

ANNOUNCEMENT OF
1st Quarter 2007 Emporiki Bank Consolidated results

HIGHLIGHTS

- ***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 the 5yr business plan***

FINALIZATION OF THE 5Y BUSINESS PLAN

The primary focus of the Bank during 1Q 2007 was to **regain commercial momentum**, through creating the first integrated commercial campaigns (first of which was a very satisfactory mortgage loan campaign, far exceeding targets set), or by finalizing major new deals (e.g. the Carrefour - Credicom deal).

Furthermore, during 1Q 2007 Emporiki **completed important rationalization steps**, such as the Joining Forces program to align the Bank's operating and governance model to the standards of Credit Agricole, the program to improve sales effectiveness to all branches, the portfolio rationalization program and the establishment of a more flexible and market focused organizational structure.

The "100 days mobilization" phase of the 1Q concluded with the presentation of the 2007-2011 Business Plan on April 27, 2007. The Bank has now moved to the actual implementation of the Business Plan, which started with the 500 days transformation. This phase will set the foundations for **turning Emporiki into a Model Greek Banking Organization within the 5y horizon of the Plan.**

RATIONALIZATION OF ACTIVITY PORTFOLIO

• **SALE OF PHOENIX METROLIFE INSURANCE**

On 16th February 2007, Emporiki announced that along with Crédit Agricole reached an agreement with Groupama to dispose off 100% of Phoenix, in total consideration of €95mn. Since the transaction is not concluded yet, the outcome is not included in the Q1 P/L.

- **PURCHASE OF SHARES OF EMPORIKI BANK CYPRUS**

On the 27th March 2007, Emporiki announced the purchase of 9.99% of the total share capital of the subsidiary company EMPORIKI BANK CYPRUS. Consequently, Emporiki Bank of Greece owns the 91.18% of the share capital of EMPORIKI BANK CYPRUS.

- **CLOSURE OF EMPORIKI BANK GERMANY GmbH**

On the 8th February 2007, the BoD of the Bank decided to discontinue the operation of its subsidiary Emporiki Bank Germany GmbH as legal entity and the commencement of its Liquidation Process.

The results of Phoenix and Emporiki Bank Germany are presented according to IFRS 5, under "results from discontinued operations".

RESULTS 1st Q 2007

Key figures (€ m)	1st Q 2007 reported	1st Q 2006 proforma*	Ch (%)
Net banking income	243.9	249.3	-2.1%
Of which			
Net interest income	196.5	170.7	15.1
Fee and commission income	38.5	42.0	-8.4
Other income	8.4	36	-76.5
Operating expenses	155.4	141.4	9.9%
Of which			
Staff expenses	98.4	90.5	8.7
Depreciation	7.7	10.8	-28.8
Other operating expenses	44.0	40.1	12.4
Transformation expenses	5.4	0	-
Gross operating income	88.5	107.9	-17.9%
Provisions	56.3	33.8	66.5
Earnings before tax	32.2	69.5	-53.6%
Income tax expense	9.9	17.9	-44.7
Earnings after tax – Continued Operations	22.3	51.6	-56.6%
Discontinued Operations Results	- 4.2	0.9	-563.3%
Earnings after tax & minority	18.3	52.1	-64.9%
Earnings per share (EPS) (€)	0.17	0.38	
Ratios			Ch (bps)
Cost to income	63.8%	56.7%	710
Return on average assets (RoA)	1.1%	1.2%	

(*). 1Q06 P/L has been adjusted for comparability with 1Q07 P/L, where Phoenix & Emporiki Bank Germany are treated as discontinued operations

1Q 2007 results are **in line with the new 5yr business plan**. The **commercial success in Retail banking** has now to be extended to the other segments of the market. The transformation program generated additional expenses at a well controlled pace (€5.4 million). Furthermore, the application of new risk methodologies in line with Credit Agricole standards still affect the results of the Bank. Finally, the rationalization of activities (Phoenix, Emporiki Bank Germany GmbH and Emporiki Bank Cyprus) show the **strategic focus on the Bank 's core business areas**.

Net banking income: €243.9 million, -2.1%

- **Net interest income** was €196.5 million, up 15.1%, due to increased volumes in retail banking portfolio and successful mortgage loan campaign, as well as the positive effect of the ECB raise in interest rates.
- **Net fee and commission income** was decreased by 8.4% to €38.5 million, due to a decrease in transactions with customers for the period.
- **Net income from insurance operations** stood at €0.5 million, after the reclassification of Phoenix as discontinued operation.
- **Other operating income** in total stood at €8.4 million lower by €27.5 million compared to 1Q06, where gains from venture capital disposals and AFS portfolio affected the results.

Operating expenses rose by 9.9% (before provisions) to €155.5 mainly due to activity related expenses and also to transformation expenses.

- **Employee costs** increased by 8.7%. The number of employees in the Balkan subsidiaries increased by almost 150 persons.
- **Other operating expenses** increased also by 9.8%, mainly due to activity related expenses. Structural costs basis of Emporiki demonstrates the efficiency of the new cost control framework.
- **Transformation expenses** also included in the Bank's P/L Statement, amount to €5.4 million and include general expenses due to the Bank's transformation process (such as consulting fees, IT streamlining expenses, HR expenses)

Gross Operating Income dropped by almost 18% to €88.5 million mainly due to the non-recurring items mentioned above. Retreated from these items, it increases by 10%.

Provisions (Impairment losses) reached €56.3 million and represented 120 bps over the average loan portfolio. This increase is due to the application of new methodologies and tools. The implementation of a new recovery process already started and is expected to gradually lower the cost of risk.

2007 BALANCE SHEET DETAILS

Total loans

In 1stQ 2007 the annual YoY growth rate of **mortgage loans** of the Bank stood at 32.5% resulting in outstanding balances of €5,827 million. New mortgage loan disbursements stood at €545 million, significantly increased (+54%) over the respective period last year, resulting to an enhanced competitive position (9.58% market share per January) but also to a very successful campaign, which was the first effort accomplished with the support of Credit Agricole. In **consumer finance** annual growth rate stood at 16.4% with €188 million new disbursements, driving total outstanding balances to €2,198 million. Credicom continued its notable growth with balances standing at €692 million at 31 March 2007, with an additional €316 million of loans balances since March 2006. Considering Credicom and branch network

originated consumer finance balances, Emporiki further enhanced its market share in consumer finance to 9.24% (per January data).

Loans to **SMEs** increased by 6.5% YoY, with balances standing at €4,848 million. The wholesale activity still needs to regain momentum in order to reach its anticipated growth.

Deposits of the Bank increased to €16,466 million, up 11% compared to last year's respected period, firming Emporiki's market share at 8.65% (average market share per January data). Time deposits increased by 25.4% (8.75% market share), while sight deposits increased by 15.5% (7% market share) and savings deposits decreased by 2.5% (9% market share).

Non-performing loans stood at parent level at 6.3% of total loans with accumulated provisions at €1,124 million representing 100.85% of non-performing loans.

Equity stood at €867 million.

➔ The 1Q07 results announcement is available at www.emporiki.gr

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Emporiki Bank Group
Profit & Loss Account

(in € m)	Q1 07	Q1 06	Δ (%)
Net interest income	196.5	170.7	15.1
Net fee & commission income	38.5	42.0	-8.4
Dividend income	0.1	0.1	14.3
Net trading income	3.9	9.4	-58.6
Net gains from investment securities	0	19.1	-100.0
Net income from insurance operations	0.5	0.6	-15.8
Other operating income	4.5	7.4	-38.9
Net banking income	244.0	249.3	-2.1
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	-
Operating expenses	155.5	141.4	9.9
Provisions	56.3	33.8	66.5
Profit & Loss from associates	0.08	-4.6	-101.7
Earnings before tax	32.2	69.5	-53.6%
Income tax expense	-9.9	-17.9	-44.7
Earnings after tax – Continued Operations	22.3	51.6	-56.6%
Discontinued Operations Results	-4.2	0.9	-563.3%
Minorities	-0.2	0.4	-150%
Earnings after tax & minority	18.3	52.1	-64.9%
Earnings per share (EPS) (€)	0.17	0.38	

Loans of Emporiki Bank (parent data)							Change	
(EUR million)	31.03.07	31.12.06	30.09.06	30.06.06	31.03.06	Q107/ Q106	Q107/ FY06	
Business sector	9,110	9,063	9,472	9,681	9,166	-0.6%	0.5%	
- of which SMEs	4,848	4,812	4,726	4,740	4,550	6.5%	0.7%	
Consumer loans	2,198	2,151	2,082	2,034	1,889	16.4%	2.2%	
Mortgages	5,827	5,446	4,980	4,737	4,396	32.5%	7.0%	
Public entities	370	404	416	282	304	21.7%	-8.4%	
Other loans	181	169	151	128	222	-18.5%	7.1%	
Total	17,685	17,233	17,101	16,861	15,976	10.70%	2.62%	

SME: Small Medium Enterprises. The total amounts of SMEs has changed for previous terms due to transfers of SMEs to Wholesale Banking Large Corporates

Deposits of Emporiki Bank (parent data)						Change	
(EUR million)	31.03.07	31.12.06	30.09.06	30.06.06	31.03.06	Q107/ Q106	Q107/ FY06
Sight	2,133	2,114	2,047	2,007	1,847	15.5%	0.9%
Savings	6,755	7,026	7,003	7,050	6,931	-2.5%	-3.9%
Time and other	7,578	7,108	6,666	6,068	6,049	25.4%	6.6%
Total	16,466	16,248	15,716	15,125	14,828	11.0%	1.3%