

# EMPORIKI BANK

## 1Q07 Consolidated Results

11 May 2007

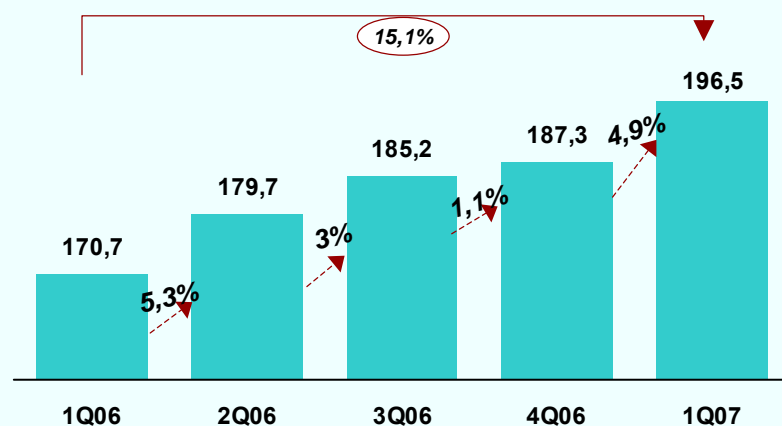
# Highlights of 1Q07 financial results

- ❑ Strong increase in Net Interest Income (+15%), demonstrating the ability of Emporiki to fully benefit from the Greek market's sustained momentum
- ❑ A +54% increase in new mortgage loan disbursements: Solid evidence that Emporiki can recapture its "natural" market share through the commercial success of the mortgage loan campaign
- ❑ Modest cost increase, despite the start of the implementation of the transformation program, as a result of a tight expense control framework
- ❑ Other operating income lower by €27.5 million (1Q 06 boosted by non recurring gains: venture capital disposals and AFS portfolio). P/L impact from sale of Phoenix not yet reflected in the accounts\*
- ❑ Higher impact of the credit risk provisions due to the implementation in late 2006 of the new risk estimation methodologies. Benefits from the new recovery organization and processes yet to become evident, due to recent implementation
- ❑ Profit after Tax and Minorities at €18.3 million, in line with 5yr business plan

\*All the figures for 1Q06 are proforma, where Phoenix & Emporiki Bank Germany are treated as discontinued operations in Emporiki's 1Q07 P/L

# Net interest income continues to be the main driver of the revenue growth...

## NII development (€m)

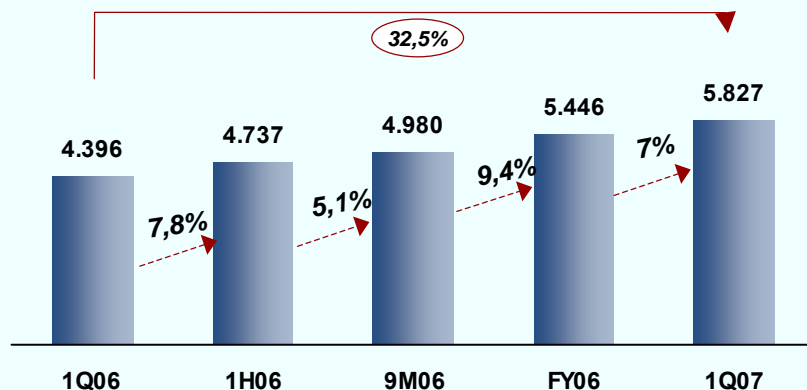


## Comments

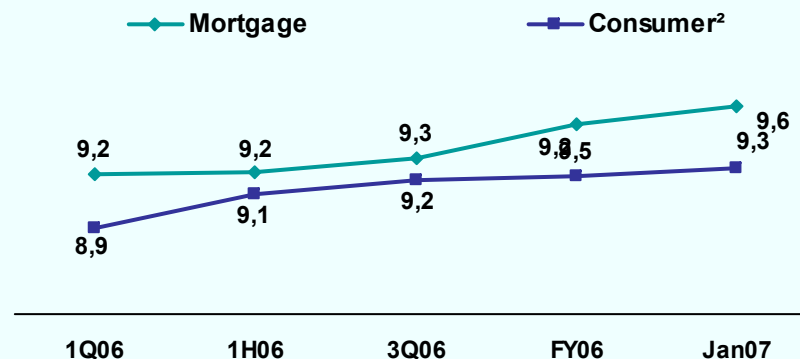
- Net interest income increased by approx. 15% relative to the 1Q06 to reach €196.5m in 1Q07 demonstrating the ability of Emporiki to capture the Greek market sustained momentum
- The trend is largely reflecting the increase volumes in retail banking portfolio
- Successful loan campaign
- Positive effect of the ECB raise in interest rates

# ... as a function of solid growth in retail lending in an increasingly competitive environment

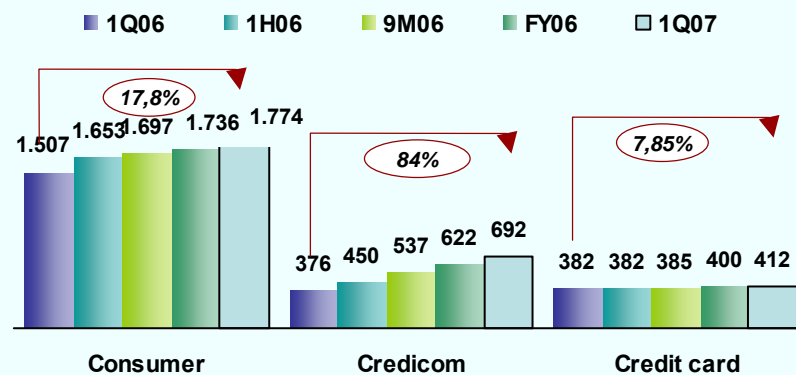
## Mortgage loans balances (€m)



## Market shares development<sup>1</sup> (%)



## Consumer finance balances (€m)



Note: Bank-only figures

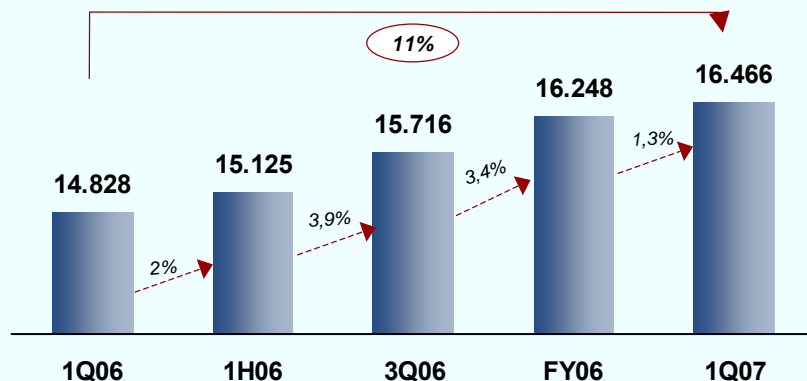
<sup>1</sup> Source: Bank of Greece

<sup>2</sup> Consumer loans include Credicom

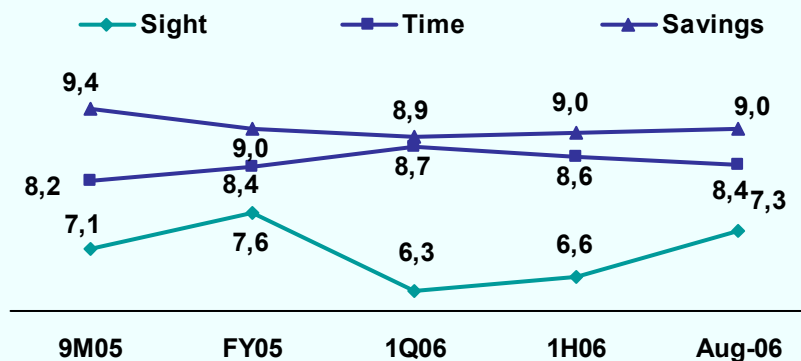
<sup>3</sup> Reference rate 3-mo Euribor, € only loans, lending spreads are calculated over average balances incl. non-performing loans

# ... and of widening deposit spreads

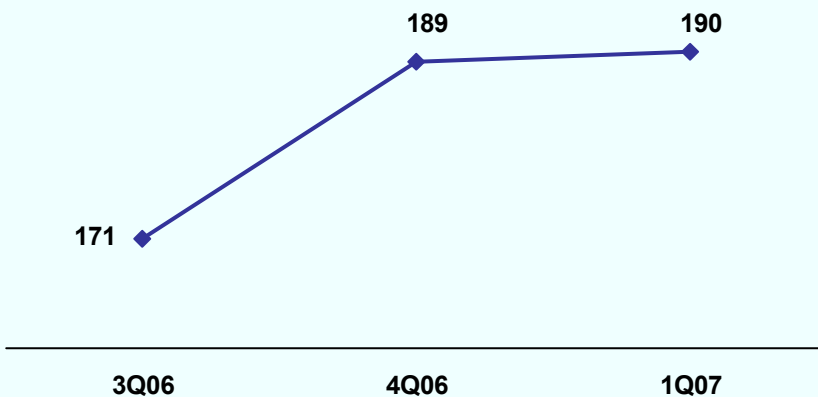
### Deposits development (€m)



### Market shares development<sup>1</sup> (%)



### Deposit spreads over Euribor<sup>2</sup> (bps)



Note: Bank-only figures

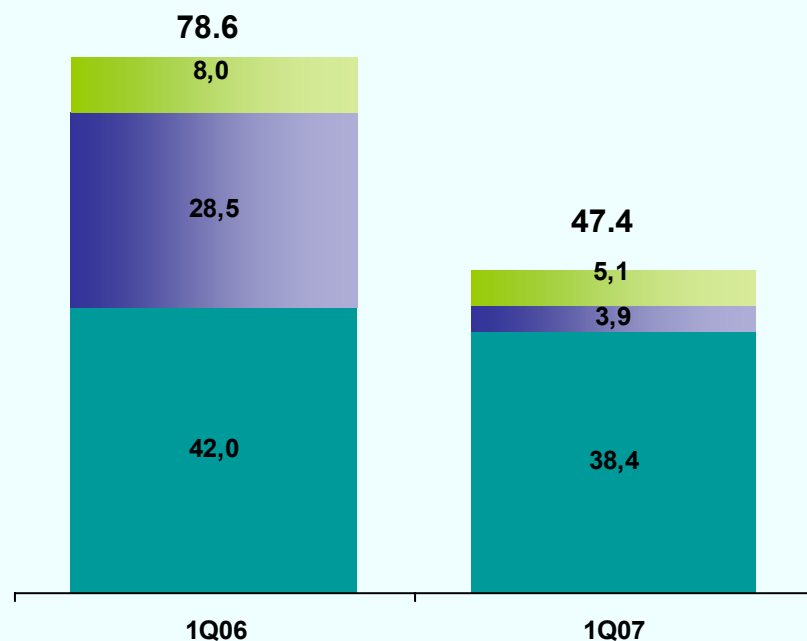
<sup>1</sup> Source: Bank of Greece

<sup>2</sup> € only deposits, reference rate 3- mo EURIBOR

# Non-interest income is, in part, driven by volatile financial markets and non-recurring revenues

## Non-NII income development (€m)

■ Fee and commission ■ Trading & investment<sup>1</sup> ■ Other<sup>2</sup>



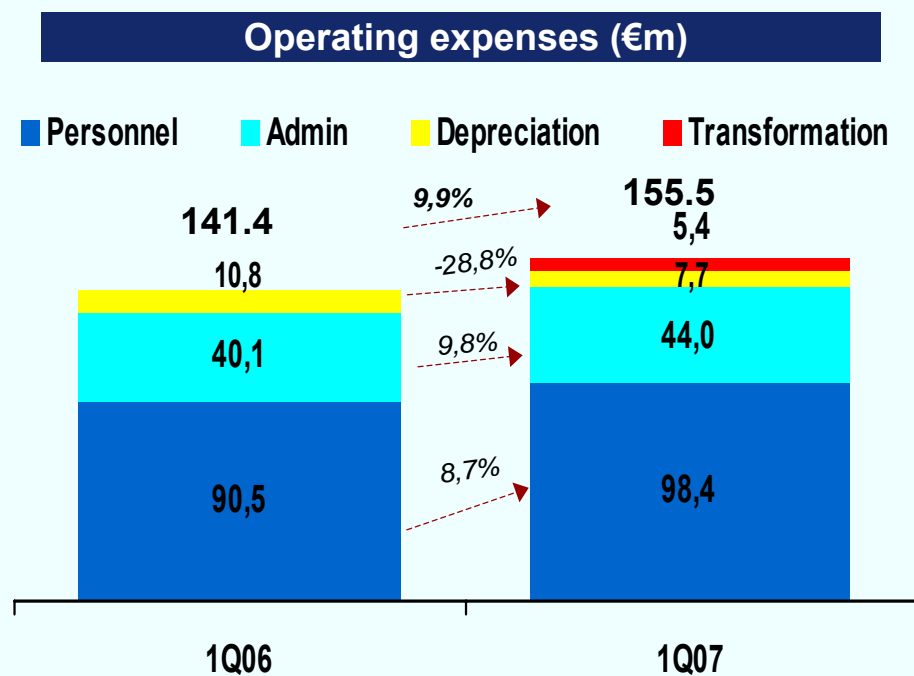
<sup>1</sup> Comprising dividend income, net trading income and net gains from investment securities

<sup>2</sup> Comprising insurance income

## Comments

- Fee & Commission income decreased due to a slowdown of customers transactions
- Other operating income lower by €25.5 million (1Q 06 boosted by non recurring gains)

# Operating expenses growth mainly driven by transformation costs

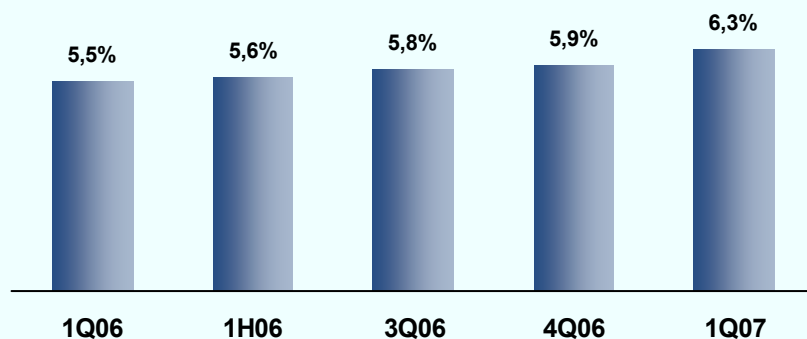


## Comments

- ☐ Increase of employees in Balkan countries (almost by 150 persons)
- ☐ Administration expenses' growth due to activity related expense
- ☐ Transformation expenses impacted for the first time the P/L Statement

# Asset quality

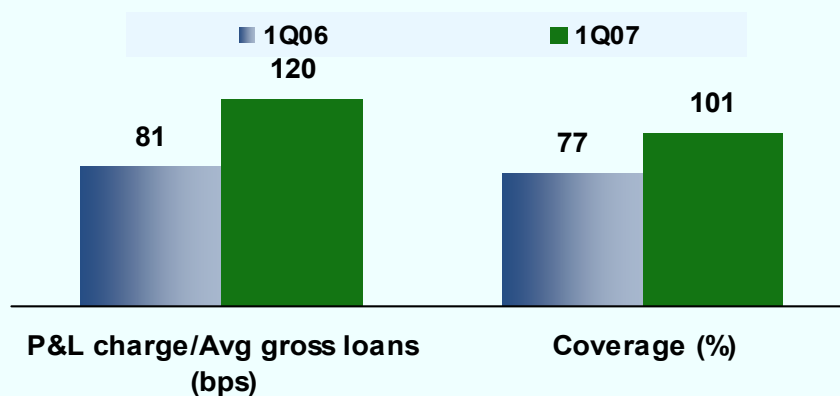
## NPLs development (% of gross loans)



## Comments

- Intense work-out efforts led to contained development of NPLs
- Non-performing loans at 6,3% in 1Q07
- Coverage ratio has increased to 101% versus 77% a year earlier, and provisions over average gross loans rose to 120 bps compared to 81 bps in 1Q06

## Asset quality statistics



# Emporiki Bank Consolidated Q107 Profit & Loss Highlights

Group: Key figures (€m)

	Q1 2007 Actual	Q1 2006 Actual	y/y Change
Net interest income	196.5	170.7	15.1%
Fee income	38.4	42.0	-8.6%
Insurance income	0.5	0.6	-15.8%
Other income	8.5	36.0	-76.4%
<b>Total income</b>	<b>243.9</b>	<b>249.3</b>	<b>-2.1%</b>
Staff expenses	(98.4)	(90.5)	8.7%
Other operating expenses	(44.1)	(40.1)	9.8%
Depreciation	(7.7)	(10.8)	-28.8%
Transformation expenses	(5.4)	0	-
<b>Total operating expenses</b>	<b>(155.5)</b>	<b>(141.4)</b>	<b>9.9%</b>
<b>Gross Operating income</b>	<b>88.4</b>	<b>107.9</b>	<b>-18.0%</b>
<b>Provisions</b>	<b>(56.3)</b>	<b>33.8</b>	<b>66.5%</b>
<b>Profit after Tax &amp; Minorities</b>	<b>18.3</b>	<b>52.1</b>	<b>-64.9%</b>
<b>Cost to Income</b>	<b>63.8%</b>	<b>56.7%</b>	
<b>EPS</b>	<b>0.17</b>	<b>0.38</b>	

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