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PRESS RELEASE

Consolidated 2008 Results of Emporiki Bank Group

**2008 results significantly hit by the deteriorating environment
Progressively improved outlooks for 2009**

Capital increase of € 850 mn confirmed

Emporiki Bank maintained in the course of 2008 a high level of **commercial activity** in a context of progressive slowdown of the economy: the loan portfolio has increased significantly in all segments, with an average year-on-year growth of over 21%¹, reaching €24 bn on December 31st 2008.

Net Banking Income (€757 mn) has been adversely affected by reduced margins in the Greek market and the increased cost of liquidity, due to the international financial crisis. New pricing policies on all loan portfolios have been introduced as from mid-2008 and allowing enhanced spreads to better align with present market conditions. Cross-selling of products offered by the group's specialized units has been and will be further extensively developed: as an illustration of this policy, close to 70% of the new mortgage loans granted in 2008 have been packaged with the sale of at least one insurance product.

Operating expenses are under strict monitoring and control (€666 mn, +0.9% compared to 2007) and will be further managed within a policy of stabilization at the present level. One of the key factors behind this stability is the reduction in headcount from 5,748 at end-2007 to 5,506 at end-2008 (Bank only). This trend is expected to continue in 2009.

The **impairment provisions on loans and advances** reflects a cautious provisioning policy in a period in which some borrowers could face difficulties in meeting their commitment. Total loan loss provisions in 2008 amounted to €474 mn, resulting in a 50% coverage ratio for 90-days-past-due loans. Provisions on Non Performing Loans² reached 81% by end-2008. This conservative approach, combined with an improved underwriting process for newly granted loans already in place since mid-2008, leaves Emporiki well prepared to face market challenges of 2009.

The **income tax charge** of €96mn includes the adverse impact on the group's deferred tax asset of both the effect of the reduction in income tax rates and an impairment charge of € 84mn and €80mn respectively.

¹ Emporiki Bank + Credicom, before write-offs

² Total loans in arrears not accruing interest

Strong support from Crédit Agricole Group

The Extraordinary General Meeting convened today will have to approve an €850 mn capital increase. Shareholders have the pre-emptive right to subscribe to 7 new shares for each 6 shares held at a price of € 5.50 for each new share. This price corresponds to the nominal value of each existing share.

Crédit Agricole S.A. has already announced its approval with this capital increase and has confirmed that it will subscribe not only the shares corresponding to its pre-emption rights but as well any remaining shares, if offered by the Board of Directors of Emporiki.

After the share capital increase, combined with other supportive measures, Emporiki is estimating an 8% Tier 1 ratio in June 2009, and a total CAD ratio of in excess of 10%. This very significant regulatory capital enhancement is achieved without the use of any public funds: the Bank has decided not to participate in the Hellenic Republic banking sector support framework and will only rely on its private shareholders.

Crédit Agricole S.A. confirms its full support to Emporiki Bank, and is committed to an additional new investment of at least €600 mn.

Emporiki is in the process of finalizing an update of its Business Plan published in 2007, to reflect the current adverse market conditions. Emporiki Bank intends to disclose the new Business Plan by mid-year 2009.

**2008 ACTIVITY REPORT
LOANS & DEPOSITS 2008 (Bank solo)**

| (€ mn) | 2008 | 2007 | Δ (%) |
|---|---------------|---------------|--------------|
| Total Loans* (Bank + Credicom) | 24,165 | 19,893 | 21.5% |
| Mortgages (incl. mortgages to professionals) | 7,871 | 7,412 | 6.2% |
| Consumer credit (Bank + Credicom) | 3,588 | 3,222 | 11.4% |
| Business sector | 12,705 | 9,259 | 37.2% |
| - of which SMEs | 6,164 | 4,985 | 23.7% |
| *2007 figures are on a proforma basis for 2008 write-offs | | | |
| Total Deposits (Bank only) | 17,775 | 17,563 | 1.2% |

2008 INCOME STATEMENT (GROUP)**

| Key figures | 2008 | 2007 | Ch (%) |
|---|-----------------|---------------|---------------|
| (€ mn) | | | |
| Net interest income | 648.7 | 751.0 | -13.6% |
| Fee and commission income | 127.5 | 154.1 | -17.3% |
| Other income | -19.5 | 34.8 | -156.0% |
| Net banking income | 756.8 | 940.0 | -19.5% |
| Staff expenses | -395.9 | -391.3 | 1.2% |
| Depreciation | -32.4 | -33.4 | -3.0% |
| Other operating expenses | -194.0 | -187.9 | 3.2% |
| Impairment Provisions on Loans and Advances | -493.3 | -233.6 | 111.2% |
| Transformation cost | -44.0 | -47.9 | -8.1% |
| Total Expenses | -1.159.6 | -894.0 | 29.7% |
| Profit (Loss) from Continued Operations | -402.9 | 45.9 | - |
| Discontinued Operations Results | 0.0 | 47.7 | - |
| Share of Profit (Loss) of Associates | 6.7 | 0.2 | - |
| Earnings before taxes | -396.2 | 93.9 | - |
| Income tax expense | -95.7 | -20.9 | - |
| Earnings after taxes & minority rights | -491.8 | 73.4 | - |

**2007 figures are on a proforma basis

RATIOS

| | 2008 | 2007 | Ch (bps) |
|---|-------------|-------------|-----------------|
| Earnings per share (EPS) (€) | -3.71 | 0.55 | |
| Cost to income (without transformation costs) | 82.2% | 65.2% | +1707 |
| Loans / Deposits (bank only) | 130% | 109% | +2100 |

ANALYSIS OF 2008 BALANCE SHEET

In 2008 the annual YoY growth rate of **mortgage loans** of the Bank stood at 6.2% resulting in outstanding balances of €7,871 million. New mortgage loan disbursements stood at €1,057 million.

In **consumer credit (including Credicom)** annual growth rate stood at 11.4% driving total outstanding balances to €3,588 million. Credicom continued its notable growth with balances standing at €1,117 million in December 31, 2008, increased by 19% since year-end 2007.

Loans to **SMEs** increased by 24% YoY, with balances standing at €6,164 million, enhanced heavily with the launch of the Business Centers' network in Q4 2007.

Deposits of the Bank increased by 1.2% YoY to €17,775 million.

Group Equity in 2008 stood at € 247 million.

ANALYSIS OF 2008 RESULTS

Net banking income: €756.8 million, -19.5%

- **Net interest income** was €648.7 million, down by 13.6%, due to intensified competition in loans and deposits, as well as the increased cost of wholesale funding.
- **Net fee and commission income** decreased by 17.3% to €127.5 million due to low activity of funds under management and the cost of the received financial guarantees.
- **Other operating income** amounted to €-19.5 million. The trading income of 2008 was affected by the current market conditions and mark to market valuations.

Total expenses, excluding provisions, increased marginally by 0.9% to €666.3 million as a result of a very tight cost control policy.

- **Staff expenses** increased only by 1.2%.
- **Other operating expenses** (including depreciation) increased by 2.3%.
- **Transformation expenses** amounted to €44.0 million, down by 8.1% comparing to 2007.

Provisions reached to €493.3 million following the adoption of a provisioning policy to the deteriorating market conditions.

Income tax reached €95.7 million after the impairment of the deferred tax asset in 2008, which reached €80.0 million, and an additional charge of approx. € 85 million due to full application of the lower tax rates.

➔ The Consolidated 2008 Results announcement is available at www.emporiki.gr and at www.ase.gr

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