

ANNOUNCEMENT
First Quarter 2008 Consolidated Results of Emporiki Bank

***Significantly accelerated credit expansion pace;
1st Quarter Results adversely impacted by prevailing market conditions***

***A 27% annualised growth rate of the loan portfolio in the 1st Quarter
vs. a growth of 13.7% for the Fiscal 2007***

***Portfolio revaluation impact of €24 mn in the 1st Quarter and an increased cost of
funding, led to a negative result of €15.3 mn.¹***

HIGHLIGHTS

➤ **Smooth and rapid implementation of the Transformation Program continues:**

- Retail Banking Network fully reorganized, with a new organizational structure in force as of March 3, 2008.
- Launch of the New Type of Retail Branches: 23 Branches commenced “pilot” operation, based on a new model with clear sales staff roles tailored to the needs of each different market and customer segment. The new model will gradually expand throughout the country; by the end of 2009 the entire Network will have been renewed.
- At the end of May 2008 the Bank’s Network for the exclusive service of Small and Medium Size Enterprises (SMEs) will be fully developed, with the launch of six more Business Centres in Athens (Athinon Ave.), Koropi, Thessaloniki (Outer Ring Road), Argos, Rhodes and Volos. In total, the Network will consist of 21 Business Centres.
- With the launch of Centralised Units for Housing Loans, Pledged Cheques and Payrolls (already in pilot operation) as well as the gradual automation of accounting processes, the Retail Branches will eventually be relieved from back office and administrative tasks and will become fully dedicated to customer service.

➤ **The Bank’s growth momentum is strengthened, as a result of the rapid Transformation progress.**

- The credit expansion rate has been accelerated: The overall loan portfolio of the Bank increased by 6.8% in the 1st Quarter, equivalent to an annualized growth rate of 27%, versus a growth of 13.7% for the fiscal 2007.
- The new Business Center Network keeps delivering positive results: Loans to SME’s and Professionals increased by € 273 mn. in the 1st Quarter.
- Corporate and Investment Banking also benefited from the Bank’s Transformation, with the Large Corporate Customers loan portfolio growing impressively by 17.9% in the 1st Quarter.

¹ After taxes and minority rights.

- Development of the Group's international activities continues. During the 1st Quarter the total loan portfolio in the three Balkan countries (Albania, Bulgaria, Romania) and Cyprus increased by 7.1%, while total deposits increased by 4.5%. Emphasis has been placed on the Romanian market, where 20 new Branches will commence operation in the coming months and the loan portfolio is expected to double upon disbursement of the new loans already approved.
- **Adverse market conditions had a negative impact on the 1st Quarter Results.**
 - Portfolio losses of € 24 mn, the majority of which reflect unrealized losses due to mark-to-market revaluations related to the adverse developments in the bond markets.
 - Interest margins have been under pressure, mainly due to the intensified competition for deposits.
- **Effective risk management is maintained and operating expenses remain well controlled.**
 - Regular provisions reduced by 15.2% versus 1st Quarter 2007.
 - Operating expenses remain practically unchanged vs. the 1st Quarter 2007, despite the expansion of the network related to the dedicated coverage of SMEs through the Business Centers.
- **Long-term credit rating raised from A to A+ by Standard & Poor's:** The recent upgrading was based on the positive assessment of the overall changes taking place in the Bank, particularly in the areas of Risk Management, Commercial Activities and the progress of the Transformation Program.

Mr. Anthony Crontiras, Vice-President of the BoD & Chief Executive Officer of Emporiki Bank, made the following statement:

«Emporiki accelerates its market turnaround according to the strategic priorities of 2008, in spite of the adverse conditions prevailing in the financial markets, which had a negative impact on the first quarter results of the Bank. We fully maintain our focus on achieving the goals set for the current year, which are the unimpeded implementation of the Transformation Program, the completion of Emporiki's turnaround in the local market and the acceleration of our further business growth in the Balkans».

Q1 2008 ACTIVITY REPORT

LOANS & DEPOSITS Q1 2008 (Bank solo)

<i>(€ million)</i>	Q1 08	Q1 07	Ch (%)
Total Loans (Bank + Credicom)	21,476	18,221	17.9%
Mortgages	6,951	5,847	18.9%
Consumer loans (Bank + Credicom)	3,068	2,463	24.6%
Business sector	11,058	9,498	16.4%
- of which SMEs	5,945	5,320	11.8%
Total Deposits (Bank only)	17,234	16,466	4.7%

Q1 2008 P&L STATEMENT (Group)

Key figures <i>(€ million)</i>	Q1 08	Q1 07*	Change (%)
Net interest income	170.1	193.6	-12.2%
Fees and commissions income	37.4	40.2	-6.9%
Other income	(14.8)	8.7	
Net banking income	192.7	242.6	-20.6%
Staff expenses	(98.3)	(98.9)	-0.6%
Depreciation	(8.3)	(7.7)	7.8%
Other operating expenses	(43.9)	(43.8)	0.2%
Operating expenses	(150.5)	(150.4)	0.1%
Gross operating income	42.2	92.2	-54.2%
Regular & Other Provisions	(47.5)	(56.0)	-15.2%
Transformation costs	(6.7)	(4.9)	36.9%
Discontinued Operations Results	(0.3)	(2.5)	-86.2%
Profit from Associated Undertakings	0.1	0.1	-
Earnings before taxes	(12.3)	27.9	
Income tax expense	(2.9)	(9.9)	-70.3%
Earnings after taxes & minority rights	(15.3)	18.3	

*Q1 2007 figures are proforma

RATIOS

			Change (bps)
Earnings per share (EPS)	-	0.14 €	-
Cost to income (without transformation costs)	78.1%	62.0%	161
Loans / Deposits (Bank only)	119%	106%	130

ANALYSIS OF Q1 08 RESULTS
Net banking income: €192.7 million, -20.6%

- **Net interest income** was €170.1 million, down by 12.2%.
- **Net fees and commissions income** decreased by 6.9% to €37.4 million due to lower activity in mutual funds and bank-assurance products.
- **Other operating income** included losses of €14.8 million. The trading income of Q1 2008 was affected by the current market conditions and mark to market valuations.

Operating expenses increased marginally by 0.1% to €150.5 million due to a very tight cost control.

- **Staff expenses** decreased by 0.6%.
- **Operating expenses excluding staff expenses** rose by 1.4%.

Gross Operating Income declined by 54.2% to €42.2 million mainly due to unfavorable market conditions and intensive competition in margins.

Transformation expenses amounted to €6.7 million.

Regular Provisions (Impairment losses) and Other Provisions reached €47.5 million. The implementation of the new recovery process that has already started, is gradually lowering the cost of risk (-15.2% vs. Q1 07).

ANALYSIS OF FY07 BALANCE SHEET

In Q1 2008 the annual YoY growth rate of **mortgage loans** of the Bank stood at 18.9% resulting in outstanding balances of €6,951million. New mortgage loan disbursements stood at €326 million.

In **consumer loans (including Credicom)** annual growth rate stood at 24.6% driving total outstanding balances to €3,068 million. Credicom continued its notable growth with balances standing at €1,019 million in March 31, 2008, increased by 8% since year-end 2007 and by 47% since the end of Q1 2007.

Loans to **SMEs** increased by 11.8% YoY, with balances standing at €5,945 million, attributed to large extent to the launch of the Business Centers' network in Q4 2007.

Deposits of the Bank increased by 4.7% YoY to €17,234 million.

Group Equity in Q1 08 stood at € 845 mn.

- ➔ *The information provided above is unaudited.*

- ➔ The Consolidated Q1 2008 Results announcement is available at www.emporiki.gr and at www.ase.gr. *Condensed financial data and information for the period from January 1st, 2008 to March 31st, 2008 as per Decision No. 6/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission will be published in the Press and will be posted to Emporiki Bank's website on May 30, 2008.*

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