

ANNOUNCEMENT OF Nine - Month 2007 Emporiki Bank Consolidated results

HIGHLIGHTS

Improved Q3 2007 profitability (vs. Q3 2006) – both in Gross Operating Income and Profit before Tax - clearly demonstrates the efficiency of the Transformation Program that progresses at a fast pace.

In parallel, the rationalization of the activities of the Bank and the adoption of upgraded practices and standards of operation, reinforce the constant upswing of Emporiki Bank and elevate its ability for profitable growth.

- ***8,2% increase in Net Interest Income to € 573,8 million (vs. 9M 06), due to the successful reinforcement of its commercial orientation, with already tangible results in Mortgage and Consumer lending and in Deposit products, and next actions - in this framework - the implementation of a new CRM and the launch of dedicated business centers in order to upgrade servicing of SMEs.***
- ***Operating Expenses (excluding the transformation costs) tightly controlled with a 1,8% increase vs. 9M 2006***
- ***Transformation Program progresses faster than initially projected at a cost of € 31,1 million***
- ***The total cost of risk for Q3 amounts to € 56,3 million, which comprises of:***
 - ***Reduced regular cost of risk reflecting the successful progress of the recovery programs, in line with previous announcements.***
 - ***Adjustments linked to the first implementation of Credit Agricole's default definition and contagion rules. These adjustments align Emporiki with the Basel II approach for defaulted loans, six months ahead of the deadline set by regulators.***
- ***By the end of 2007, Emporiki risk methodology shall integrate the full set of Basel II requirements, both for defaulted and non defaulted loans, fulfilling the end of 2006 Management commitment for a full alignment with Basel II requirements, Credit Agricole's practices and of course, for financial reporting purposes, the IFRS standards.***
- ***Profit after Tax & Minorities at € 76,5 million in line with expectations and with the business plan***

PROGRESS OF THE TRANSFORMATION PROGRAM

The transformation process, introducing new procedures in the network in order to release sales time in the branches and to better serve our clients has been progressing very well. The organization and implementation of the Commercial Transformation pillar commenced in June 2007. As a result, automated procedures have paved the way for more efficient service of clients' specialized needs. Furthermore, segmentation of all retail customers has allowed a more effective client approach the impact of which has gradually began to show. The new model of Retail Banking's clientele segmentation was implemented as of 30/09/07.

In the context of SME's development, following rigorous preparations, in the past months, the three new business centers serving medium sized enterprises became a reality for Emporiki Bank as of October 1. The positive results of the new medium size enterprises' network are expected to contribute significantly to the Bank's profitability.

With regard to the Organizational Transformation, significant foundations have been laid for the restructuring of processes regarding selection, training, development, reward, recognition and eminence of Bank's personnel as a significant factor of implementation and achievement of the Bank's targets. Currently, the main priority is the rearrangement of personnel under the criterion of the optimum coverage of the business needs arising from the strategy of the Bank.

COST OF RISK METHODOLOGY

Through the implementation of a more efficient recovery process, Emporiki has significantly improved the regular cost of risk over the last quarter as compared to the previous ones, and still expects a further decrease ahead. This quarter's figures also include the impact of a more strict default definition, as well as new contagion rule, which fully aligns Emporiki with Credit Agricole's standards. In addition to this provisioning effort, it has to be reminded that from 4th quarter 2007 Emporiki will apply a similar provisioning methodology on sensitive non defaulted loans, which will represent a final additional non recurrent element in the cost of risk. With all these measures, Emporiki will be fully aligned with Credit Agricole S.A.'s practices as well as compliant with Basel II standards, and of course for financial reporting purposes with IFRS impairment rules for loans, fulfilling the respective management commitment of the end of 2006.

NINE MONTH 2007 RESULTS

Key figures (Group) <i>(€ m)</i>	9M07	9M06* proforma	Ch (%)
Net banking income	720,2	706,3	2,0%
Of which			
Net interest income	573,8	530,5	8,2%
Fee and commission income	115,5	121,3	-4,8%
Other income	29,0	53,0	-45,3%
Operating expenses	(483,9)	(446,7)	8,3%
Of which			
Staff expenses	(287,1)	(285,7)	0,5%
Depreciation	(23,9)	(23,1)	3,3%
Other operating expenses	(143,9)	(137,9)	4,3%
Transformation cost	(31,1)	0,0	
Gross operating income	234,3	259,7	-9,8%
Provisions	(164,0)	(120,8)	35,8%
Earnings before tax	70,5	133,7	-47,3%
Income tax expense	(20,2)	(35,3)	-42,8%
Earnings after tax – Continued Operations	50,3	98,4	-48,9%
Discontinued Operations Results	25,3	(3,6)	-792,5%
Earnings after tax & minority	76,5	94,2	-18,8%
Earnings per share (EPS) (€)	0,58	0,71	-18,3%
Ratios			Ch (bps)
Cost to income (without transformation costs)	63,1%	63,2%	-9
Cost to income (global)	67,5%	63,2%	423

(*). 9M06 P/L has been adjusted for comparability with 9M07 P/L, where Phoenix & Emporiki Bank Germany are treated as discontinued operations

9M 2007 results are **in line with the new 5yr business plan**. Since the Transformation Program runs with a faster pace, the improvement of the volumes will become visible during the next quarters. Furthermore, the application of new risk methodologies still affects the results of the Bank, but at a controlled pace and will be fulfilled by the end of the year. Transformation costs are well controlled, in line with expectations. Operating Costs are under tight control.

Net banking income: €720,1 million, +2%

- **Net interest income** was €573,8 million, up 8,2%, due to increased volumes in retail banking as well as the positive effect of the ECB raise in interest rates.
- **Net fee and commission income** was decreased by 4,8% to €115,5 million

- **Net income from insurance operations** stood at €1.9 million, however since the launch of a new insurance company in 2008 has been announced the figures will be improved in the near future.
- **Other operating income** in total stood at €33,4 million lower by 38,5% compared to 9M 06, where gains from venture capital disposals and AFS portfolio positively impacted last year's results.

Operating expenses rose at a controlled pace by 8,8% (before provisions) to €485,9 – significantly lower if compared on quarterly basis (+ 2,2% vs. Q3 06)

- **Staff expenses** marginally increased by 0,5% (- 1,3% vs. Q3 06).
- **Other operating expenses** increased also by 4,3% (- 12,1% vs. Q3 06). Structural costs basis of Emporiki demonstrates the efficiency of the new cost control framework.
- **Transformation expenses** amounted to €31.1 million, well below expectations.

Gross Operating Income went down by 9,8% to €234,3 million.

Provisions (Impairment losses) reached €164,0 million. The implementation of the new recovery process that has already started is expected to gradually lower the cost of risk. This implementation will be mostly concluded by the end of the year.

9M07 BALANCE SHEET DETAILS

In 9M 2007 the annual YoY growth rate of **mortgage loans** of the Bank stood at 30,5% resulting in outstanding balances of €6.498 million. New mortgage loan disbursements stood at €1.553 million, increased by 17% over the respective period last year, resulting to an enhanced competitive position (**9,86% market share per August**, or **+0,65% in market share vs. August 2006**). In **consumer finance** annual growth rate stood at 11,1% with €574 million new disbursements, driving total outstanding balances to €1.886 million. Credicom continued its notable growth with balances standing at €834 million in 30 September 2007, with an additional €297,2 million of loans balances since September 2006. Considering Credicom and branch network originated consumer finance balances, Emporiki has a market share in consumer finance of 8,96% (per August data, -0,2% market share yoy).

Loans to **SMEs** increased by 5,2% YoY, with balances standing at €5.417 million. The wholesale activity still needs to regain momentum in order to reach its anticipated growth.

Deposits of the Bank increased to €17,066 million, up 8,6% compared to last year's respective period, firming Emporiki's market share at 8.36% (average market share per August data, -0,11% y-o-y). Time deposits increased by 27,6% (8,55% market share), while sight deposits decreased by 5.1% (5,86% market share) and savings deposits decreased by 5,5% (8,99% market share), following the general trend of the domestic market (i.e. shifting from sight & savings to time).

Non-performing loans stood at parent level at 6,5% of total loans with accumulated provisions at €1.209 million representing 99,5% of non-performing loans.

Equity (Group) stood at € 897,5 million.

➔ The 9M07 results announcement is available at www.emporiki.gr and at www.ase.gr

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Emporiki Bank Group
Profit & Loss Account

<i>(in € m)</i>	9M 07	9M 06 proforma*	Δ (%)
Net interest income	573,8	530,5	8,2%
Net fee & commission income	115,5	121,3	-4,8%
Dividend income	0,0	0,0	
Net trading income	-4,5	-1,5	210,4%
Net gains from investment securities	0,0	0,0	
Net income from insurance operations	1,9	1,6	24,5%
Other operating income	33,5	54,4	-38,5%
Net banking income	720,2	706,3	2,0%
Staff expenses	(287,1)	(285,7)	0,5%
Depreciation	(23,9)	(23,1)	3,3%
Other operating expenses	(143,9)	(137,9)	4,3%
Transformation cost	(31,1)	0,0	
Operating expenses	(485,9)	(446,7)	8,8%
Provisions	(164,0)	(120,8)	35,8%
Profit & Loss from associates	0,2	(5,1)	-103,5%
Earnings before tax	70,5	133,7	-47,3%
Income tax expense	(20,2)	(35,3)	-42,8%
Earnings after tax – Continued Operations	50,3	98,4	-48,9%
Discontinued Operations Results	25,3	(3,6)	-792,5%
Minorities	1,0	(0,6)	-259,8%
Earnings after tax & minority	76,5	94,2	-18,7%
Earnings per share (EPS) (€)	0,6	0,7	-18,7%

(*). 9M06 P/L has been adjusted for comparability with 9M07 P/L, where Phoenix & Emporiki Bank Germany are treated as discontinued operations

Loans of Emporiki Bank (parent data)						Change	
<i>(EUR million)</i>	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06	9M07/ 9M06	9M07/ FY06
Business sector	9,356	9,465	9,110	9,066	9,472	-1,2%	3,2%
- of which SMEs	5,417	5,359	5,337	5,240	5,151	5,2%	3,4%
Consumer loans	2,314	2,255	2,197	2,150	2,081	11,1%	7,6%
Mortgages	6,498	6,277	5,827	5,445	4,980	30,5%	19,3%
Public entities	367	414	370	404	416	-11,7%	-9,2%
Other loans	150	207	181	168	151	-0,7%	-10,7%
Total	18,685	18,618	17,685	17,233	17,100	9,3%	8,4%

SME: The total amounts of SMEs has changed for previous terms due to changes in the customer segmentation

Deposits of Emporiki Bank (parent data)						Change	
<i>(EUR million)</i>	30.09.07	30.06.07	31.03.07	31.12.06	30.09.06	9M07/ 9M06	9M07/ FY06
Sight	1,942	1,809	2,127	2,107	2,047	-5,1%	-7,8%
Savings	6,617	6,765	6,755	7,026	7,003	-5,5%	-5,8%
Time and other	8,506	8,133	7,584	7,115	6,666	27,6%	19,5%
Total	17,065	16,707	16,466	16,248	15,716	8,6%	5%