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**PRESS RELEASE**

**FIRST HALF 2002 RESULTS**

(According to International Accounting Standards)

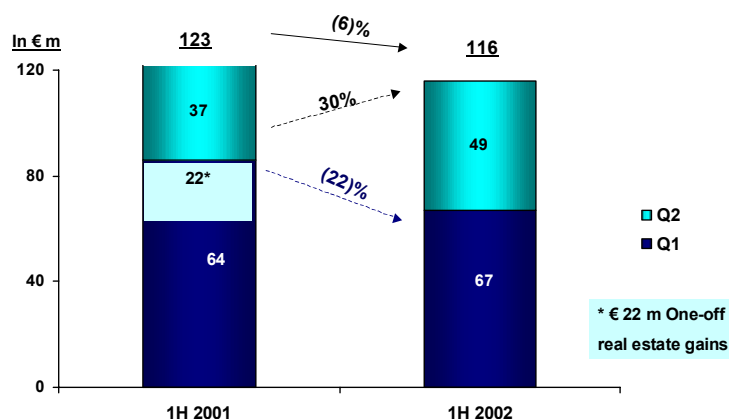
**Net Profit for 1H 2002 at € 116 million (-6% year on year)**

EFG Eurobank Ergasias announces consolidated financial results for the first half of 2002 under International Accounting Standards (IAS) and Greek Accounting Standards (GAS). Differences in 1H 2002 figures under IAS and GAS are mainly due to differences in the valuation of derivatives. Differences in 1H 2001 are mainly attributable to the fact that according to GAS former Telesis Investment Bank is consolidated from the first quarter of 2001, while according to IAS it is consolidated from the last quarter of 2001.

In the first half of 2002, consolidated net profit after tax attributable to the shareholders of EFG Eurobank Ergasias amounted to € 116 million, compared to € 123 million in the first half of 2001, retreating 6%. Consolidated earnings before tax retreated 11% to € 161 million, from € 180 million in the same period of 2001. Excluding the extraordinary real estate gains of € 22 million from the long-term lease of King George hotel from 1H 2001 results, net profit after tax increased 15%.

Second quarter profit rose 30% compared to 2Q 2001, from € 37 million to € 49 million, helping to close the gap from 2001 profit levels, recorded in first quarter results. EFG Eurobank Ergasias Group maintained its healthy growth in core income, achieving a robust rise of 17% in Core Income (net interest and fee income) to € 467 m in the first half of 2002, compared to € 400 m in the same period of last year. The steady increase in core income reflects EFG Eurobank Ergasias' franchise strength and its expanding presence in the high growth and high margin segments of the Greek market.

**1Q & 2Q contribution to 1H Profit**



## **EVOLUTION OF KEY FIGURES IN 1H 2002**

**Total Assets** reached € 25.5 billion at the end of June 2002 (from € 20.5 billion at the end of 1H 2001), reflecting continuous growth in business volumes. Balance sheet expansion is attributable to the 26.5% growth in Loans to € 11.9 billion, from € 9.4 billion at the end of June 2001 (excluding settlement balances) and the 7% increase in Deposits to € 16.4 billion, from € 15.3 billion at the end of 1H 2001 (excluding settlement balances). More specifically:

- **Customer Loans** increased 26.5%, as a result of a 39% increase in retail lending (including consumer, mortgage and small business loans) and an 18% increase in business lending (including SMEs and large corporates). Stripping out the effect from the acquisition of Telesis Investment Bank, the loan portfolio has increased by 21% compared to the end of 1H 2001. More specifically, **Consumer Credit** expanded by 39% and **Mortgage Credit** by 35%. The continuous rapid growth of the retail loan portfolio has resulted in the further shift of the total loan mix towards retail lending, which accounted for 43.3% of the total loan portfolio at the end of the first half of 2002, compared to 39.4% at the end of June 2001. Excluding settlement balances, total loans and advances to clients represented 47% of total assets and 73% of customer deposits. This performance confirms consistent market share gains in most segments.

Despite the strong growth in loans, the **quality of the loan portfolio has been maintained** at high levels. Non-performing loans (NPLs) from Group activities remain steadily below 3% of the total loan book and are more than 80% covered by provisions. This remains one of the highest coverage ratios in the Greek banking sector.

- **Customer Deposits** (excluding settlement balances) increased by 7% and amounted to € 16.4 billion, from € 15.3 billion in the first half of 2001. Deposits excluding repos rose significantly by 19% reaching € 11.4 billion, while repos decreased by 14%. Total Customer Funds, including customer deposits, repos, mutual funds and other investment products, rose by 12% at current prices and amounted to € 23.4 billion. This increase was achieved despite the further significant drop in the value of clients' domestic equity portfolios in the first half of 2002.

**Net Interest Income** was the key driver of income growth expanding by 20% and reaching € 349 million, from € 292 million in the first half of 2001. The **net interest margin** (net interest income over avg. total assets) remains above 3%, supported by the strong growth in retail lending.

**Net Fee and Commission Income** recorded an increase of 9% reaching € 118 million from € 108 m in 1H 2001. This was achieved as the increase in commission income from lending activities, other branch network services and investment-banking fees offset the contraction of fee income related to equity brokerage, IPOs and equity asset management operations.

It is noteworthy that in Capital Markets, the group's leading presence was further enhanced with significant market share gains in equity brokerage and treasury operations. EFG Eurobank Ergasias' remains the leader in domestic brokerage operations, with a market share that exceeded 12% in the first half of the year. In treasury operations, EFG Eurobank Ergasias was in 1H 2002 the No 1 primary dealer in government bonds for the first time.

The increase in net interest income and net fee and commission income led to a robust **17%** rise of **Core Income** (defined as net interest income and net fee and commission income), to € 467 million, from € 400 million in 1H 2001. As a result, Core Income contributed 96% to Total Operating Income, compared to 85% in the same period of 2001, leading to a further improvement in the quality and sustainability of income.

The contribution of other sources of income in first half revenue was limited. Net trading income (Trading portfolio) and Gains less Losses from other Securities (Available for Sale portfolio) as a whole, decreased from € 34 million to € 12 million. This reflects lower bond gains and lower foreign exchange gains on one hand and higher losses stemming from equity related positions on the other. Furthermore, dividends decreased from € 10 million to € 4 million, while the one-off real estate gains of € 22 million from the long-term lease of King George hotel included in 1H 2001 results were not repeated. This further reduced the contribution of these sources of income to total operating income to 4%.

As a result, Total Operating Income increased 3.4% to € 485 million, from € 469 million in the same period of the year 2001. Excluding real estate gains, total operating income increased 8.6% from € 446 million to € 485 million.

Total Operating Expenses reached € 287 million, rising 9.3% in 1H 2002 (vs.10.2% in the 12 months to June 2001), adjusting for the acquisition of Telesis which was not included in 1H 2001 under IAS. Without this adjustment, total operating expenses increased 13.6%. EFG Eurobank Ergasias is currently developing new alternative distribution channels and is also expanding into new business areas, while all branch networks are currently migrating on the new Altamira platform. Group efforts to restrict costs will continue intensively in the following quarters, so as to enhance overall efficiency and operating performance.

Return on average Equity in 1H 2002 was 11.9%. Risk Weighted Assets (RWA) at the end of the first half stood at € 13.9 billion. The Capital Adequacy Ratio stands at 12.5% confirming EFG Eurobank Ergasias' ability to maintain its high growth rates, without having to resort to shareholders in order to raise new capital in the foreseeable future.

EFG Eurobank Ergasias key figures according to IAS (€ million)	H1 2002	H1 2001	y-o-y %
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### BALANCE SHEET

Total Assets	25,462	20,452	24.5%
Net Loans & Advances to Customers*	11,919	9,426	26.5%
Due to Customers*	16,392	15,322	7.0%
Shareholders Equity	1,870	1,697	10.2%
<i>*excluding settlement balances</i>			

### INCOME STATEMENT

Net Interest Income	349	292	19.5%
Net Commission Income	118	108	8.9%
Core Banking Revenue	467	400	16.6%
Total Operating Income	485	469	3.4%
Total Operating Income excl. one-off real estate gains	485	446	8.6%
Pre-tax profit after minorities	161	180	(10.9%)
Net profit after tax & minorities	116	123	(6.1%)
Net profit excluding one-off real estate gains	116	101	14.6%

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## **GREEK GAAP (GAS) AND INTERNATIONAL ACCOUNTING STANDARDS (IAS)**

**EFG Eurobank Ergasias** has long opted for reporting its financial results according to IAS and GAS, focusing however the analysis of these results in the statements prepared according to IAS. Financial statements and results based on IAS fully reflect the Group's financial position, and allow for comparisons with other banks worldwide. On the other hand, GAS are restricted by Greek tax legislation. According to a Law recently passed by the Greek Parliament, the Societes Anonymes whose shares are listed on the Athens Stock Exchange, will have to prepare their financial statements according to the International Accounting Standards, for all fiscal years ending after December 31, 2002.

**According to Greek GAAP**, the results for the Group of EFG Eurobank Ergasias in 1H 2002 compared to 1H 2001 are as follows:

Total Assets amounted to € 21.7 billion, from € 19.8 billion. Loans and advances to clients reached € 11.7 billion, from € 9.8 billion. Customer Deposits reached € 16.4 billion, from € 15.9 billion at the end of June 2001. Net Interest Income (including net interest from leasing operations and excluding bond gains) amounted to € 350 million from € 303 million, while the net interest margin remains above 3%. Core Banking Revenue (net interest income and net fee and commission income) reached € 465 million from € 418 million. Total Operating income stood at € 485 million, from € 461 million. Consolidated net profit after tax and minorities reached € 108 million, from € 120 million the same period a year earlier.