

PRESS RELEASE

1 H06 RESULTS

The “Ethniki” Insurance Group’s net earned premiums have considerably increased by 23%, as compared to the previous year’s respective period, reaching €27.957.000. Life premium income presents a steep increase by 46%, mainly attributed to the new bancassurance product “Prostheto⁺” premiums, which reached €8.650.000, exceeding the target of €5.000.000. Furthermore, Individual Life new business premium income increased by 30%. Property & Casualty net earned premiums were increased by 6%, driven by an impressive 96% increase of the Fire net earned premium, resulting from the 15% increase in the Fire gross written premiums and the conversion of the reinsurance treaties from proportional into excess of loss, which absorbed the effect of the Motor Business decrease by 12% over 1 H05.

1H06 Group’s profits after tax have reached the amount of €4.317.000. The total cost of the early retirement scheme, to be completed till the year’s end involving 71 employees, amounting to €10.700.000 (€8.725.000 after tax) has been charged against the above-mentioned result. Payback period of the respective cost is estimated to be 21 months. Before this cost, the Group’s consolidated profits after tax amount €13.042.000, as compared to €10.818.000 for the 1H05 and to €14.880.000 budgeted profit.

Outstanding claims reserves for the Motor Third Party Liability business have been further reinforced, thus reaching 203% of gross written premiums, while the market average is standing at 133%. This reinforcement has been charged against 2Q06 results. However, 2H06 results will be free of such a charge, since the existing provisions are sufficient and no further increase should be required until the end of the year.

Operating expenses for the period remained stable, at the same level of the respective periods of 2005 and 2004.

Profits after tax deriving from affiliate companies reached €64.000, compared with a loss of €28.000 for 1H05.