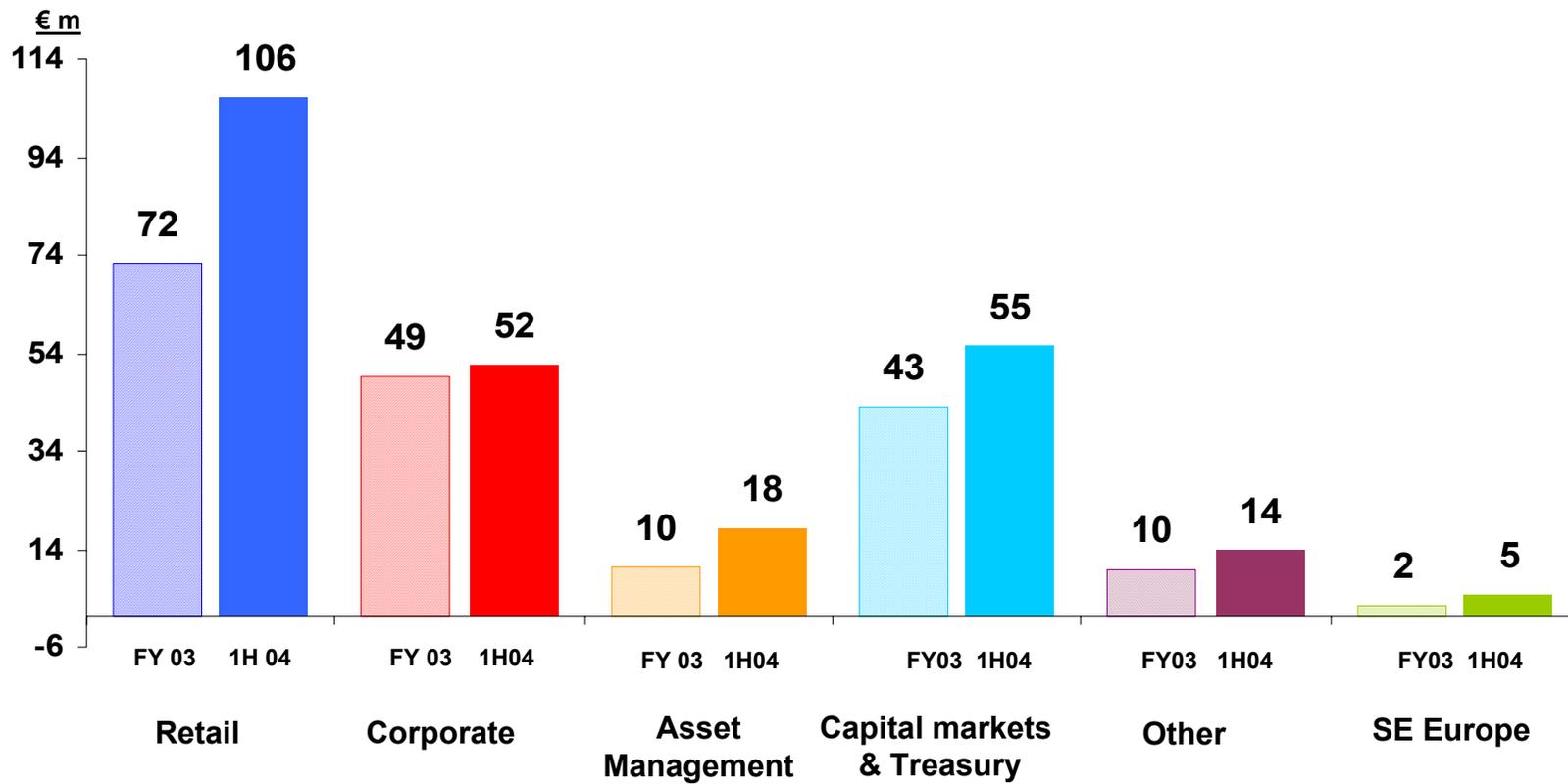
▶ SE Europe contribution rising to 3% of Net Profit in 1H 04 versus 1% in 1H 03

# Significant improvement in all segments

Growth <sup>(1)</sup>



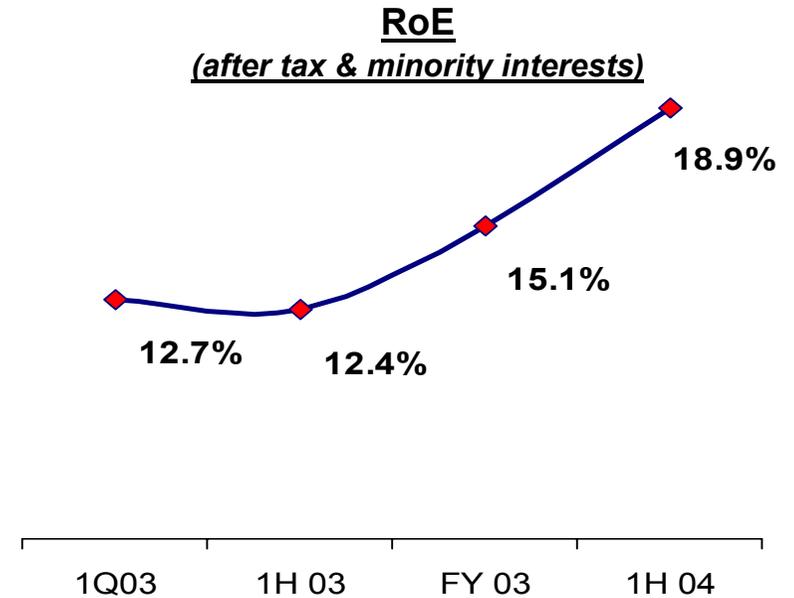
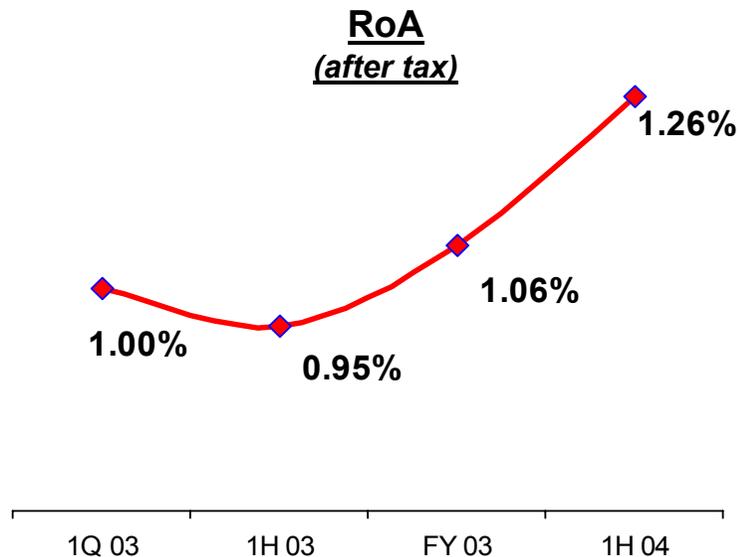
**EARNINGS BEFORE TAX AFTER M.I.**



<sup>(1)</sup> Comparison to 50% of the full year 2003 result

# Steadily Improving Returns

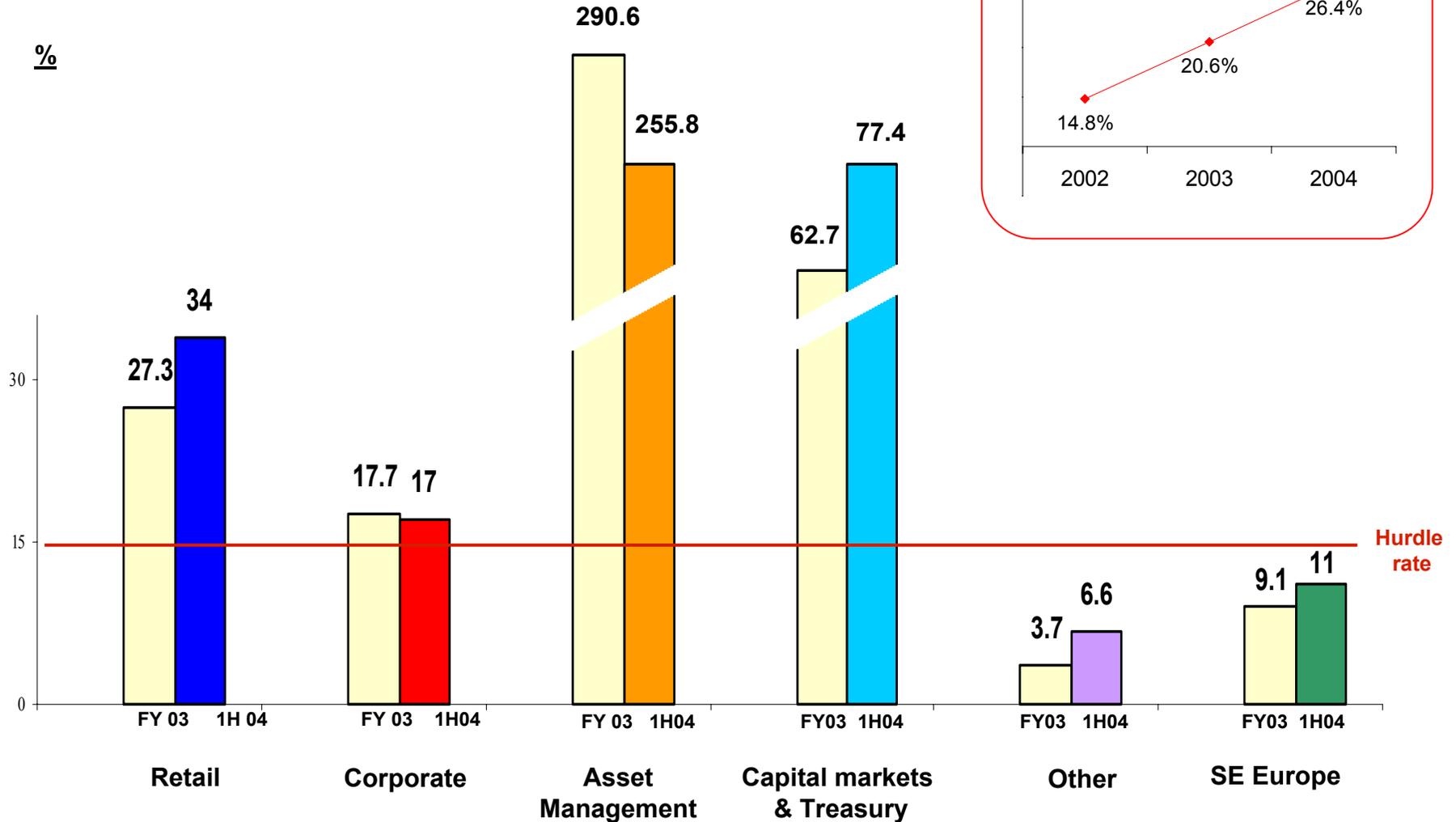
- ▶ Shareholders' Equity at € 2 bn, plus €400m Tier II capital
- ▶ RoA at 1.26%
- ▶ Return on Equity at 18.9%
- ▶ Return on Required Equity at 22.3% (@ 8% of RWA)



Regulatory Capital	€ 2.3 bn
Tier 1 Reg. Capital	€ 1.9 bn
Tier 1 Ratio	9.7%
Total Risk Asset Ratio	11.7%

# Return on Equity per Segment

RETURN ON EQUITY BEFORE TAX



# APPENDICES

# 1H 2004 – Summary figures

<u>(in €m)</u>	<u>1H '04</u>	<u>1H '03</u>	<u>% Change</u>	<u>SE Europe</u>
Net interest income	485.9	411.8	18.0%	40.6
Net fee and commission income	180.1	140.2	28.5%	26.9
<b>Core Revenues</b>	<b>666.0</b>	<b>551.9</b>	<b>20.7%</b>	<b>67.6</b>
Non-core income	61.0	23.8	156.3%	2.6
<b>Total operating income</b>	<b>727.0</b>	<b>575.8</b>	<b>26.3%</b>	<b>70.2</b>
Operating expenses	354.7	328.2	8.1%	50.4
Core profit	203.3	150.1	35.5%	12.1
<b>Net profit</b>	<b>178.9</b>	<b>115.9</b>	<b>54.4%</b>	<b>5.4</b>
Total assets	30,190	25,604	17.9%	1,357
Gross Loans reported	18,596	15,130	22.9%	753
<i>Gross Loans adjusted</i>	<i>19,313</i>	<i>15,455</i>	<i>25.0%</i>	<i>753</i>
Client deposits	18,503	17,436	6.1%	898
Shareholders' equity	1,987	1,924	3.2%	178

# 1H 2004 – P&L analysis

<b>Income Statement (€ m)</b>	<b>1H04</b>	<b>1H03</b>	<b>Δ% 1H04</b>	<b>2Q04</b>	<b>1Q04</b>	<b>Δ% Q-o-Q</b>
Net Interest Income	485.9	411.8	18.0%	251.6	234.3	7.4%
Commission Income	180.1	140.2	28.5%	96.2	83.9	14.7%
<b>Core Revenues</b>	<b>666.0</b>	<b>551.9</b>	<b>20.7%</b>	<b>347.8</b>	<b>318.2</b>	<b>9.3%</b>
Non Core Income	61.0	23.8	156.3%	31.2	29.8	4.8%
<b>Total Operating Income</b>	<b>727.0</b>	<b>575.8</b>	<b>26.3%</b>	<b>379.0</b>	<b>348.0</b>	<b>8.9%</b>
Staff Expenses	-188.7	-169.6	11.2%	-96.6	-92.1	4.8%
Administrative Expenses	-116.3	-107.1	8.6%	-58.4	-57.9	0.9%
Depreciation	-49.8	-51.5	-3.3%	-25.0	-24.8	0.9%
<b>Operating Expenses</b>	<b>-354.8</b>	<b>-328.2</b>	<b>8.1%</b>	<b>-180.0</b>	<b>-174.8</b>	<b>3.0%</b>
Provisions	-107.9	-73.6	46.5%	-63.5	-44.4	42.9%
<b>Core Profit</b>	<b>203.3</b>	<b>150.1</b>	<b>35.5%</b>	<b>104.4</b>	<b>99.0</b>	<b>5.4%</b>
Extraordinary items	-8.4	-6.6	26.2%	-4.5	-3.9	14.4%
Profit before tax	256.0	167.3	53.0%	131.1	124.9	5.0%
Tax Expense	-73.0	-47.9	52.3%	-38.8	-34.2	13.5%
Minority interest	-4.1	-3.5	17.5%	-1.7	-2.4	-30.1%
<b>Net profit</b>	<b>178.9</b>	<b>115.9</b>	<b>54.4%</b>	<b>90.6</b>	<b>88.3</b>	<b>2.6%</b>

Core revenues = NII+ fees

Core profit = core revenues - operating expenses - provisions

# Balance Sheet Figures

<b>Loan Portfolio (€ m) *</b>	<b>1H04</b>	<b>1H03</b>	<b>Δ% 1H04</b>
Consumer Loans	4,582	3,305	38.6%
Mortgages	3,710	2,650	40.0%
<b>Loans to Households</b>	<b>8,292</b>	<b>5,955</b>	<b>39.3%</b>
Small Business Loans	2,643	2,049	29.0%
Loans to Medium enterprises	4,568	3,677	24.2%
Loans to Corporates	3,810	3,775	0.9%
<b>Business Loans</b>	<b>11,021</b>	<b>9,501</b>	<b>16.0%</b>
<b>Total Gross Loans</b>	<b>19,313</b>	<b>15,455</b>	<b>25.0%</b>

*\* comparable figures: Adjusting 1H 03 balances to include Post Bank and adding securitised loans of € 741 m. to 1H 04 figures*

<b>Assets Under Management (€ m)</b>	<b>1H04</b>	<b>1H03</b>	<b>Δ% 1H04</b>
Deposits & Other liquid funds	20,016	18,519	8.1%
Mutual Funds	2,714	2,237	21.3%
Other investment products	4,891	3,446	41.9%
<b>Total Funds under Management</b>	<b>27,621</b>	<b>24,202</b>	<b>14.1%</b>

# Composition of Fees & Financial Ratios

<b>Fee and Commission Income (€ m)</b>	<b>1H04</b>	<b>1H03</b>	<b>Δ% 1Q04</b>
Lending activities	56.8	60.0	-5.5%
Mutual Funds and AUM	41.8	17.2	142.4%
Capital markets	25.6	18.5	38.7%
Network Activities	31.3	27.1	15.7%
Other Services	24.6	17.3	42.3%
<b>Total</b>	<b>180.1</b>	<b>140.2</b>	<b>28.5%</b>

<b>Financial Ratios</b>	<b>1H04</b>	<b>1H03</b>
Cost-Income	48.8%	57.0%
NPLs (% of loans)	2.9%	3.5%
NPLs coverage	92.0%	82.6%
Provision Charge (% of loans)	1.1%	1.0%
Tier1 Ratio	9.7%	11.8%
Total Capital Adequacy	11.7%	11.8%
ROA	1.3%	1.0%
ROE	18.9%	12.4%
EPS (€)	0.58	0.38

# 1H 2004 – Summary per segment

Segmental Results 1H 2004 (€ m)	Retail	Corporate	Capital Markets & Treasury	Asset Mgmt	Capital & Other	SE Europe	Total
Interest income	326	80	4	31	3	42	486
Non-interest income	37	31	42	66	36	29	241
Fees Received/Paid	17	12	-11	-16	-2	0	0
Gross Market Revenues	380	123	82	34	37	71	727
Operating Expenses	-205	-42	-26	-15	-12	-55	-355
Loans Provisions	-64	-29	0	0	0	-5	-98
General Provisions	-3	0	0	0	-7	0	-10
Extraordinaries & Minorities	-2	-0.2	-0.1	-0.8	-4	-7	-14
PBT attr. to Shareholders	106	52	55	18	14	4	250
% of Group PBT	42.4%	20.7%	22.1%	7.4%	5.4%	2.0%	
Risk Weighted Assets	8,134	7,827	1,715	245	1,292	927	20,139
% of Total RWA	40.4%	38.9%	8.5%	1.2%	6.4%	4.6%	
Minimum Required Capital (8%)	654	637	148	21	405	116	1,980
% of total	33.0%	32.2%	7.5%	1.1%	20.5%	5.9%	
Cost / Income	53.9%	34.2%	32.1%	42.9%	32.9%	76.6%	48.8%
RoA (before tax)	1.9%	1.2%	1.3%	1.3%	0.6%	0.7%	1.9%
ROAC (before tax)	34%	17%	77.4%	256%	7%	11%	26.4%

# FY 2003 – Summary per segment

Segmental Results FY 2003 (€ m)	Retail	Corporate	Capital Markets & Treasury	Asset Mgmt	Capital & Other	SE Europe	Total
Interest Income	559	154	10	84	1	42	849
Non Interest Income	87	49	64	70	58	38	366
Fees Received/Paid	15	23	-21	-19	2	0	0
Gross Market Revenues	660	226	53	135	61	80	1,215
Operating Expenses	-404	-82	-32	-47	-31	-66	-664
Loans Provisions	-98	-42	0	0	0	-3	-143
General Provisions	-8	-1	0	0	-4	0	-14
Extraordinaries & minorities	-6	-1	-1	0	-4	0	-12
PBT attr. To Shareholders	145	98	21	86	20	4	374
% of Group PBT	38.7%	26.2%	5.6%	23.0%	5.2%	1.2%	
Risk Weighted Assets	7,424	7,298	94	1,721	475	787	17,799
% of Total RWA	41.7%	41.0%	0.5%	9.7%	2.7%	4.4%	
Minimum Required Capital (8%)	594	584	8	138	407	63	1,793
% of total	33.1%	32.6%	0.4%	7.7%	22.7%	3.5%	
Cost / Income	61.2%	36.3%	60.8%	35.1%	51.6%	83.1%	54.6%
RoA (before tax)	1.3%	1.3%	0.7%	1.0%	0.6%	0.4%	1.3%
ROAC (before tax)	27.3%	17.7%	290.6%	62.7%	3.7%	9.1%	20.6%

## Contacts

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### EFG Eurobank Ergasias, 8 Othonos Str., 10557 Athens, Greece

**Fax:** +30 210 3337 337

**E-mail:** investor\_relations@eurobank.gr

**Internet:** www.eurobank.gr

**Reuters:** EFGGr.AT

**Bloomberg:** EUROB GA

### Investor Relations

**Yannis Tegopoulos**

**Tel:** +30 210 3371222

**E-mail:** itegopoulos@eurobank.gr

**Dimitris Nikolos**

**Tel:** +30 210 33371162

**E-mail:** dnikolos@eurobank.gr

**Marlen Miliadi**

**Tel:** + 30 210 3371469

**E-mail:** mmiliadi@eurobank.gr

**Yannis Chalaris**

**Tel:** +30 210 3337954

**E-mail:** ychalaris@eurobank.gr