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**PRESS RELEASE**

**9M 2002 RESULTS**

(According to International Accounting Standards)

**Basic revenues at €706 m (+15%) - Net profit at €157 m (-9%)**

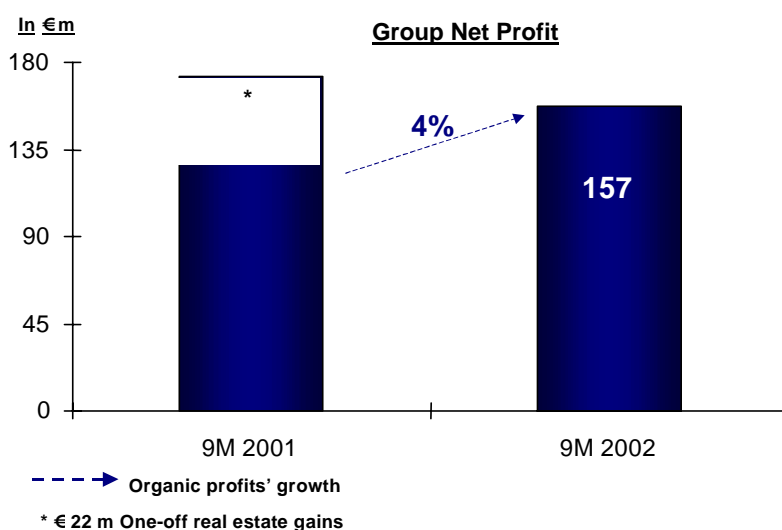
**Cost contained at 2Q levels**

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**EFG Eurobank Ergasias** announces consolidated financial results for the nine months to September 30<sup>th</sup> 2002 under International Accounting Standards (IAS) and Greek Accounting Standards (GAS). Differences in the nine-month 2002 figures under IAS and GAS are mainly due to differences in the valuation of derivatives. Differences in 9M 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.

Continued significant growth in organic revenues and a slowdown in cost expansion characterised EFG Eurobank Ergasias group performance in the nine months of 2002. The 19% increase in net interest income, together with the positive performance of fee income, absorbed the impact from the negative course of equity markets.

In the nine-month period to September 2002, **consolidated net profit after tax attributable to the shareholders of EFG Eurobank Ergasias** amounted to €157 million, compared to €173 million in the same period of 2001, sliding 9%. Excluding from 2001 results the one-off real estate gains<sup>1</sup>, net profit is 4% higher than that of the previous year.



<sup>1</sup> €22 million one-off gains related to the long-term lease of King George hotel

Net interest income (NII) recorded a strong increase of 19% to € 529 million, while net fee income rose 3% to € 177 million. Thus **basic income**, comprising net interest and net fee income, achieved a **robust rise of 15%** in the nine months of 2002 over the same period of 2001, reaching €706 m. At the same time, cost discipline allowed for the **stabilisation of total operating expenses** in the third quarter of 2002, at Q2 levels of €148 million. Comparing nine months 2002 expenses with those of the respective period in 2001, including Telesis, the increase in cost was 6%. Thus **core profit** (basic revenues less operating expenses and provisions) **climbed by 16%** to €205 million in the nine months of 2002.

### **EVOLUTION OF KEY FIGURES IN 9M 2002**

**Total Assets** increased by 24% reaching €25.6 billion, compared to €20.6 billion at the end of September 2001, reflecting continuous growth in business volumes. More specifically:

- **Customer Loans<sup>2</sup>** grew 26% y.o.y. at the end of September 2002, reaching € 12.5 billion. Stripping out the effect from the acquisition of Telesis Investment Bank, the loan portfolio has increased by 22% on the back of a 35% increase in retail and small business lending and a 20% increase in other business lending. More specifically, **Consumer Credit** expanded by 37% to €2.5 billion and **Mortgage Credit** by 34% to €2.1 billion. At the same time the **quality of the loan portfolio has been maintained**. Non-performing loans (NPLs) remain steadily below 3% of the total loan book and are more than 80% covered by provisions. In the nine months of 2002 provision charges reached €66 million, increasing by 28% and representing 0.76% of the average loan portfolio.
- **Customer Deposits<sup>2</sup>** increased by 8% yoy and amounted to € 16.8 billion. Deposits excluding repos climbed by 33% reaching €12.7 billion, while repos decreased by 27% mainly due to tax reasons. Total Customer Funds, including customer deposits, repos, mutual funds and other investment products, rose by 8% at current prices and amounted to €23.1 billion.

**Shareholders' Funds** at the end of September 2002 stood at €1.8 billion and remain among the strongest in the sector. Capital Adequacy Ratio stood at 11.2%, comprising almost solely Tier 1 capital and confirming EFG Eurobank Ergasias' ability to maintain high growth rates without having to raise additional capital from its shareholders in the foreseeable future.

**Net Interest Income** expanded by 19% and reached €529 million, contributing 75% of total operating income. The **net interest margin** (net interest income over avg. total assets) remained above 3%.

**Net Fee and Commission Income** recorded an increase of 3% y.o.y. and amounted to €177 million, with 3Q improving over 2Q by 4%.

The aggregate result of **Net trading income** (Trading portfolio) and **Gains less Losses from other Securities** (Available for Sale portfolio) as a whole, turned negative (€9 million) mainly due to equity positions. Nevertheless, **Total Operating Income** increased by 2% to € 709 million in the nine months of 2002, driven by the strong growth in basic income, while excluding the one-off real estate gains of 2001<sup>1</sup>, the increase in total operating income was 5%.

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<sup>1</sup> €22 million one-off gains related to the long-term lease of King George hotel

<sup>2</sup> Excluding settlement balances

**Total Operating Expenses** in the third quarter of 2002 remained stable at second quarter levels of € 148 million. Excluding depreciation charges, which increased 8% q-o-q to €19 million, staff and administrative expenses recorded a decrease of 1% over the previous quarter. Thus, in the nine months of 2002, cost expansion slowed down to 12% yoy, from 14% at the end of June 2001. Adjusting for Telesis, operating expenses have increased by 6% in the nine months of 2002, compared to the same period of 2001.

**Return on average Equity (ROE) and return on average Assets (ROA)** after tax in the nine-month period of 2002 amounted to 11% and 0.9% respectively.

### **INTERNATIONAL EXPANSION**

EFG Eurobank Ergasias has undertaken specific initiatives to expand in selected markets in SE Europe and the Mediterranean region. The purchase of a further 17% of the Romanian Bank Banc Post S.A has already been concluded, raising the stake of EFG Eurobank Ergasias to 36.25%. The Bank holds the option of further raising its total participation in Banc Post to 45%. Thus, EFG Eurobank Ergasias together with Banco Portugues de Investimento (BPI) currently control a majority stake of 53.25% in the share capital of Banc Post, with a potential of raising this stake to 62%. At the same time, having completed the relevant procedures, EFG Eurobank Ergasias has acquired from its parent group, the EFG Bank Group, a 50% stake in Alico/CEH Balkan Holdings (ACBH), which holds 86% of the Bulgarian Post Bank. As a result EFG Eurobank Ergasias controls 43% of Post Bank.

### **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 from December 31, 2003 onwards.*

**According to Greek GAAP**, the results for the Group of EFG Eurobank Ergasias in the nine months of 2002 are as follows:

Total Assets amounted to €23.1 billion, from €20.1 billion. Loans and advances to clients reached €12.5 billion, from €10.3 billion. Customer Deposits reached €16.8 billion, from €16.0 billion at the end of September 2001. Total Equity remained at €1.9 billion. Net Interest Income (including net interest from leasing operations and excluding bond gains) amounted to €531 million from €461 million, while the net interest margin remained above 3%. Core Banking Revenue (net interest income and net fee and commission income) reached €709 million from €643 million. Total Operating income stood at €706 million, from €692 million. Consolidated net profit after tax and minorities reached €148 million, from €169 million the same period a year earlier.

**EFG Eurobank Ergasias key figures  
according to IAS (€million)**

**9M 2002 9M 2001 y-o-y %**

**BALANCE SHEET**

|  |        |        |        |
|--|--------|--------|--------|
| Total Assets <sup>1</sup>                      | 23,340 | 18,454 | +26.5% |
| Net Loans & Advances to Customers <sup>1</sup> | 12,476 | 9,878  | +26.3% |
| Due to Customers <sup>1</sup>                  | 16,761 | 15,472 | +8.3%  |
| Shareholders Equity                            | 1,831  | 1,736  | +5.5%  |

**INCOME STATEMENT**

|  |     |     |        |
|--|-----|-----|--------|
| Net Interest Income  | 529 | 444 | +19.2% |
| Net Commission Income  | 177 | 172 | +2.7%  |
| Core Banking Revenue   | 706 | 616 | +14.6% |
| Total Operating Income                                       | 709 | 696 | +1.9%  |
| Total Operating Income excl. 2001 one-off gains <sup>2</sup> | 709 | 674 | +5.2%  |
| Core Profit  | 205 | 177 | +15.6% |
| Profit before tax  | 215 | 253 | -14.8% |
| Net profit after tax & minorities                            | 157 | 173 | -9.3%  |
| Net profit excluding one-off 2001 gains <sup>2</sup>         | 157 | 151 | +4.1%  |

<sup>1</sup> excluding settlement balances

<sup>2</sup> €22 m one-off gains from the long term lease of King George hotel