Emporiki Bank

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PRESS RELEASE
Emporiki Bank nine-month 2005 results

Profit before tax of €95.3m vs. €6.8m in the nine-month period to 30 September 2004: Emporiki Group's financial performance in a consistent recovery path

€397.2m capital increase through public offer, subscription period ends on December 21

"Emporiki Bank stands at a critical point as the progress in the resolution of the pension issue has resulted in the temporary weakening of its capital base. To strengthen the Bank's capital base, a €397m capital increase currently takes place. Certain major shareholders have already responded positively to the call of the management to support the Bank's capital increase, contributing to the management's optimism as to the success of the capital raising exercise.

The restructuring and development plan of the group has also reached a critical point: On the restructuring front the consistent efforts to rationalise Emporiki's cost base are already bearing fruits, despite the continuing high extraordinary contributions to the Bank's pension fund (TEAPETE). On the development front, however, the improving performance in retail banking in the first five months of 2005 has been interrupted by the industrial action against the new pension arrangements. In the third quarter of 2005, following the employee strikes, the Bank's operations have gradually recovered ; financial performance, however, has been affected by seasonality. Indications of business performance for the quarter to date are encouraging. Following the completion of the capital increase, Emporiki will have adequate capital resources to implement its restructuring and development plan and attain with confidence its financial targets."

George Provopoulos, Chairman and CEO

CAPITAL INCREASE THROUGH RIGHTS ISSUE

NUMBER OF EXISTING SHARES	105,913,174
NEW SHARES TO BE ISSUED	26,478,294
POST CAPITAL INCREASE NUMBER OF SHARES	**132,391,468**
SHARE NOMINAL VALUE	€ 5.50
SUBSCRIPTION PRICE	**€15.00**
TOTAL CAPITAL INCREASE PROCEEDS	**€397,174,410**

The second iterative general meeting of Emporiki's shareholders resolved for the increase of the Bank's capital by € 397,174,410 through the issuance of 26,478,294 new shares offered through pre-emption rights to existing shareholders for a subscription price of €15 per share and at a ratio of 5 new shares for every 20 existing shares.

The period for the exercise of the pre-emption rights (the subscription period) finishes on Wednesday, 21 December 2005. Pre-emption rights are listed on the Athens Stock Exchange and are tradable from Monday, 21 November to Thursday, 15 December. Shareholders that have fully exercised their respective pre-emption rights are entitled to subscribe for additional shares in proportion to their current shareholding at the same subscription price (over-subscription right). Any oversubscription applications will be satisfied on a pro rata basis, in case unsubscribed shares exist following the exercise of the pre-emption rights. The Bank´s board has appointed J.P. Morgan that undertakes to subscribe any unsubscribed shares for up to a total number of shares representing 50% of the capital increase.

Pro forma for the capital increase the total capital adequacy ratio of the Bank and the Group will stand at 10.2% and 10.4% respectively.

It is noted that regarding the progress in the pension issue, the courts have recently rejected the injunction petition filed by Emporiki's employee union on the adoption of the new pension law.

NINE-MONTH 2005 RESULTS

Emporiki Bank on consolidated basis			
(EUR m)	**9M05**	**9M04**	**Change**
Net interest income	471.1	430.9	9.3%
Net commission income	110.3	101.3	8.9%
Total operating income	**636.5**	**607.9**	**4.7%**
Operating costs	**457.5**	**488.2**	**-6.3%**
EBT	95.3	6.8	1,295%
EAT	**67.4**	**1.9**	**3,409%**
EPS	0.7	0.0	3,600%
NII / Avg assets	3.29%	3.28%	1
Cost to income	71.9%	80.3%	-841
RoE	13.9%	0.2%	1,368
RoA	0.47%	0.01%	46

In nine-month 2005 (9M 2005), **net profit** raised to €67.4m from €1.9m last year, leading return on assets to substantially higher levels, against the vicissitudes, due to the strike, in the second and third quarter of the year. **Profit before tax and after minorities** reached €95.3m from €6.8m in 9M 2004, stemming from the increase in core operating income and significant cost containment.

Net interest income rose by 9.3% to €471.1m in 9M 2005 compared with €430.9m in 9M 2004, due to the change in the composition of the loan book at the benefit of consumer loan and mortgages, which represented almost 40% of the total loan book compared with 35.4% last year, and the sustention of net interest margin (net interest income over average assets) at high levels (3.29% in 9M 2005).

Fee and commission income grew to €110.3m, showing an 8.9% increase versus the first nine-month period of last year. The increase in fee and commission income is stemming from the rise in lending related fees and the effective repricing in specific fee and commissions categories. This was achieved despite the negative impact the strike had on the activity of the Bank's clients.

Net income from insurance rose to €19.6m reporting a 32.3% decrease versus nine-month 2004. The drop in net income from insurance is stemming from the restructuring efforts taking place in Phoenix. The decision of the management to proactively limit the underwriting in certain categories resulted in the decline of insurance premia and increase in insurance claims in the motor third party liability segment. Phoenix is making good progress in its restructuring program as it is expected to significantly limit its losses in the 9M 2005 vs. a loss of €29.4 m a year earlier.

Trading income stood at €11.2m in 9M 2005 against €19.5m in 9M 2004. **Gains from investment securities** reached €7.3m compared to nil last year. Income from these two categories reached a total of €18.5m in 9M 2005 i.e. the same level as in 9M 2004. Taking into account that the portfolios under management have decreased by 36.7% year-to-date, the return of the funds under management has been improving, mainly due to the very good conditions prevailing in the capital markets.

Operating expenses dropped by 6.3% year-on-year in 9M 2005, confirming the success of the Group's restructuring program during its first year of implementation. Cost to income ratio showed a noteworthy improvement ending at 71.9% in 9M 2005 versus 80.3% in 9M 2004.

Specifically, **personnel expenses** dropped by 4.4% following the voluntary retirement scheme programs applied in the Group at the end of 2004. The Group's **personnel** stood at 7,703 people, showing an 8.6% (721 people) decline year-on-year. The drop in personnel expenses would have been significantly higher had it not been offset by the €46.8m provision taken to cover for the Bank's extraordinary pension deficit, which is expected to reach €65m at the end of 2005 versus €49.2m at the end of 2004. It is noted that the inclusion of Emporiki into the new pension law will lead to an additional reduction of personnel expenses by at least €30m.

Depreciation charges in 9M 2005 stood at the levels of 9M 2004, while **other operating expenses** dropped by 11.4% in the aforementioned period, as a result of the implementation of specific actions to reduce costs across the Group.

The **Bank loan book** reached €14.3bn in September 2005 compared with €13bn in September 2004, marking a 10.4% increase on an annual basis, despite the problems stemming from the strikes and the exit of approximately 280 people in the year so far. Mortgages and consumer loans, jointly representing approximately 40% of the Bank's loan portfolio, constitute the main growth driving areas, increasing penetration levels to 27.6% and 11.4% respectively.

In 9M 2005, **mortgages** grew by 24.2% year-on-year, while new disbursements, supported by the new product category "My Home", rose to €836m, shaping total mortgage lending outstandings to €4 bn. In **consumer lending** the annual growth rate for the Bank stood at 15.8%, with new disbursements at €395m – mainly due to the new product category "Cash 4U" – forming total consumer loan outstandings to €1.6bn. Credicom demonstrated significant expansion in nine-month 2005, as its loan outstandings tripled versus 9M 2004, when they stood at €63m. It is noted that Credicom is exclusively operating via retailers´ networks covering in that way one of the fastest growing segments in the consumer credit market. In nine-month 2005, loans to small and medium enterprises (SMEs) increased by 7.7% year-on-year, with their outstandings reaching €4.5bn. Emporiki's positioning in the SMEs market should be further strengthened through the recent enhancements of its "Easy Business" product palette.

Non-performing loans (defined as loans in delay over six months) represented 5.9% of the total Bank loans in September 2005. Provisions covered 75.7% of non-performing loans at the end of September 2005. Among the structural measures already taken for the improvement of the quality of the Bank's loan book, the "early collection" monitoring process has expanded to include SMEs, where the first results of the pilot phase were encouraging.

Bank deposits grew by 5% on an annualized basis and reached €15bn. It is important to note that there was no serious disruption in the relationship between the bank and its depositors due to the strikes. The rise in deposits is mainly due to the large increase reported in time deposits (+36.3%), both classic and "Value Plus" products, which represent 37.9% of total bank deposits in 9M 2005 versus 29.2% in 9M 2004. Sight and savings deposits, which represent 61% of the total deposit base, showed a 6.1% increase to €9.1bn. The successful launching of the new salary account and the development of new contacts with SMEs based on the "Easy Business" products contributed to the increase in sight accounts. The Bank is carefully progressing with the repricing of its saving products, preparing for an interest rates rising environment. In that way, loans to deposits rose to 95.7% in September 2005 compared to 91.1% in September 2004. Assets under management approached €2.3bn, showing a net increase of €150m year-on-year, which is expected to be further enhanced, as the Bank launched its new investment product "Advantage". This new product combines time deposits with mutual funds in a flexible way, where the composition of the portfolio is adjusted to the investor's risk profile.

Shareholders' funds reached €770.4m in 9M 2005, significantly improved compared to 1H 2005, following the disposal of the Bank's own shares in July 2005, which added approximately €145m to shareholders' funds. Tier I and total capital adequacy ratios are estimated at 6.9% and 7.5% respectively at end of September 2005. After the completion of the ongoing share capital increase of the Bank, Tier I and capital adequacy ratios are expected to reach 9.8% and 10.4% respectively.

Strategy & Investor Relations Division
Vassilios Psaltis, +30 210 328 4910
Evelyn Vougessis, +30 210 328 4824

Emporiki Bank on consolidated basis

(in EUR million)	9M05	9M04	Change
Net interest income	**471.1**	**430.9**	**9.3%**
Net commission income	110.3	101.3	8.9%
Dividend income	3.0	9.1	-67.2%
Trading income	11.2	19.5	-42.6%
Gains/losses from investment securities	7.3	0	N.M.
Net income from insurance	19.6	29.0	-32.3%
Other operating income	14.0	18.2	-23.1%
Operating income	**636.5**	**607.9**	**4.7%**
Staff costs	302.1	316.0	-4.4%
General expenses	126.4	142.7	-11.4%
Depreciation	29.1	29.5	-1.4%
Operating expenses	**457.5**	**488.2**	**-6.3%**
Loan provisions	81.3	102.7	-20.8%
Profit/loss of associates	-2.3	-10.3	-77.2%
Profit before tax	95.3	6.8	1,295.4%
Tax	29.1	10.2	185.9%
Profit to minorities	1.2	5.3	-76.7%
Net profit attributable to shareholders	**67.4**	**1.9**	**3,409%**
EPS	**0.74**	**0.02**	**3,600%**
Ratios			
NII / Avg assets	3.29%	3.28%	1
Cost to income	71.9%	80.3%	-841
RoE	13.9%	0.2%	1,368
RoA	0.47%	0.01%	46
Coverage ratio	75.7%	73.1%	257

Loans of Emporiki Bank (parent data)

(EUR million)	30.09.05	30.06.05	31.03.05	31.12.04	30.09.04	Change 9M05/ 9M04	Change 3Q05/ 2Q05
Business sector	8,420	8,322	8,116	7,997	7,983	5.5%	1.2%
- of which SMEs	*4,528*	*4,493*	*4,429*	*4,316*	*4,204*	7.7%	0.8%
Consumer loans	1,637	1,548	1,507	1,477	1,414	15.8%	5.8%
Mortgages	3,953	3,787	3,569	3,392	3,182	24.2%	4.4%
Public entities	324	379	373	375	405	-20.1%	-14.5%
Total	**14,334**	**14,035**	**13,565**	**13,241**	**12,984**	**10.4%**	**2.1%**

Deposits of Emporiki Bank (parent data)

(EUR million)	30.09.05	30.06.05	31.03.05	31.12.04	30.09.04	Change 9M05/ 9M04	Change 3Q05/ 2Q05
Sight	1,905	1,887	1,745	1,656	1,571	21.2%	0.9%
Savings	7,217	7,315	7,023	7,232	7,029	2.7%	-1.3%
Time and other	5,677	5,410	5,526	4,578	4,165	36.3%	4.9%
Repos	177	336	546	1,119	1,494	-88.1%	-47.2%
Total	**14,976**	**14,948**	**14,840**	**14,585**	**14,259**	**5.03%**	**0.19%**