

# FIRST QUARTER 2004 RESULTS

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# Cautionary Statement Regarding Forward-Looking Information

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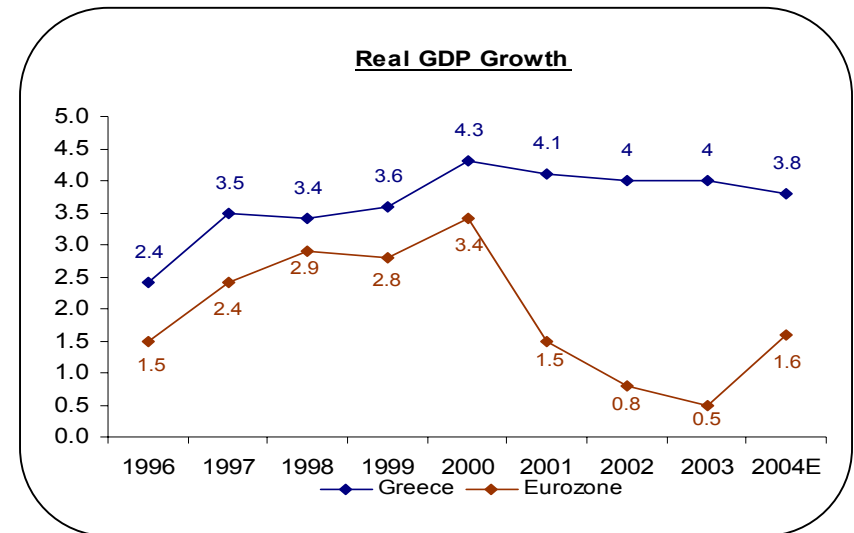
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# HIGHLIGHTS & KEY DEVELOPMENTS

# Favourable domestic environment

- ▶ **Strong GDP Growth in Greece**
  - 2004 GDP growth slightly below 4%
  - GDP growth to exceed 3% in 2005-6 supported by EU flows, structural reforms, regional economies
  - CPI at 2.9% in April 2004
  - Budget Deficit at 3.2% for 2003
  
- ▶ **Business and consumers remain confident ahead of 2004 Olympics**
  
- ▶ **Private sector credit expansion at 16.4% (Jan.'04)**
  - Household lending at 27.2%
  - Business lending at 10.3%



Source: Bank of Greece & Eurobank Forecasts

# Gaining market share across all segments

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## ▶ Leveraging our franchise

- We have developed technologically advanced, segmented distribution networks
- We capture leading positions in the fastest growing segments of the Greek market
- We are expanding our successful business model to a 50 million people area, we can seize the growth potential in SE Europe

## ▶ Offering innovative products

- We offer customized, value-adding products to both retail and wholesale clients

## ▶ Emphasizing cross-selling to deepen client relationships

- Extensive CRM & Data Warehouse capabilities for Retail
- Increased range of add-on services with extensive use of alternative channels for Wholesale
- Aiming to exceed 3 products per client for all segments

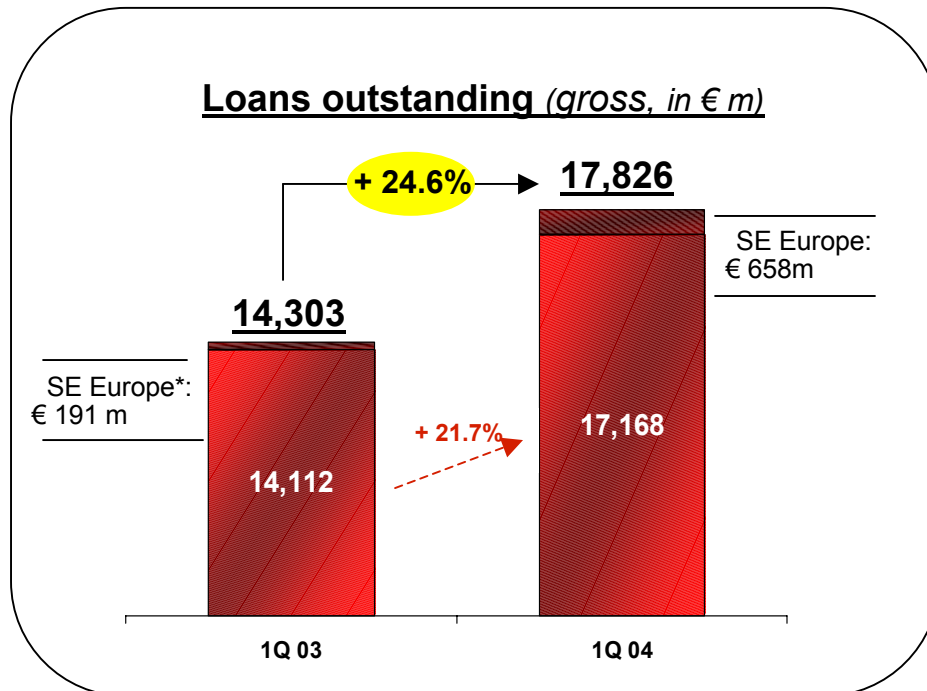
## A Robust First Quarter

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- ▶ **Strong business expansion: gross Loans up 25% to € 17.8 bn**
  - Consumer lending up 32% to € 4.1 bn
  - Mortgage lending up 35% to € 3.4 bn
  - Business lending up 19% to € 10.4bn
  
- ▶ **Revenue growth of 23% to € 348 m**
  
- ▶ **Cost / Income ratio drops from 57.3% to 50.2%**
  
- ▶ **Improved asset quality: organic NPLs at 2.7% (from 2.9%)  
NPL coverage at 82%**
  
- ▶ **1Q 2004 Net Profit at € 88 m, up 50%**
  
- ▶ **ROE sharply improved to 19% from 12.7% in 1Q 2003**

# Loan growth at 25% group-wide

- ▶ Strong volume growth generated across all lending segments
  - ▶ Household lending up 33.5%\*
  - ▶ Business Lending up 18.9%
- ▶ SE European entities contribute € 658m of loans



Growth Rates (y.o.y.)	Greece	Group-wide
Consumer Lending	27.2%	32.1%
Mortgage Lending	33.1%	35.3%
Household Lending	29.9%	33.5%
Business Lending	16.3%	18.9%
<b>Total Lending</b>	<b>21.7%</b>	<b>24.6%</b>

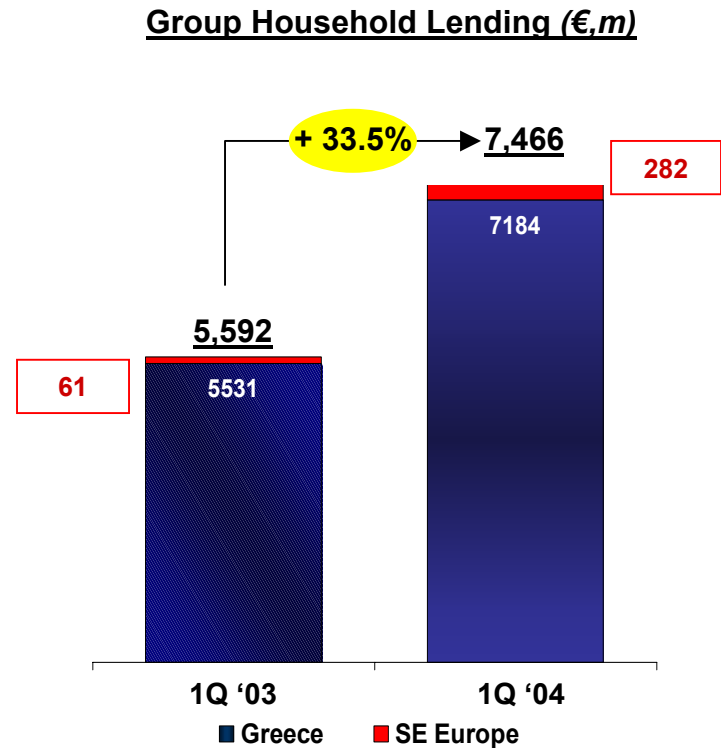
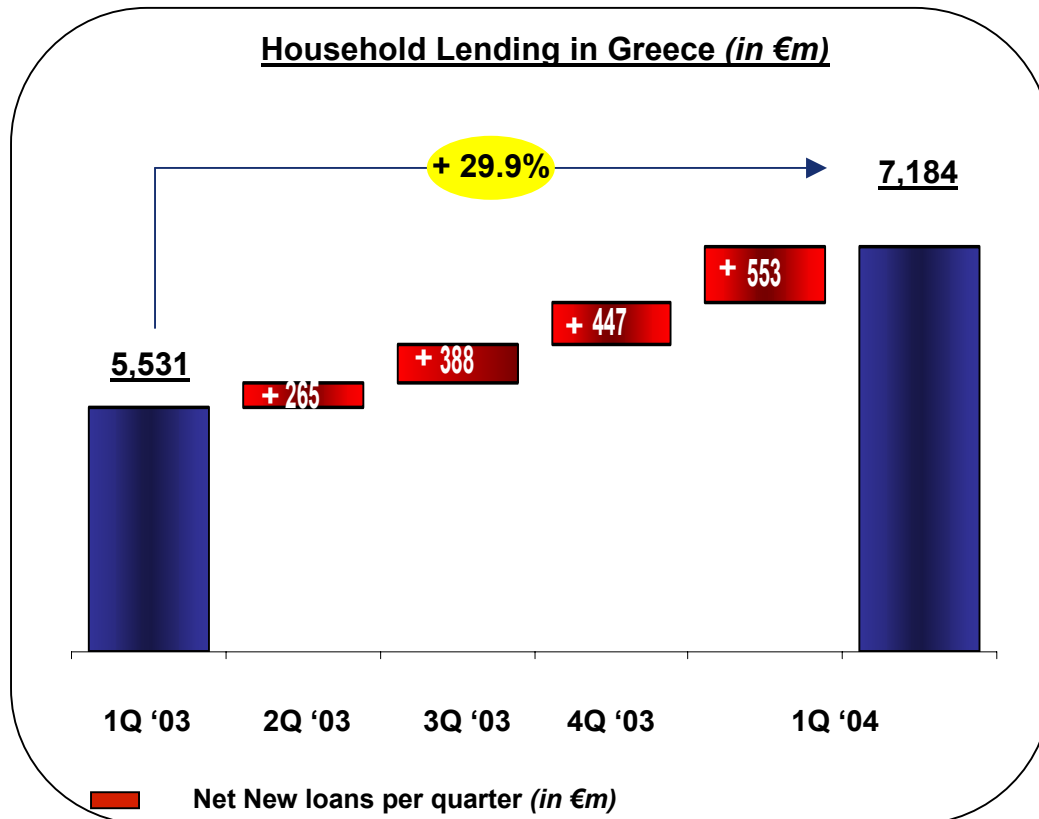
\* Bulgarian Post Bank not fully consolidated in 1Q'03

\* 1Q '04 annualised growth rates in Greece are 36% for Consumer and 30% for Mortgage lending



# Household Lending up 34%

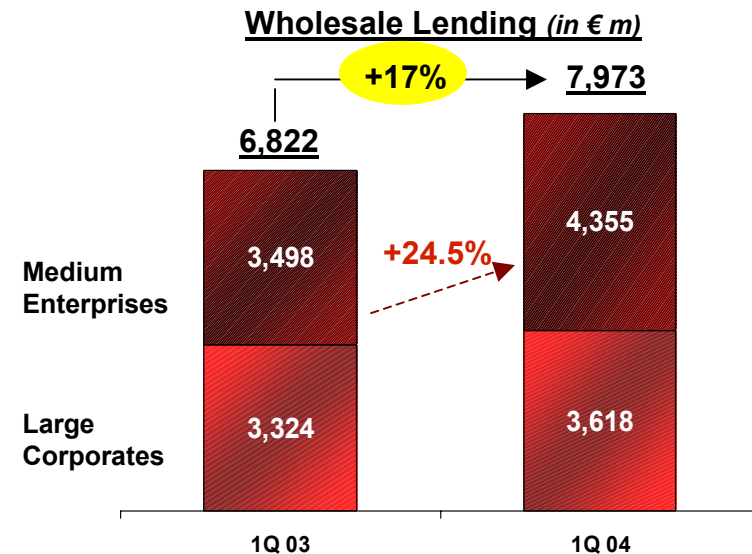
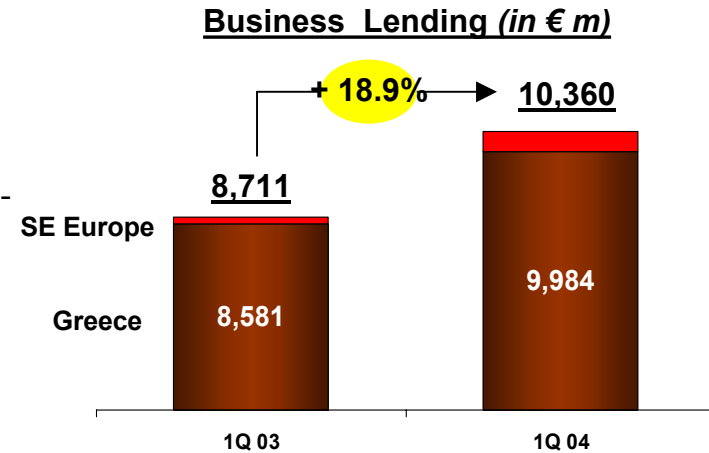
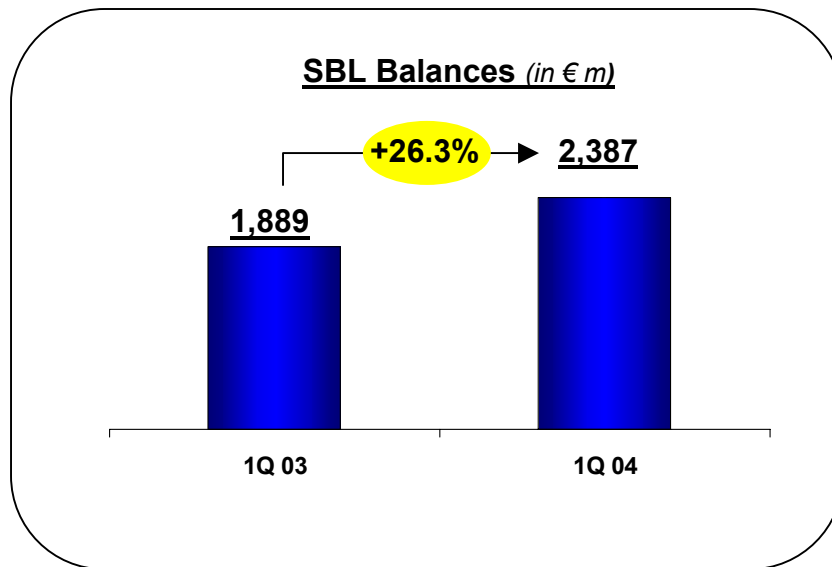
- ▶ Household Lending at Group level rises 33.5% to € 7.5 bn
- ▶ In Greece, Household Lending rises 30% y.o.y. to € 7.2 bn
  - ▶ Net new balances in Greece at € 553 m in 1Q '04 vs € 455 m in 1Q '03
- ▶ SE European household loans at € 282 m (3.8% of total)



# Business Lending rises by 19%

## Small & Medium-sized businesses drive growth

- ▶ Leaders in Small Business Lending, growing strongly at 26.3% to € 2.4 bn
- ▶ Strong expansion in Medium-sized Enterprises (turnover € 2.5-€ 25m) with loans rising 24.5% y.o.y. to € 4.4 bn
- ▶ Deep market penetration with 6,500 active relationships among a universe of 9,000 enterprises with turnover >€ 2.5 m
- ▶ Launch of aggressive marketing campaign for business lending in Greece bears results
- ▶ SE Europe contributes € 376m in 1Q '04 from € 130m in 1Q '03 (Bulgarian Post Bank fully consolidated since end-2003)

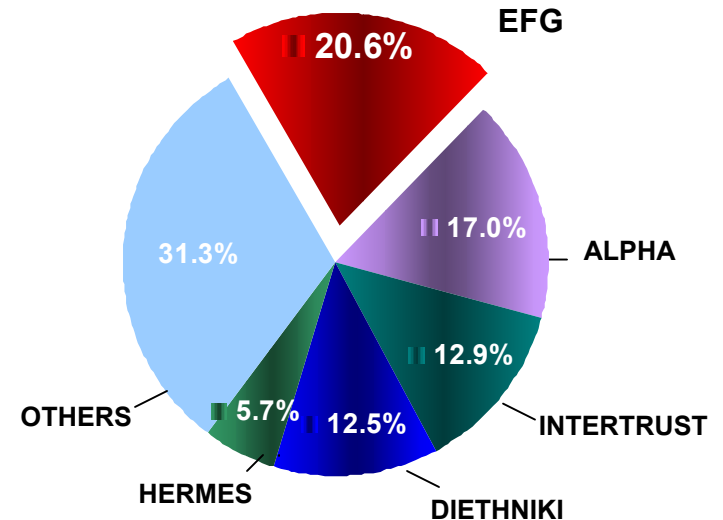


# Consolidating leadership in Asset Mgmt. & Capital Markets

## ▶ Mutual Funds

- Dominant position with 20.6% market share (excluding Money Market funds) and 26.2% of the total market.
- Total Market Share of 26.2% in 1Q 04, with 20.6% in the non Money Market segment.
- EFG M.F.M.C. the only management company in Greece with consecutive market share gains in the Non MM segment.

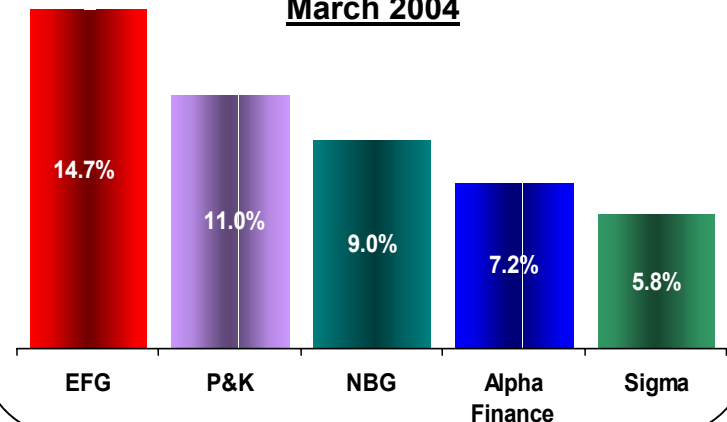
**Mutual Funds market shares (excl. MM Funds)**  
**March 2004**



## ▶ Capital Markets

- Undisputed leader both in the Athens Stock Exchange and the Athens Derivatives exchange
- Top position in Investment Banking
- Equity brokerage market share at 14.7% in 1Q '04
- Expanding rapidly in International Equities

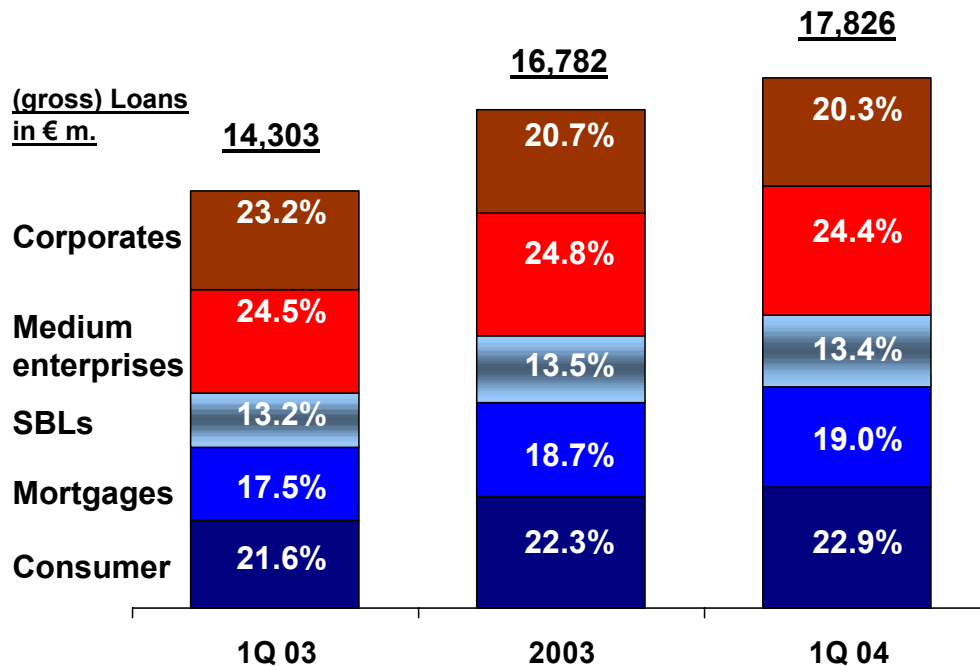
**Athens Stock Exchange market shares**  
**March 2004**



# FINANCIAL REVIEW

# Retail Lending at 55% of total

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

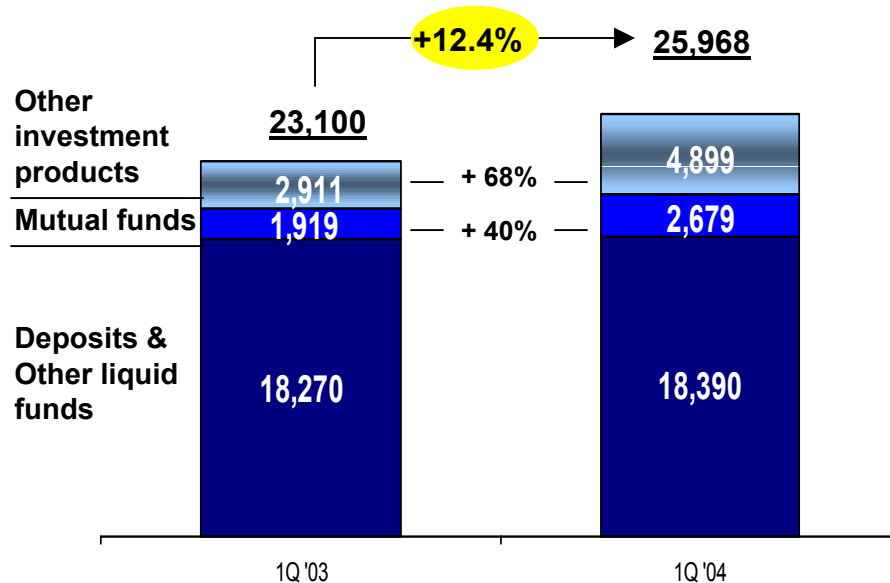


- ▶ Household lending at 42% of total, from 39% in 1Q 2003
- ▶ Retail lending (Household + SBLs) at 55% of total loans, from 52.3% in 1Q 2003
- ▶ Wholesale lending (Medium-sized & Large corporates) at 45% of the loan book
- ▶ Increasing contribution of retail loans to the total portfolio maintains the NIM above 3%

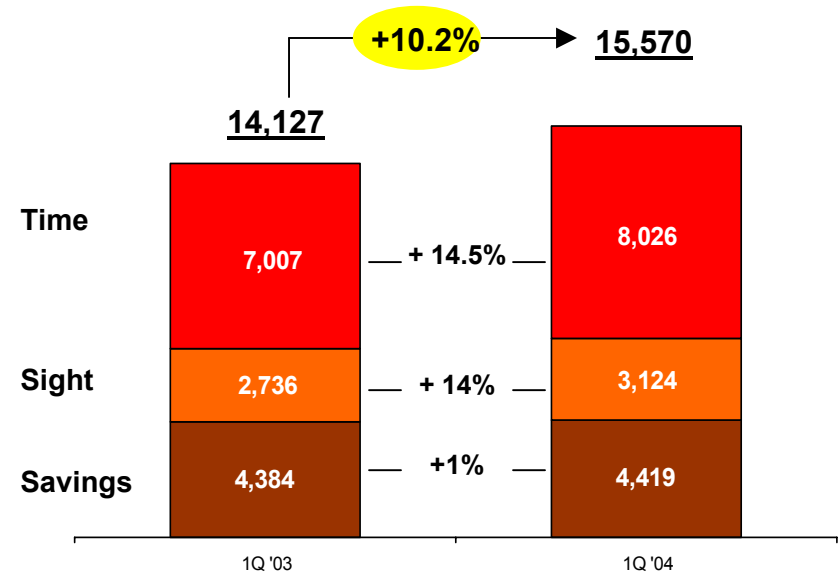
# Customer Funds up 12.4% to € 26 bn

- ▶ Total AUM rise to € 26 bn, with solid deposit expansion of 10.3% to € 15.6 bn
- ▶ Customer shift to investment products continues:
  - Mutual Funds up 40% to € 2.7 bn
  - Mutual Funds & other investment products at 29% of total FUM (vs. 20% in 1Q'03)

**Customer Funds (in € m)**

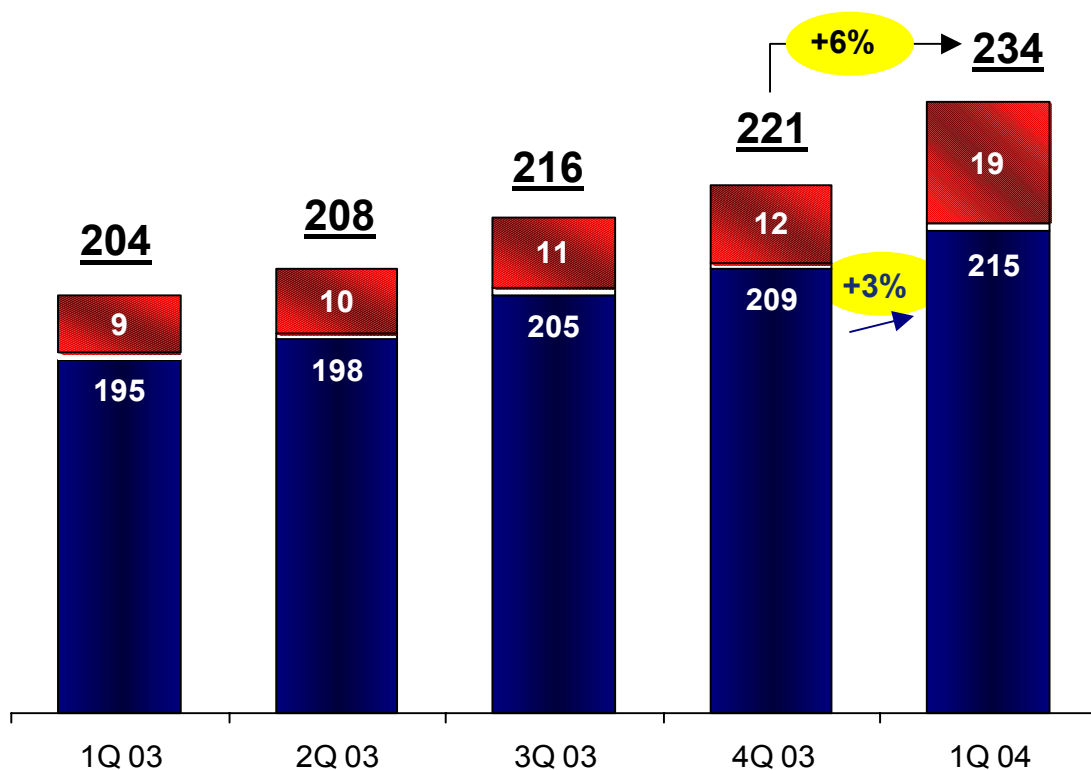


**Deposits' Analysis (in € m, excl. repos)**



# Net Interest Income up 15% Y-o-Y

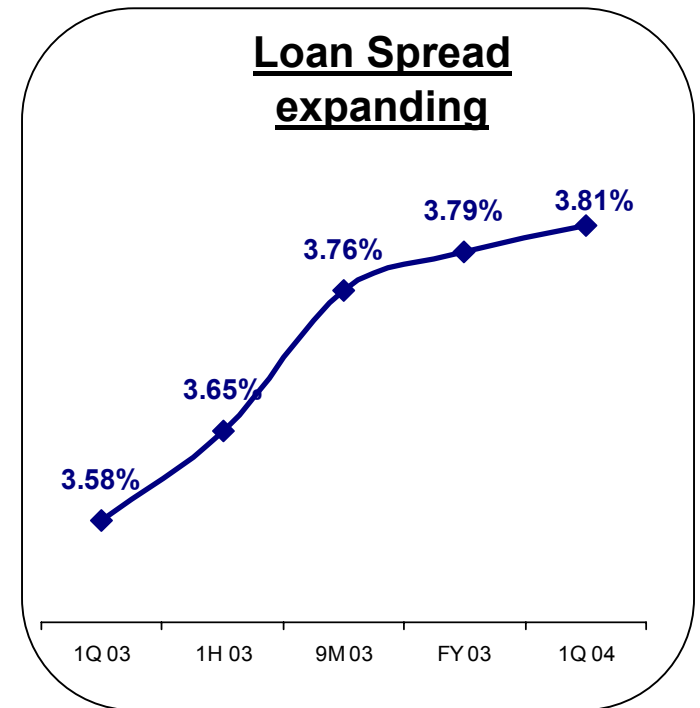
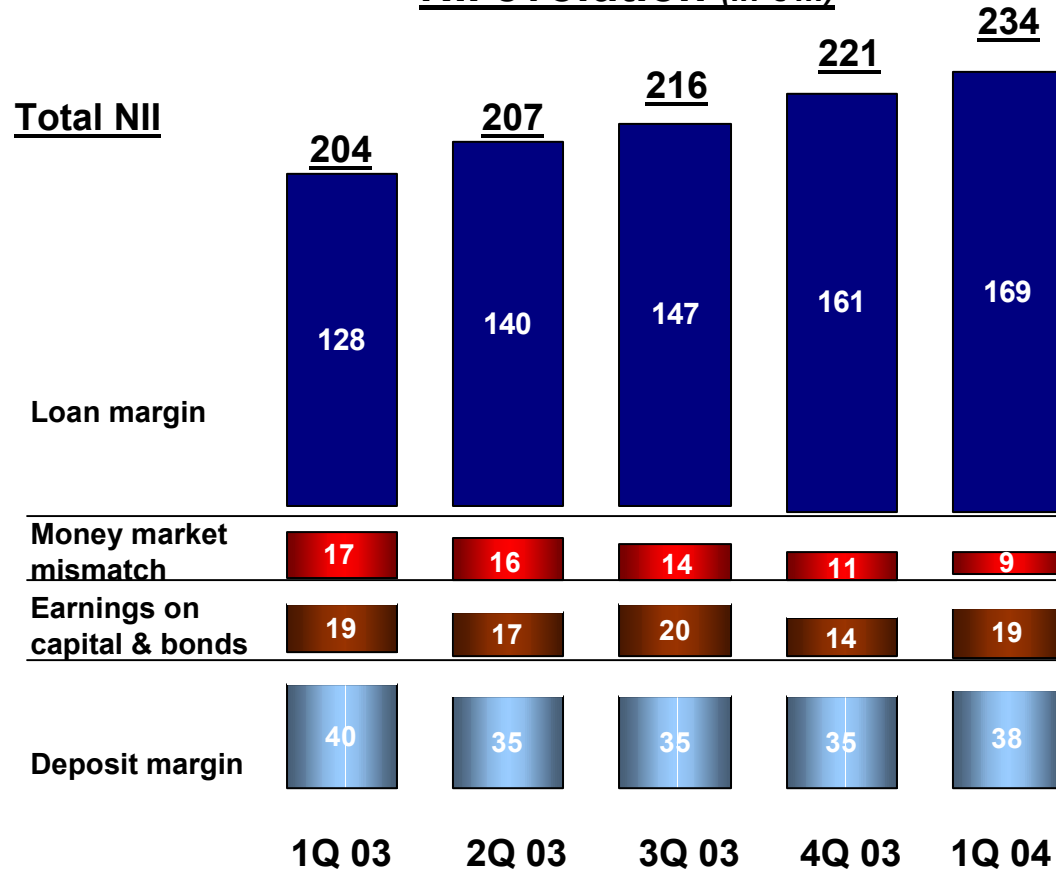
NII quarterly evolution (in € m)



- ▶ Q1 '04 NII rises by 15% over Q1 '03
- ▶ NII rises 6% over 4Q '04 for the Group and 3% in Greece
- ▶ SE Europe operations contribute 8% of NII, vs. 5% in FY '03
- ▶ NIM stronger at 3.34% in Q1 '04 (from 3.22% in FY '03)

# Loan Margin up 32% drives the NII

**NII evolution (in € m)**



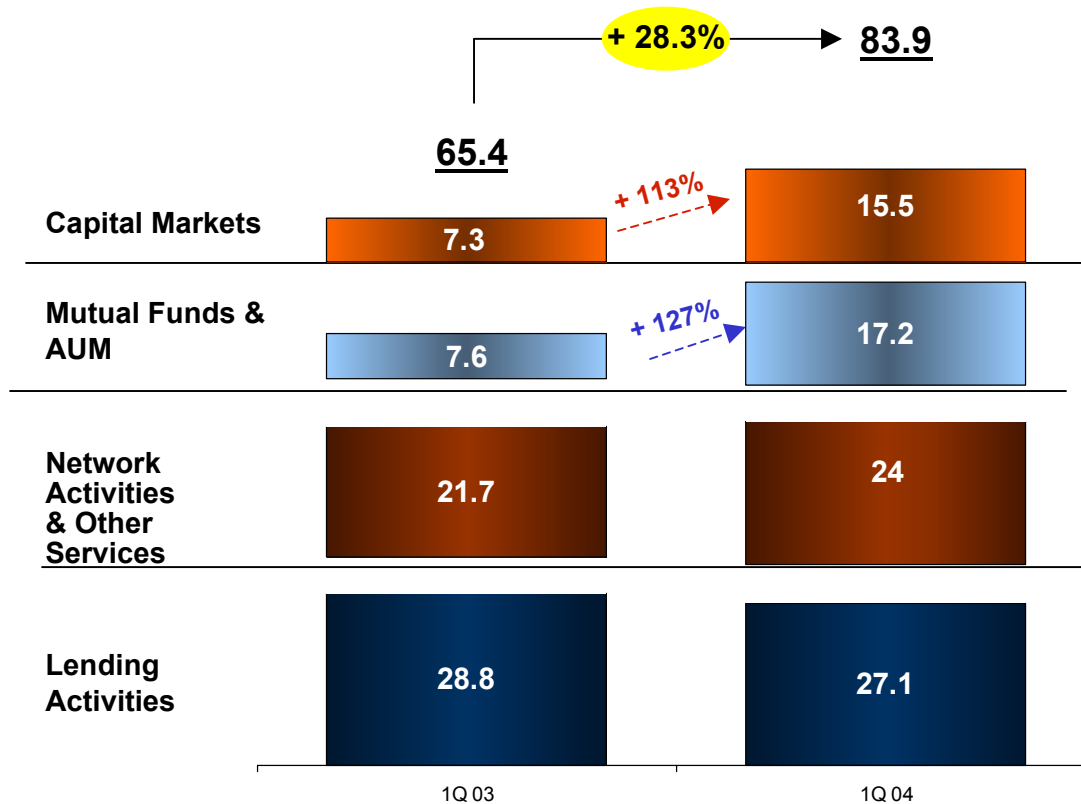


## Loan spread improving

	<u>1Q 2003</u>	<u>2003</u>	<u>1Q 2004</u>
Total Deposits & Repos	0.98%	0.86%	0.84%
<b>Loans</b>			
Wholesale (Greece)	1.89%	1.98%	1.89%
Mortgage	1.38%	1.89%	2.17%
Consumer	8.88%	8.99%	8.57%
SBLs	4.67%	5.02%	4.86%
Total Retail (Greece)	5.30%	5.57%	5.45%
<b>Total Loans</b>	<b>3.58%</b>	<b>3.79%</b>	<b>3.81%</b>

# Fee income up 28% Y-o-Y

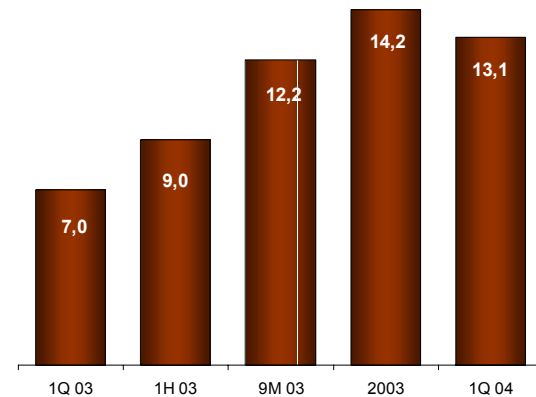
## Fee income composition (in € m)



► Fee income of €84m, at 24.1% of total operating income

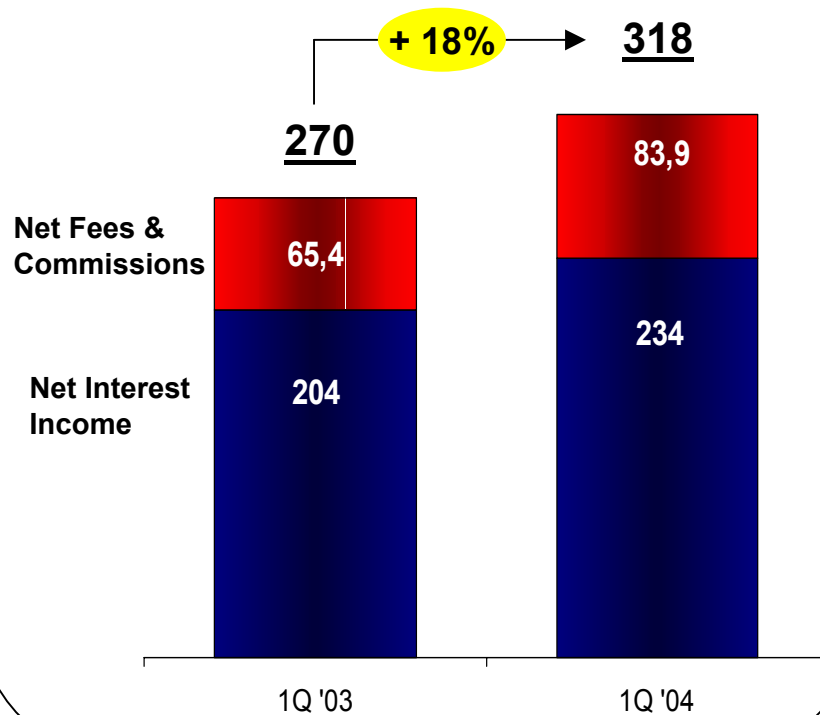
► ASE-related fees up 141% yoy

### ASE-related Fees / Total Fees (%)

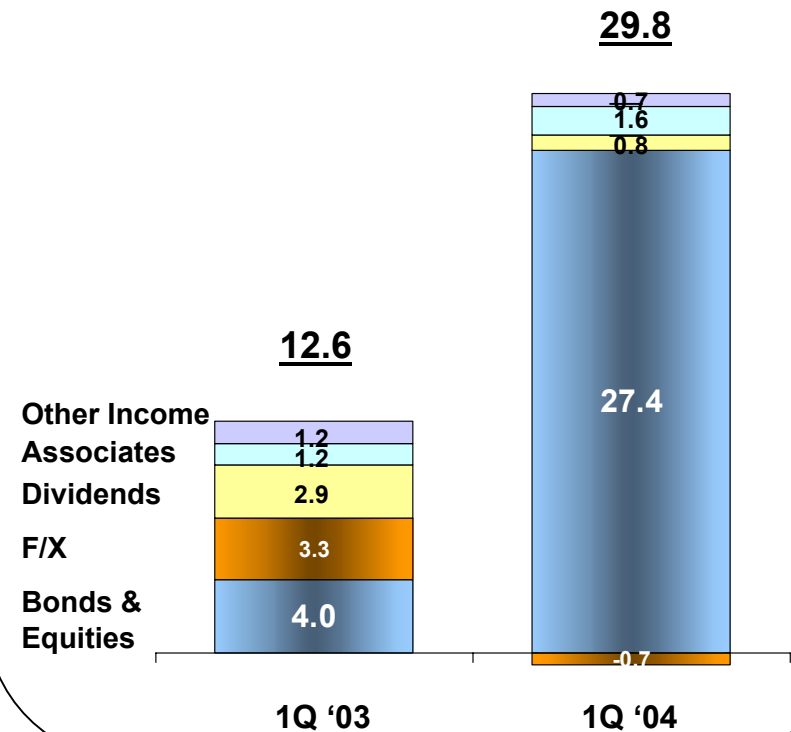


# Core Income (NII + Fees) up 18%- Equities drive non-core income

**Core Income (in € m)**



**Breakdown of non-core income (in € m)**

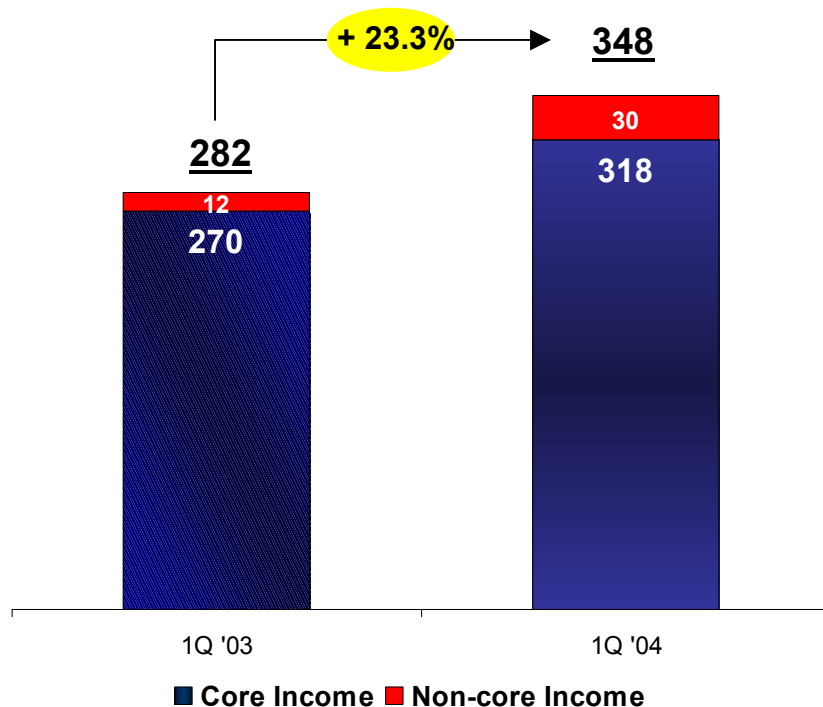


# Total Operating Income rises 23%

- ▶ Core Income at 91% of Total Operating Income
- ▶ SE Europe contributes 9.5%

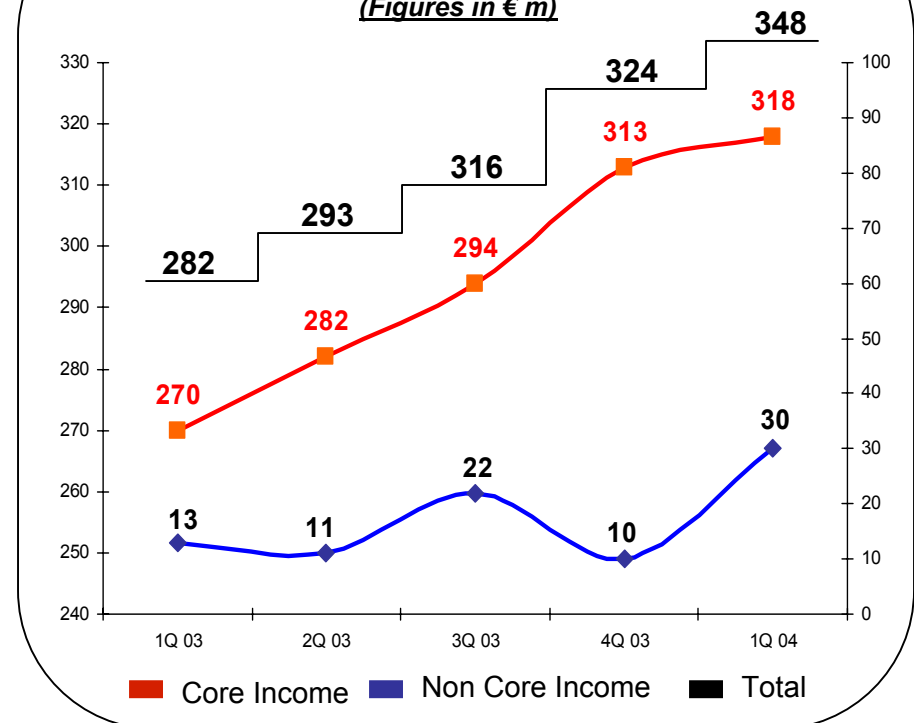
## Y-o-Y evolution

(Figures in € m)



## Q-o-Q evolution

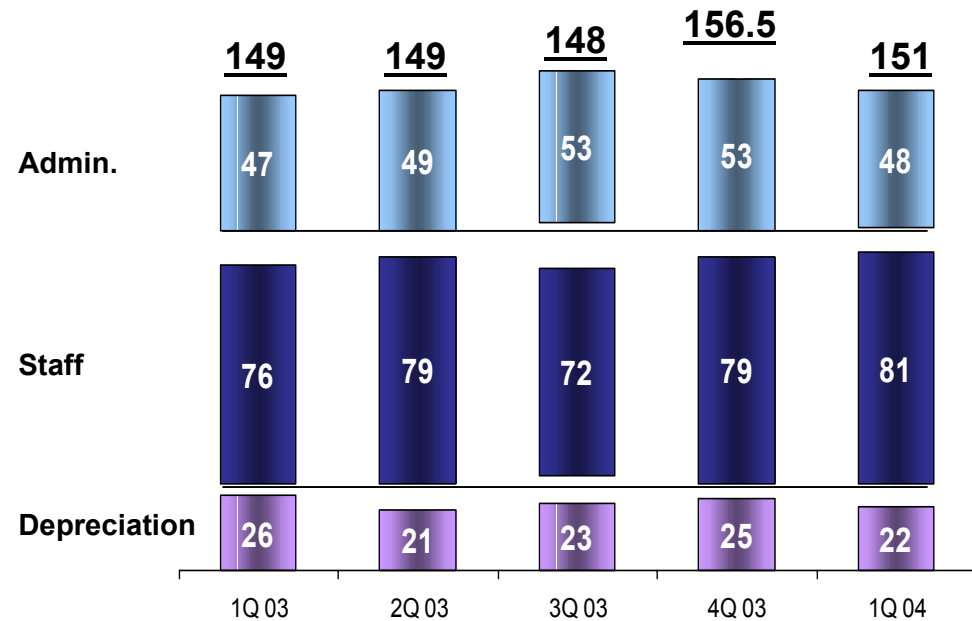
(Figures in € m)



# Cost expansion in Greece slows further

- ▶ Greek Staff at 1Q 2002 levels, despite outstanding business growth
- ▶ Administrative expenses just above 1Q '03 levels
- ▶ Total Operating Expenses in Greece up 1.4% at € 150.7 m in 1Q '04
- ▶ On a like-for-like basis\*, Total Operating Expenses are up 3.8% yoy

**Total Expenses in Greece (in € m)**



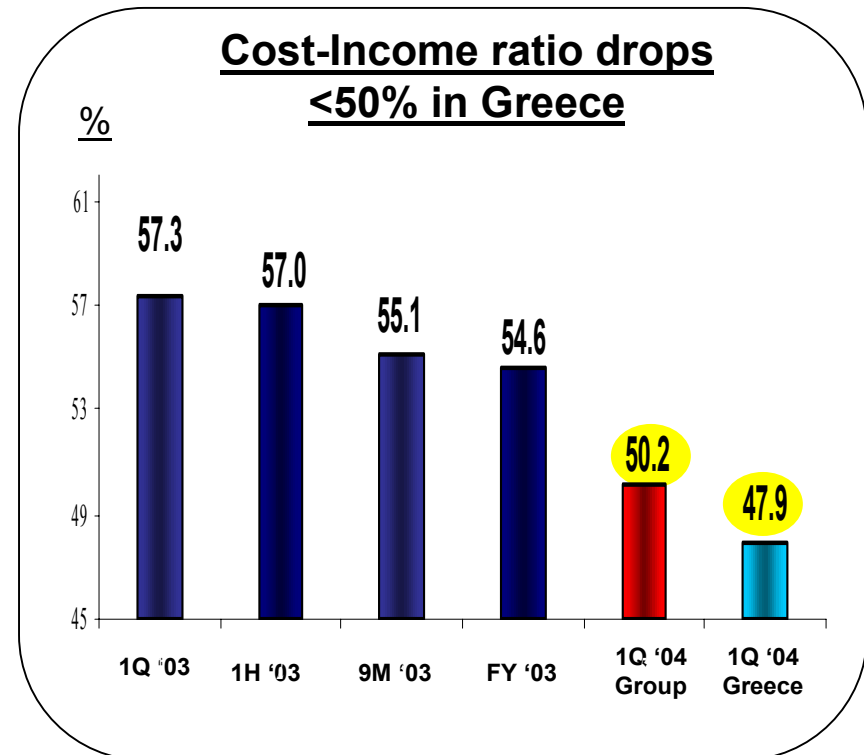
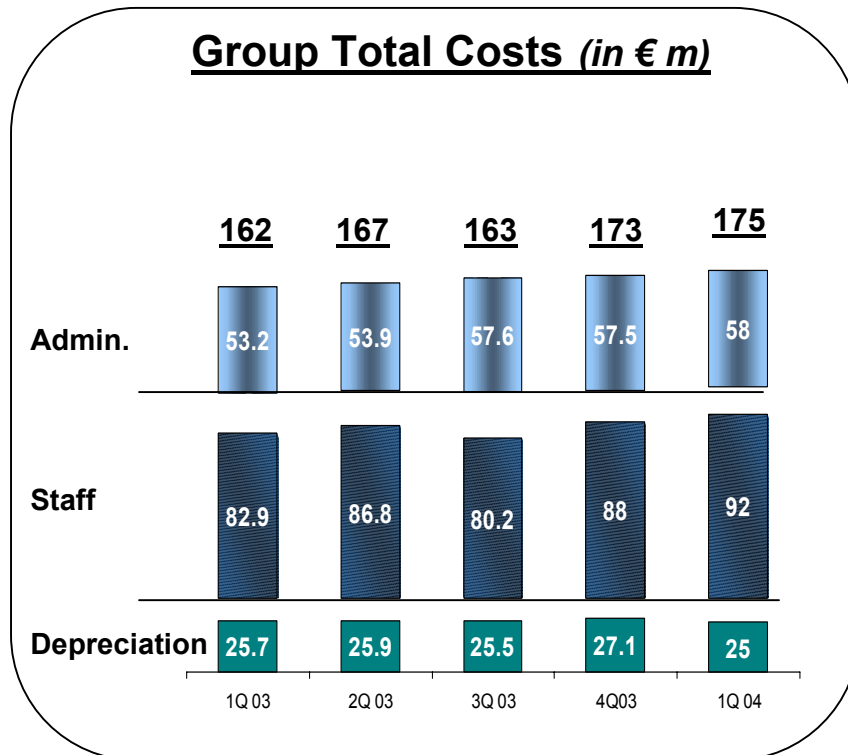
**Number of Staff in Greece**

<b>8,670</b>	<b>8,649</b>	<b>8,684</b>	<b>8,699</b>	<b>8,674</b>
1Q 03	1H 03	9M 03	FY 03	1Q 04

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

# Group-wide efficiency sharply improved

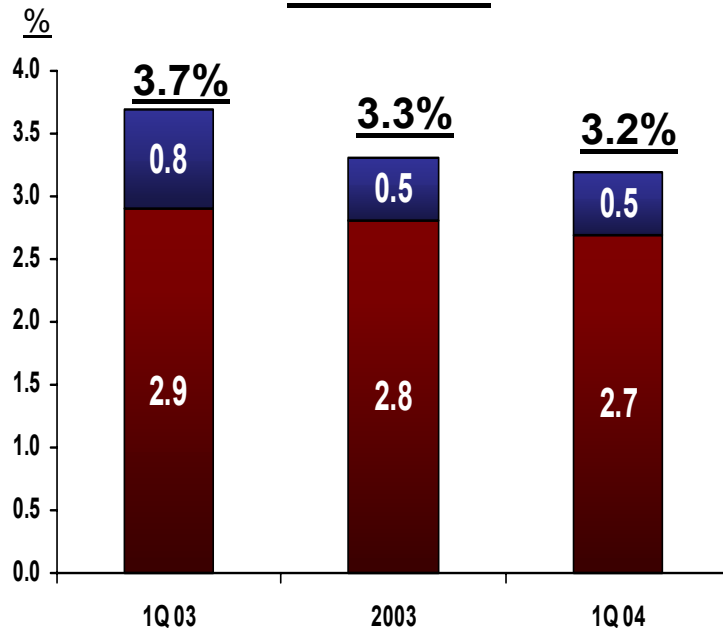
- ▶ Cost / Income Ratio at record low levels of 50.2% for the Group, 47.9% for Greek operations
- ▶ SE Europe entities account for 13.8% of 1Q '04 group-wide costs, compared to 8% in 1Q '03, contributing €24.1m as Bulgarian Post Bank is consolidated for the first time
- ▶ Overall 1Q 2004 expenses at € 175 m



# Asset quality improving

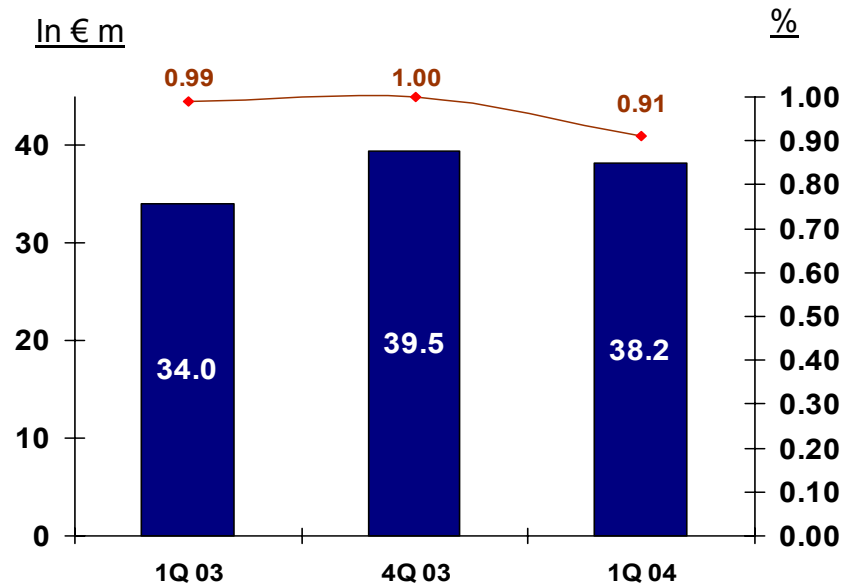
- ▶ Further improvement of Organic NPLs at 2.7% of total loans
- ▶ Vigilant provisioning policy maintained
- ▶ NPL Coverage at 82%

### NPL Ratio



■ Organic NPLs ■ NPLs from Bank of Athens and CretaBank

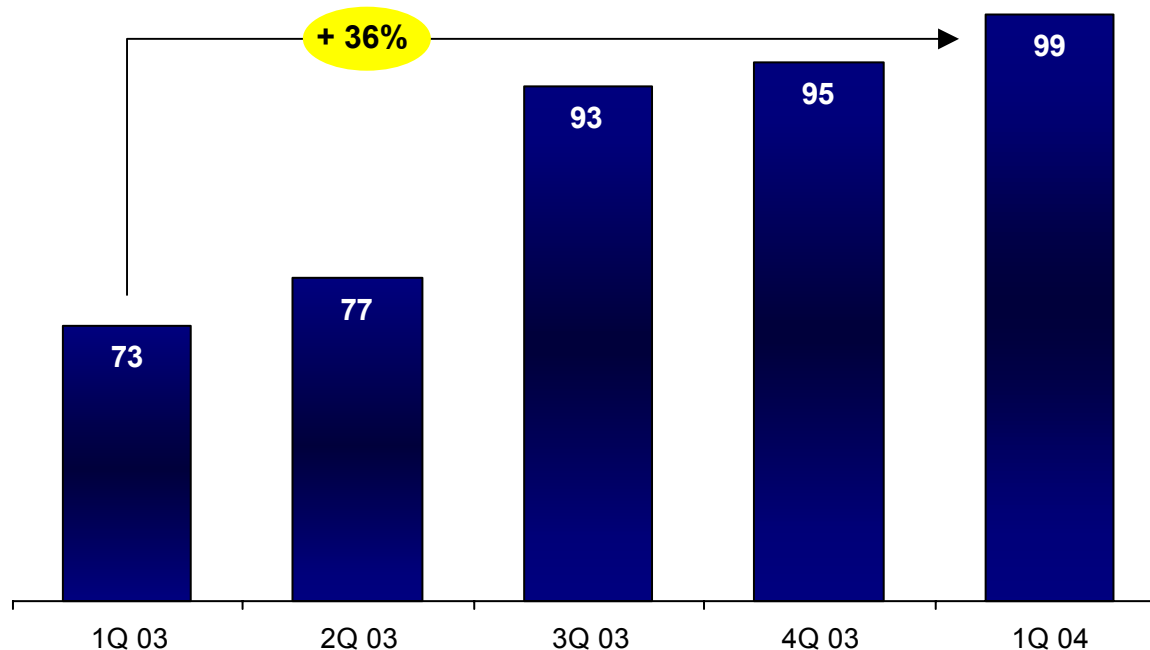
### Bad Debt Provisions



■ Provisions —◆ Provisions as % of avg. loans

# Core profit soars 36% to € 99m

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



► Dynamic rise of NII and Fee Income with vigilant cost containment

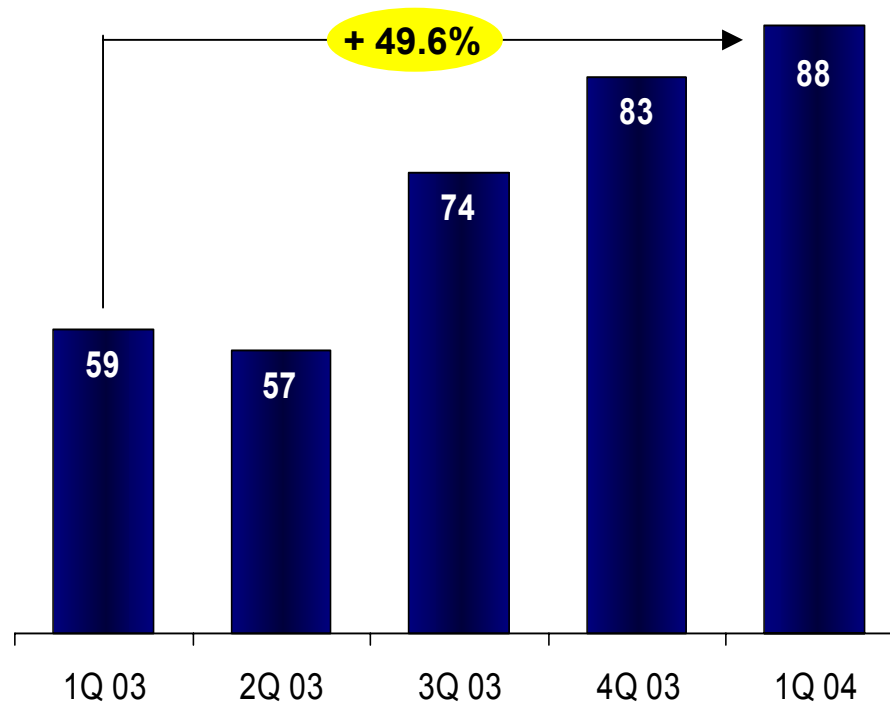
\* Core Profit = NII + Fees – Cost - Provisions



# 1Q 2004 net profit up 50% Y-o-Y

## Quarterly Net Profit

*(Figures in € m)*

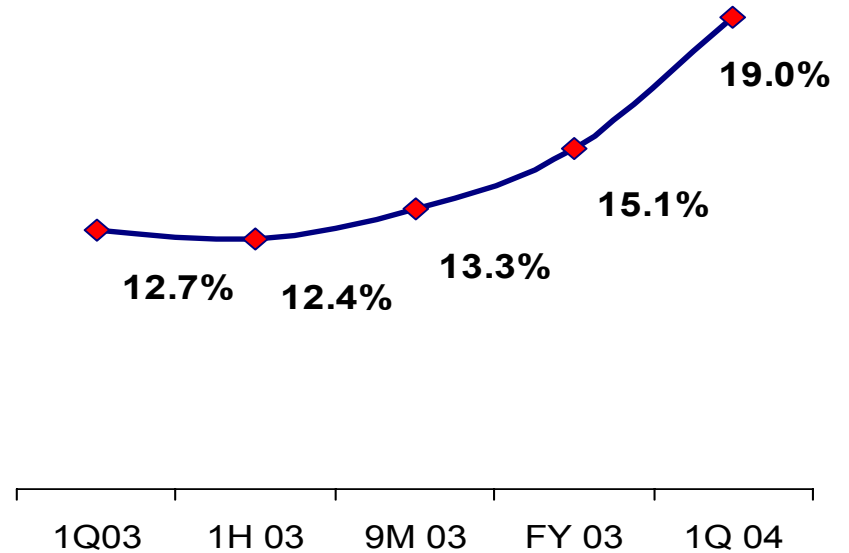


▶ SE Europe contribution  
at 2.8% of total

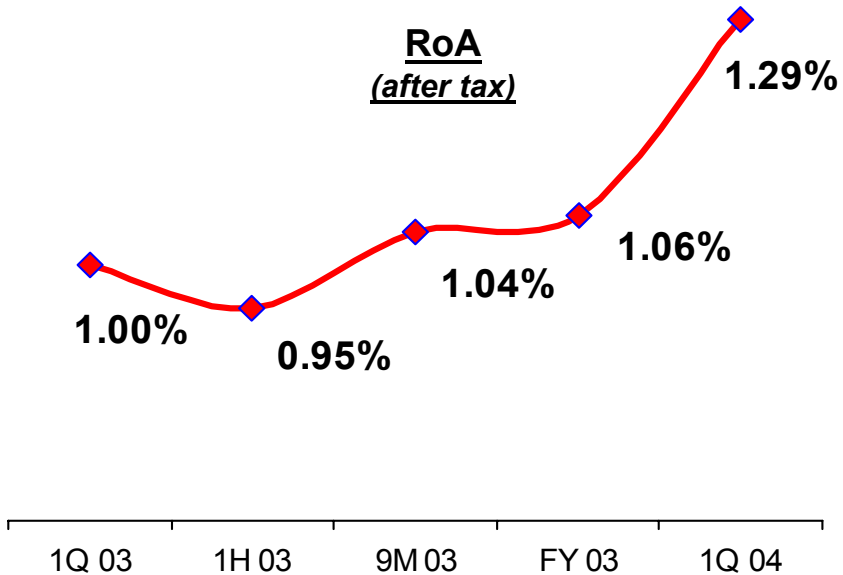
# Rising Returns

- ▶ Shareholders' Equity at € 1.9 bn
- ▶ Return on Equity at 19.03%
- ▶ RoA at 1.29%
- ▶ RAR at 10.2%
- ▶ Return on Required Equity at 21.8%  
(@ 8% of RWA)

**RoE**  
*(after tax & minority interests)*



**RoA**  
*(after tax)*



# APPENDICES

# 1Q 2004 – Summary figures

<u>(in €m)</u>	<u>1Q '03</u>	<u>1Q '04</u>	<u>% Change</u>	<u>SE Europe</u>
Net interest income	204	234	14.7%	19
Net fee and commission income	65	84	28.3%	12.9
Core income	270	318	18%	32
Non-core income	13	30	137.3%	1.3
Total operating income	282	348	23.3%	33.2
Operating expenses	162	175	8.1%	24.1
Core profit	73	99	36.2%	5.3
Net profit	59	88	49.6%	2.5
Total assets	24,928	28,147	12.9%	1,330
Loans and advances to customers (net)	13,940	17,384	24.7%	655
Client deposits	16,683	17,211	3.2%	878
Shareholders' equity	1,888	1,914	1.4%	178

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