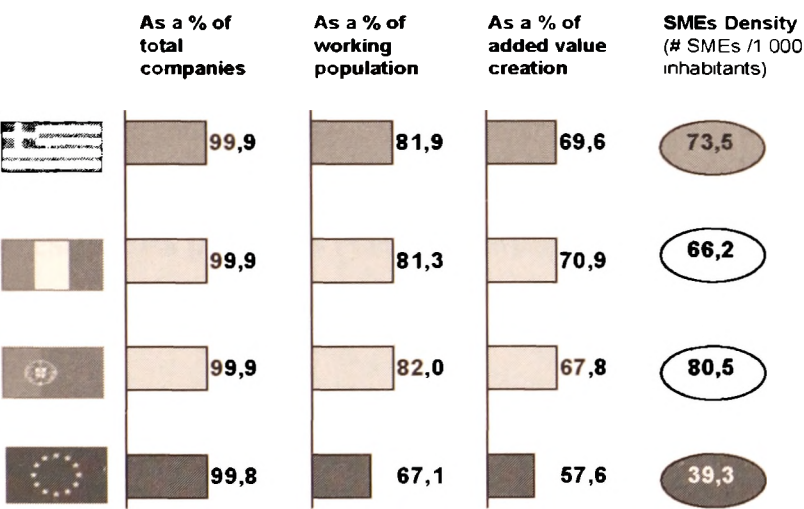


EUROPEAN INVESTMENT BANK LOANS BY EMPORIKI BANK

By Mr. **Pierre HARANG**

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1. OVERVIEW OF THE IMPORTANCE OF SMEs IN THE GREEK ECONOMY SMALL AND MEDIUM ENTERPRISES PLAY A CRUCIAL ROLE IN THE EUROPEAN ECONOMY AND PARTICULARLY IN GREECE

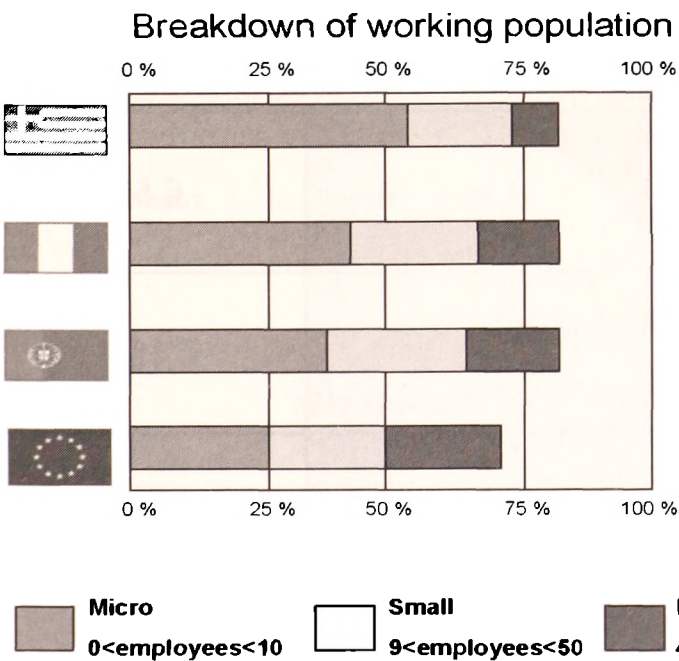


* Criteria: Headcount < 250. Turnover < 50Μ€. Assets < 43Μ€

Source: European Commission, Eurostat, 2005

- SMEs represent 819.600 companies in Greece
- SMEs in Greece represent a large percentage in comparison to the total number of companies
- SMEs employ 2,031.000 people in Greece representing a large majority of the working population (81,9%)
- SMEs sectors share many similarities with other countries like Italy or Portugal
- Greek SMEs contribute to nearly 70% of added value creation
- SMEs density in Greece is much higher than the average density in the EU-27

SMES - SHARE OF NON-FINANCIAL BUSINESS ECONOMY EMPLOYMENT (%) (2005)



- Micro and small enterprises (<50 employees) represent 99,55% of the total number of enterprises
- Micro and small enterprises employ 74% of the workforce of the private sector

Source: European Commission, Eurostat, 2005

2. EMPORIKI BANK COOPERATION WITH EIB

June 2003: Agreement between EIB and Emporiki Bank regarding the granting of long-term fixed assets loans - GL1 € 50 mn.

February 2006: 2nd agreement signed between EIB and Emporiki Bank for the granting of a € 50 mn loan (still partially invested).

December 2007: Agreement between EIB and Emporiki Bank for the granting of € 50mn loan (mainly addressed to local Government Organisations) to finance long - term fixed assets and infrastructure projects.

SCOPE OF EIB LOANS ADDRESSED TO SMEs

• Aim: Financing of long-term business loans for SMEs: premises - equipment - intangible assets (except goodwill), long-term working capital linked to sales increase and also increase in inventory

• Sectors addressed:

- ✓ Industry
- ✓ Environmental protection v'Energy
- ✓ Rationalization of energy resources
- ✓ Health care services
- ✓ Education
- ✓ Tourism
- ✓ Construction

■ Investment plans: € 40.000 - € 25.000.000

■ Interest rate: Euribor + spread

■ Loan amounts: € 20.000 - € 12.500.000

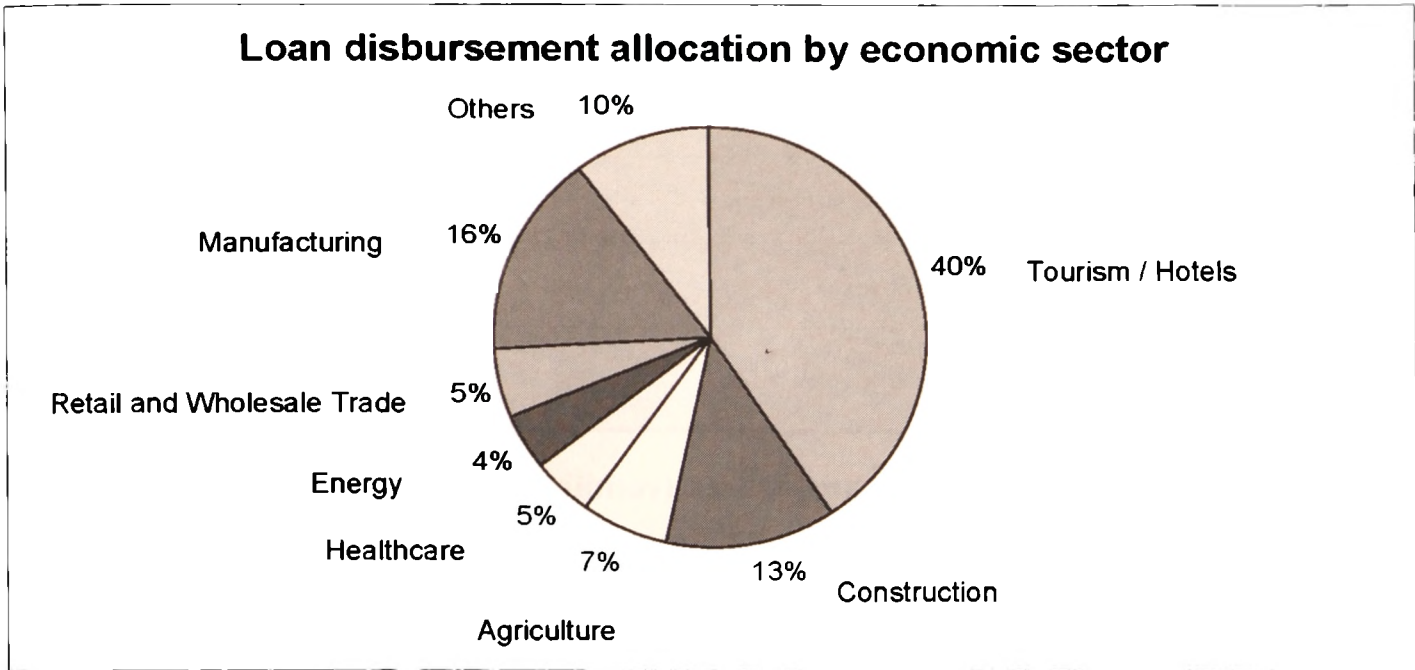
■ Securities: Guarantees or free of collateral

Exemption from 0,60% tax (Law 128/75)-only as it concerns EIB part (50%)

COOPERATION OF EMPORIKI BANK WITH EIB GLOBAL LOAN 1 (GL 1)

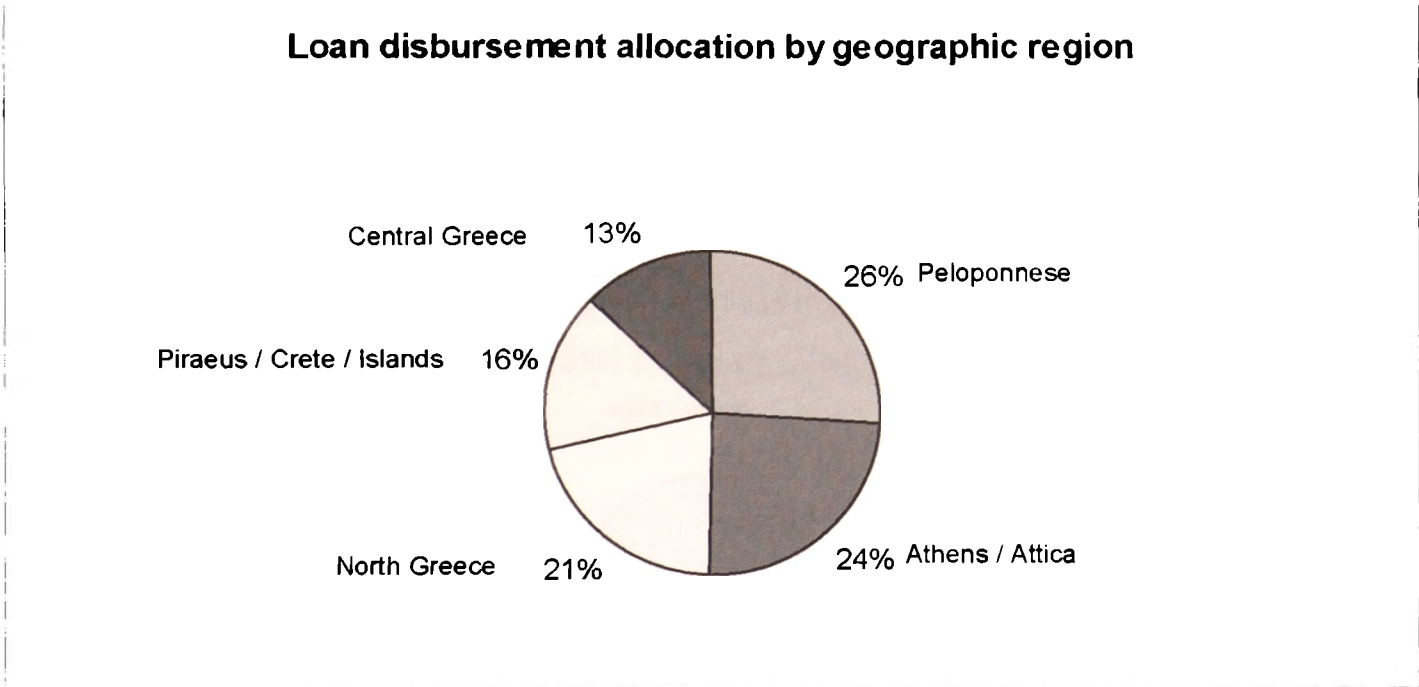
Signature of loan agreement (GL 1) - 2003	
Amount of Global Loan 1	€ 50 mn
Total credit limits for the financing of 118 SMEs' investment plans	€ 46,2 mn
Final number of companies financed	85
Disbursed amounts by Emporiki clients	€ 39,2 mn

LOAN DISBURSEMENT ALLOCATION (GL 1) BY ECONOMIC SECTOR



Investments projects (GL 1) mainly concern tourism, manufacturing and construction

LOAN DISBURSEMENT ALLOCATION (GL 1) BY GEOGRAPHIC REGION



Global loans have been granted to clients all over Greece

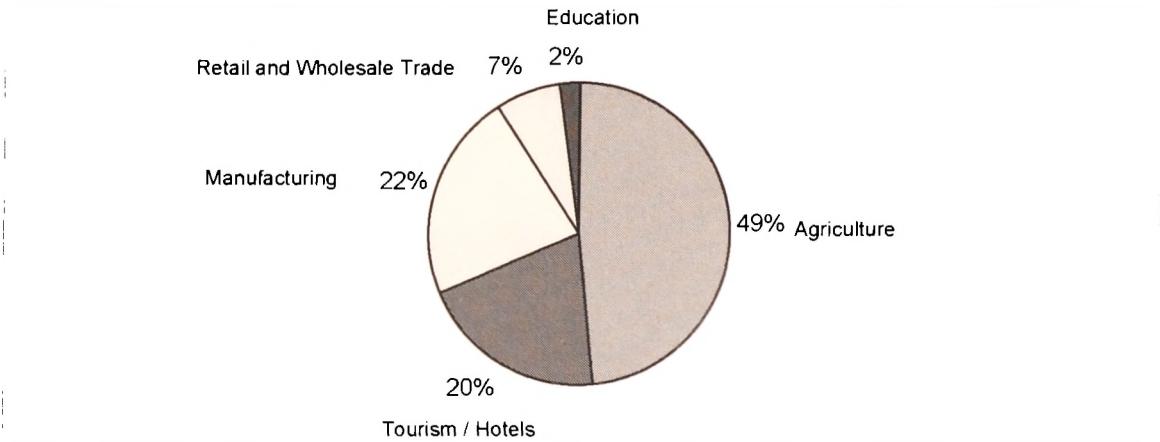
COOPERATION OF EMPORIKI BANK WITH EIB GLOBAL LOAN 2 (GL 2)

Signature of loan agreement (GL 2) - 2006	
Amount of Global Loan 2	€ 50 mn
1st disbursement of EIB loan by Emporiki	€ 25 mn
Number of companies financed	13
Disbursed amounts by Emporiki clients	€ 6,4 mn

Application for the 2nd disbursement (remaining € 25 mn) by 20/2/2009

LOAN DISBURSEMENT ALLOCATION (GL 2) BY ECONOMIC SECTORS

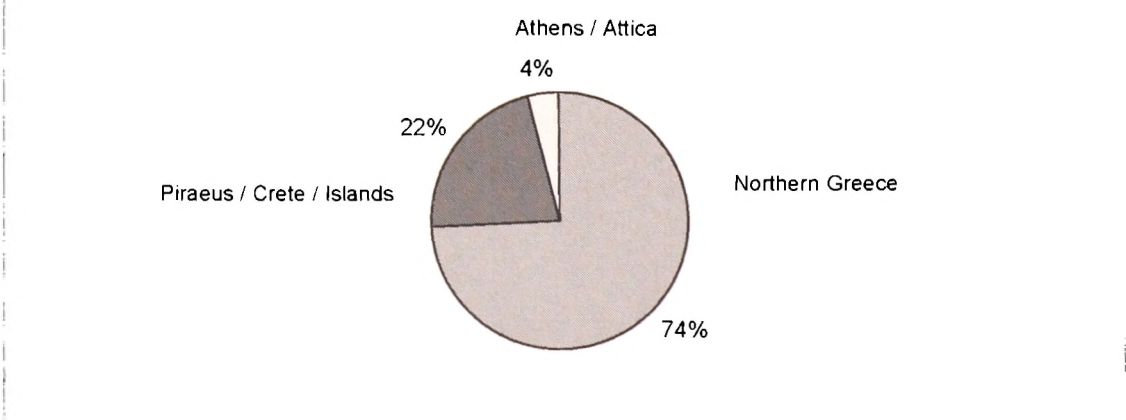
Loan disbursements allocation by economic sector



Investments projects of GL 2 mainly concern agriculture, tourism and manufacturing

LOAN DISBURSMENT ALLOCATION (GL 2) BY GEOGRAPHIC REGION

Loan disbursement allocation by geographic region



The majority of investments concerns Northern Greece geographic region

SCOPE OF EIB LOANS ADDRESSED TO LOCAL GOVERNMENT ORGANISATIONS

- December 2007: Agreement between EIB and Emporiki Bank relating to the granting of a € 50 mn loan addressed to Local Government Organizations (long - term fixed assets & infrastructure projects)

- Sectors addressed:

- ✓Infrastructure

- ✓Energy

- ✓Environmental and urban rehabilitation and development

- ✓Education

- ✓Health

- Investment plans: € 40.000 - € 25.000.000

- Loan amount: € 20.000 - € 12.500.000

- Loan duration: Up to 25 years

- Interest rate: (Floating: Euribor + spread)

- Capital repayment: 3 month / 6 month amortization installments

- Grace period: Up to 36 months

The loan has not been disbursed yet by Emporiki Bank

3. BENEFITS FROM EIB LOANS GRANTED THROUGH EMPORIKI BANK

BENEFITS FROM EIB LOANS

- Support provided to SMEs in order to finance their investments in Greece

- Competitive loan terms:

- *Commercial Banks can lend at a lower rate and maintain their profitability*

- *SMEs can borrow at a lower rate than usually*

- Exception of tax 0,60% (Law 128/75) for the EIB loan

4. PROBLEMS RELATING TO THE UTILISATION OF EIB GLOBAL LOANS

PROBLEMS RELATING TO THE UTILISATION OF EIB GLOBAL LOANS

- EIB lending amounts only up to 50% of the global investment

- EIB loans concern only investments in fixed assets (not in working capital)

- Several restrictions apply on eligible expenses for EIB loans

- The whole loan amount for Local Government Organisations has not been undrawn (As it concerns only investments in fixed assets, whereas Local Government Authorities usually request working capital and investments in land only)

- EIB loans face strong competition by similar products (eg bond loans)

(As the exemption from 0,60% tax (Law 128/75) also applies on bonded loans but to the total amount of the loan)

5. ENVISAGED COOPERATION WITH EIB

ENVISAGED COOPERATION WITH EIB

Provided that the problems mentioned before are solved, i.e.,

- *EIB financing amounts up to 100% of the investment (instead of 50%) and*

- *exemption from tax 0,60% (Law 128/75) applies on the whole amount*

cooperation with EIB, especially in traditional industry sectors (productive sectors) is expected to be increased considerably.

EIB loans should also cover working capital needs (Exemption of tax 0,60% also to apply).

Expansion of cooperation in other sectors

Public Private Partnerships projects for the construction of public infrastructure, education, health etc.

6. CONCRETE EXAMPLES OF PROJECTS FINANCED BY EMPORIKI BANK THROUGH EIB LOANS

EXAMPLES OF PROJECTS BY EMPORIKI CUSTOMERS THROUGH EIB LOANS (1)

KONSTANTOPOULOS S.A. (Processing and packaging of edible olives)

✓ Investment - € 6 744 thousand (2005):

Construction of business premises and installation of new equipment (total of _ 6 744 thousand) in 4th km of Katerini - Larisa National Road on owned premises of the company.

✓ Financing structure of the investment:

- Fixed assets loan (EIB product): € 1 625,6 thousand

- Subsidy by EU: € 2 855,4 thousand

- Own funds: € 2 232,9 thousand

Interest rate: 3M Euribor + spread 1,3%

Loan duration: 84 months

Repayments: Semi-annual installments

✓ Completion of investment:

The company is included in the 50 biggest food industry companies in Greece and the granting of EIB loan through Emporiki was the reason for the beginning of further banking cooperation of this company with Emporiki (imports-exports, fund transfers, deposits etc)

EXAMPLES OF PROJECTS BY EMPORIKI CUSTOMERS THROUGH EIB LOANS (2)

GRATZA BROS GENERAL PARTNERSHIP (Manufacturing of wooden furniture for kitchens)

Customer of Emporiki since 2001 (loans granted for the construction of manufacturing premises and re-installation in Volos - Larisa National Road (4th km)

✓ Investment - € 300 thousand (2005):

Expansion of business premises and purchase of mechanical equipment

✓ Financing structure of the investment:

-Fixed assets loan (GL 1 by EIB) for € 150.000 (50%)

-Loan granted by Emporiki for the remaining 50%

Interest rate: 6M Euribor + spread 3,5 %

Loan duration: 10 years

Grace period: 18 months

Repayment: Equal semi-annual capital installments

✓ Completion of investment: Investment has been successfully completed

The company also used 3rd Community Support Framework funds for the purchasing of new machinery after the completion of the original investment

EXAMPLES OF PROJECTS BY EMPORIKI CUSTOMERS THROUGH EIB LOANS (3)

PERLIT HELLAS S.A. (Perlit mineral processing)

✓ Investment - € 661,3 thousand (2005):

Expansion of production business premises - creation of a new production unit

(€ 240,3 thousand) and purchase of new mechanical equipment (€ 421,1 thousand) (total: € 661,3 thousand), in the 2nd industrial area of Volos.

✓ Financing structure of the investment:

-Fixed assets loan (EIB product) for € 300.000

-Own funds of the company (for the rest)

Interest rate: 6M Euribor + spread 2,5%

Loan duration: 84 months

Grace period: 6 months

Repayment: Semi-annual installments

✓ Completion of investment:

Investment completed and the plant processing. No financial defaults.