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**Eurobank EFG and the Tekfen Group form a strategic alliance in Tekfenbank.
Eurobank to acquire 70% in Tekfenbank.**

EFG Eurobank Ergasias S.A. (Eurobank EFG) and Tekfen Holding (Tekfen Group) agreed today to join forces in the Turkish financial services market. According to the agreement, Eurobank EFG will acquire 70% of Tekfen Group's holding in Tekfenbank together with its wholly-owned subsidiary, Tekfen Leasing (together the 'Bank'). Tekfen Group will remain a strategic shareholder in Tekfenbank, holding almost all of the remaining shares in the Bank. The consideration for the transaction implies a total valuation for Tekfenbank of approximately USD 260 million based on a Net Asset Value of the Bank estimated at closing of USD 80 million. The partners agreed that, as part of the overall transaction, Tekfenbank will acquire full ownership of EFG Istanbul Securities, currently a subsidiary of Eurobank EFG. Closing of the transaction is subject to regulatory approvals and is expected to occur in the third quarter of 2006.

Tekfenbank is a universal bank that provides a complete range of banking products and services in Turkey. The bank has an efficient and selective network of 30 branches which covers the most affluent areas of the country. Tekfenbank is mainly focused on small and medium sized business customers (SMEs). This SME customer base is well-diversified and highly loyal, while the bank's retail clients comprises usually of higher-than-average earners. The bank's loan portfolio is of a very good quality reflecting management's conservative credit policy and risk appetite.

Tekfenbank's strategy for the medium-term envisages strengthening its SME presence by (1) attracting additional customers through its existing branches (2) extending its distribution network (3) increasing per customer exposures and (4) driving the cross-sell ratio, especially with regards to affluent clients. Tekfenbank also intends to move into new growth business

segments, such as mortgages and asset management. Furthermore, the bank, in conjunction with its future subsidiary EFG Istanbul Securities, intends to enhance its activities in capital markets.

Celebrating its 50th anniversary this year, Tekfen Group is one of Turkey's most respected privately-owned corporate groups and is active in the areas of contracting, agri-industry, real-estate development and financial services. Tekfen Group, with total assets amounting to USD 1.6 billion had a total turnover of USD 936 million in 2005.

Eurobank EFG is one of the leading Greek banks with presence in Romania, Bulgaria, Serbia, Poland, Turkey, Luxemburg and the United Kingdom. It is listed on the Athens Stock Exchange in which it ranks second with a market capitalisation of approx. \$13 billion.

Eurobank EFG considers that Turkey will experience high growth rates in the medium-term, both as an overall economy and as a banking system. Eurobank EFG believes that Tekfenbank offers a strong operating platform to enter such a market as (1) Tekfenbank operates state-of-the-art infrastructure allowing for quick expansion and introduction of new products, (2) the careful policy of the Tekfen Group and of the current management has created a bank of a very high quality and (3) the Tekfen Group remains as a strategic partner in Tekfenbank following Eurobank EFG's acquisition. Furthermore, this transaction is in line with Eurobank EFG's practice of entering new countries with selective investments and aiming to add shareholder value through organic growth.

Through this cooperation the two shareholders expect to combine their strengths in the Turkish financial services market – Eurobank EFG's know-how on traditional and contemporary banking products will be leveraged along with the Tekfen Group's extensive presence and knowledge in the Turkish market. In addition, the financial strength of the two shareholders and their commitment in Tekfenbank secure the bank's medium and long term growth.

The HSBC Group, through its investment banking offices in London and Istanbul, acted as sole financial advisers to Tekfen Group on the disposal of 70% of its holding in Tekfenbank. EFG Istanbul Securities, a subsidiary of Eurobank EFG, acted as advisor for the transaction on behalf of Eurobank.