

Translation of the article

**“EFG Eurobank leistet Pionierarbeit”**

Written by Andreas Holpert

Luxemburger Wort

September 28, 2006

Jürgen MERTES  
General Manager

Eurobank EFG Fund Management Company (Lux) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg  
P.O. Box 438  
L-2014 Luxembourg

Phone: (+352) 260 915 - 33  
Fax: (+352) 260 915 - 55  
Email: [j.mertes@fmc.efgbank.lu](mailto:j.mertes@fmc.efgbank.lu)

## Greek banking group creates Fund Management Company in Luxembourg

### **EFG Eurobank performs pioneer work**

Financial Institute appreciates flexibility and product potential of the fund industry

By Andreas Holpert

**It belongs to the long-term objectives of the investment fund association Alfi to bring beside fund administration also fund management activities to Luxembourg. Eurobank EFG, according to own data the biggest private bank in Greece, performs now important pioneer work in this area: during March they have created a fund management company. During September two funds have been launched, which will be distributed from October on.**

The establishment of a fund management company in Luxembourg is a consequence of the expansion of the parent company, predominantly into the new EU member states, explained Aris Xenofos, Managing Director of “Eurobank Mutual Funds Management Company” (EFG MFMC) created in the year 2000 and President of “Eurobank EFG Fund Management Company (Lux) S.A.”, during an interview with the Luxemburger Wort. Greek and other investors shall benefit from the opportunities provided by the Luxembourg fund industry.

(Photo Aris Xenofos)

**Aris Xenofos** is responsible for the investment fund business within the Group.

Luxembourg offers the necessary flexibility as well as the right basic conditions for the investment fund business. “We have chosen Luxembourg to become our fund center”, explained Xenofos.

Within the progressive expansion of the Greek banking group Luxembourg shall play a central role. As it seems to be less efficient to establish in each of the new markets a new management company, it was logical to further develop Luxembourg, where the bank is present with a private banking business unit since 20 years, said Xenofos. Beside the strategic decision to centralize the fund business, also the potential of the products has played an important role. As such the opportunities for the launch of new products shall be used above all. This builds the third phase of a development which began some years ago. After the launch of classical funds like equity or money market funds, structured products have been added around three years ago. Now the bank wants to go a step ahead and to establish custom-tailored products like real estate funds or micro finance funds. In this view Luxembourg offers the necessary flexibility and an efficient platform, which allows the cross-border distribution into the whole world, said the Manager.

## **New funds will be marketed as from October**

On September 18, Eurobank FMC (Lux) has received the authorization for the first two funds – “LF Fund” and “LF Fund of Funds” – which will be managed and administered out of Luxembourg. These are two so-called “umbrella funds”, where the first has 14 sub-funds with different classes and the second has two compartments, explained Jürgen Mertes, General Manager of the new management company.

(Photo EFG Private Bank)

**EFG Eurobank** has its home in Luxembourg in the banking area on Kirchberg.

In October the funds will be offered officially. Until end of year assets totaling 2 billion Euros shall be collected. Particularly in Greece, on the homeland market, a great interest is expected. The portfolios will be administered by EFG Private Bank in Luxembourg, which already takes care for assets of around 20 other funds, totaling 1.2 billion Euros, added George Vlachakis, Managing Director of Eurobank FMC (Lux). With the realization of these plans the Luxembourg location of the banking group will experience a substantial reinforcement.

In a globalized world it plays no role where the fund management is established, said Xenofos. Important would be to have efficient and secure platforms, a network and the right environment. Luxembourg fulfils these requirements. The bank is collaborating with locally present partners.

## **Huge development potential in Greece**

EFG MFMC – the 100 per-cent investment fund subsidiary of EFG Eurobank – has in Greece according to own data a market share in the investment fund business of 40 per-cent and manages assets totaling 7.5 billion Euros. The total market has a volume of 25 billion Euros. The Greek citizens are investing only 20 per-cent of their wealth into funds – sufficient potential for MFMC.

(Photo G. Vlachakis & J. Mertes)

**Jürgen Mertes (left) and George Vlachakis** are leading Eurobank EFG Fund Management Company (Lux) S.A.

The Group advances the expansion in the young EU member states. During the current year the bank started first activities in Poland and Turkey through acquisitions. In July this was completed by the acquisition of Universal Bank in Ukraine. The bank is already present on the direct neighbor markets Bulgaria, Romania and Serbia-Montenegro. In comparison with other Greek banks the bank sees itself in the role of a visionary. They expect that other banks will follow this model and detect Luxembourg as basis for their investment fund business.