

## EFG EUROBANK CONFERENCE CALL

Banking Sector

Flash Alert  
9M 2005 Results

### Tips from the Conference Call (Thursday, 10 November 2005) on 9M 2005 Financial Results

[9M Results presented by Nikolaos Nanopoulos CEO and Paula Hadjisotiriou CFO of EFG Eurobank]

#### **Economic Highlights made by the Management**

© GDP growth in Greece appears sustainable at the range of 3.5% due to strong private construction (buoyant mortgage market) and tourism and despite fiscal problems (public deficit to drop below 3% in the future). South Eastern Europe demonstrates GDP growth at the range of 5% depending on country case. Credit expansion is seen at 16% in Greece, and at 30% in South East Europe.

#### **Financial Highlights made by the Management**

© Net profit advanced by 54% to EUR 385 million  
Operating income rose by 25.5% to EUR 1.4 billion  
Net interest income increased by 24% to EUR 981 million  
Commissions advanced by 35%  
Return on equity settled at 23%

© Loan portfolio expanded by 25.5% to EUR 25.7 billion, with Greek portfolio advancing by 23.3% and New Europe's portfolio advancing by 75%. With total Greek loans expanding by 16.1%, EFG Eurobank captured a market share gain of 0.7%.

Customer funds grew by 29% to EUR 36.1 billion  
Yield spread improved from 2.83% to 2.98%  
Revenues from retail banking accelerated in Q3 2005  
Loan to deposit ratio stood at 131%  
Cost to income ratio was recorded at 46.3%, the lowest ever, with the ratio standing at 42% for the Greek market  
Tax rate is moving lower, from 32% to 27% in 2005.

© The Management targets the opening of 65 new branches by end of 2006, 30 of which will open until end of 2005. Total number of branches is targeted at 370 with 100 outlets "Open 24". They plan to open 50 new branches in 2005 and 100 new branches in 2006, including Poland where they plan to commence operations in 2006.

#### **Outlook, Prospects, Hints given by the Management**

© The overall yield spread may get a bit tighter in the future  
EFG Eurobank targets a market share of 10% of loans in several countries in the Balkans (Romania, Bulgaria, etc.).  
By 2009, they expect 30% of revenues and 20% of profit generated abroad

In the Greek market, the Management expects cost growth of 8% in 2006, lower than in 2005, and deceleration from 2007 onwards.

Overall cost growth is expected at 14% for the current year (stated by Nikolaos Nanopoulos as the worst case scenario). Increased cost from voluntary retirement plan in Romania, payback period is targeted at 18 months.

Tax rate is anticipated at the range of 23% in the following years.

Target EPS growth at 23%.

Target dividend growth at 15%.

Dividend payout ratio may drop in the future

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