



# **“Optimizing Our Performance in a Difficult Environment”**

**March 31, 2007**

**Rafael Arrillaga-Torréns**  
*President & Chief Executive Officer*

**Yadira Mercado Piñeiro**  
*EVP & Chief Financial Officer*

# Forward Looking Statements

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**This presentation may contain forward-looking statements including comments with respect to our objectives, strategies, and the results of our operations and business. These statements involve numerous assumptions, uncertainties and opportunities, both general and specific. Risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on the forward-looking statements, as a number of factors could cause future company results to differ materially from these statements. Forward-looking statements may be influenced in particular by factors such as: fluctuations in interest rates and stock indexes; effects of competition in the areas in which we operate; changes in economic, political, regulatory and technological conditions. We caution that the foregoing list is not exhaustive. When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors and others that may have not been included in this list, as well as other uncertainties and events.**

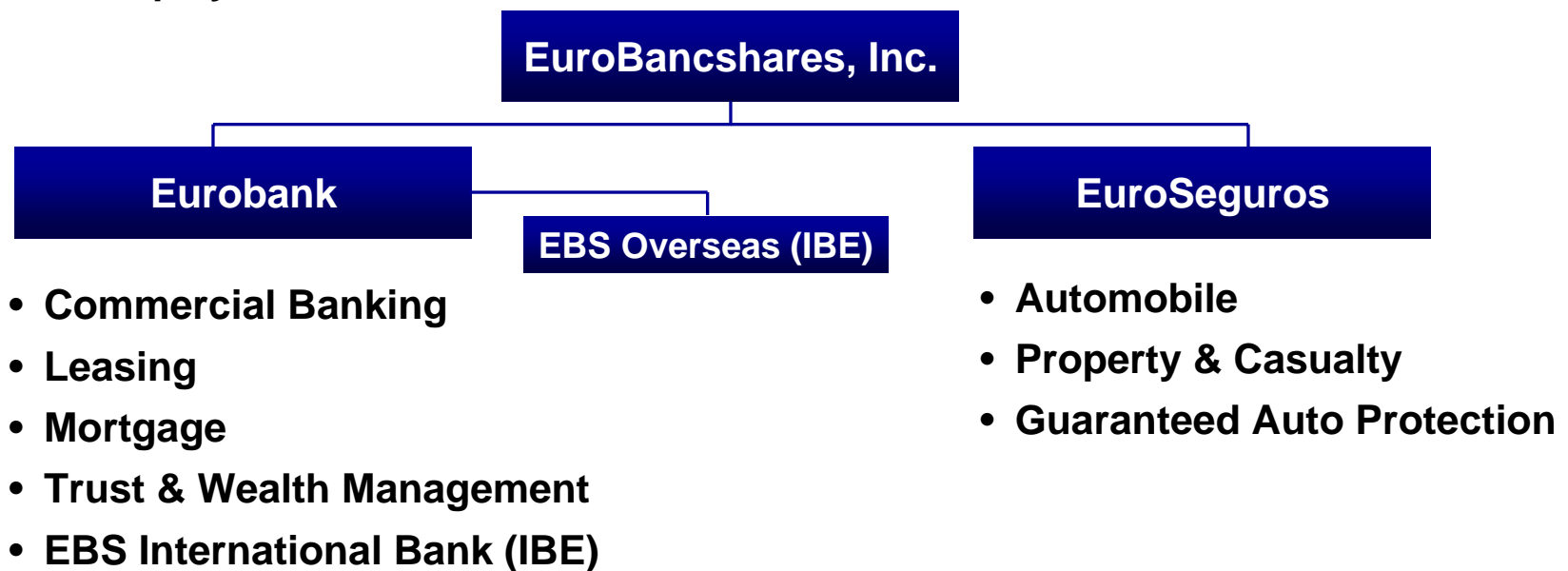
## **Stock Profile – as of April 30, 2007**

<b>Nasdaq Symbol</b>	<b>EUBK</b>
<b>Recent Price</b>	<b>\$8.51</b>
<b>Market Cap</b>	<b>\$165.65 million</b>
<b>Shares Outstanding</b>	<b>19.4 million</b>
<b>50 Days Avg. Daily Volume</b>	<b>22,663</b>

# Company Overview

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- **Headquarters:** San Juan, Puerto Rico
- **Total Assets:** \$2.433 billion
- **Gross Loans & Leases:** \$1.761 billion
- **Branches:** 24
- **Deposits:** \$1.825 billion
- **Equity:** \$174.8 million
- **Employees:** 520



# Experienced Executive Leadership

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➤ **Average experience: 29 years**

Executive	Title	Experience	Joined Eurobank
Rafael Arrillaga-Torréns, Jr.*	Chairman, President and CEO	31	1979
Yadira R. Mercado	EVP, CFO and Corporate Secretary	26	1991
Luis J. Berríos López	EVP, Chief Lending Officer	36	2006
Félix León	EVP, Operations	42	2004
Jorge E. Sepúlveda-Estrada	SVP and Treasurer	32	1993
Luis S. Suau Hernández	SVP, San Juan-Metropolitan Area	32	1997
Fausto Peña Villegas	SVP, Northern Region	31	2001
Roberto Carreras Sosa	SVP, Eastern Region	30	2002
Jaime A. Borges Bonilla	SVP, Southern Region	21	2006
Brenda Medina Alameda	SVP, Western Region	15	2003
Jaime Noble Fernández	SVP, EuroLease	33	1999
Jose del Rio Jimenez	SVP, Mortgage	19	2005

\*Joined Eurobank in 1979 as a director, became Chairman in 1993, and CEO in 1994.

# Corporate Strategy

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- **Establish Bank as Premier Middle-Market Bank in Puerto Rico**
- **Focus on Niche Market to Maintain Strong Earnings Growth and Profitability**
- **Maintain Strong Asset Quality**
- **Expand Branch Franchise through Novo Opportunities**
- **Consider Strategic, Accretive Acquisitions**
- **Utilize Under-Leveraged IBE, as Interest Rate Environment Improves**



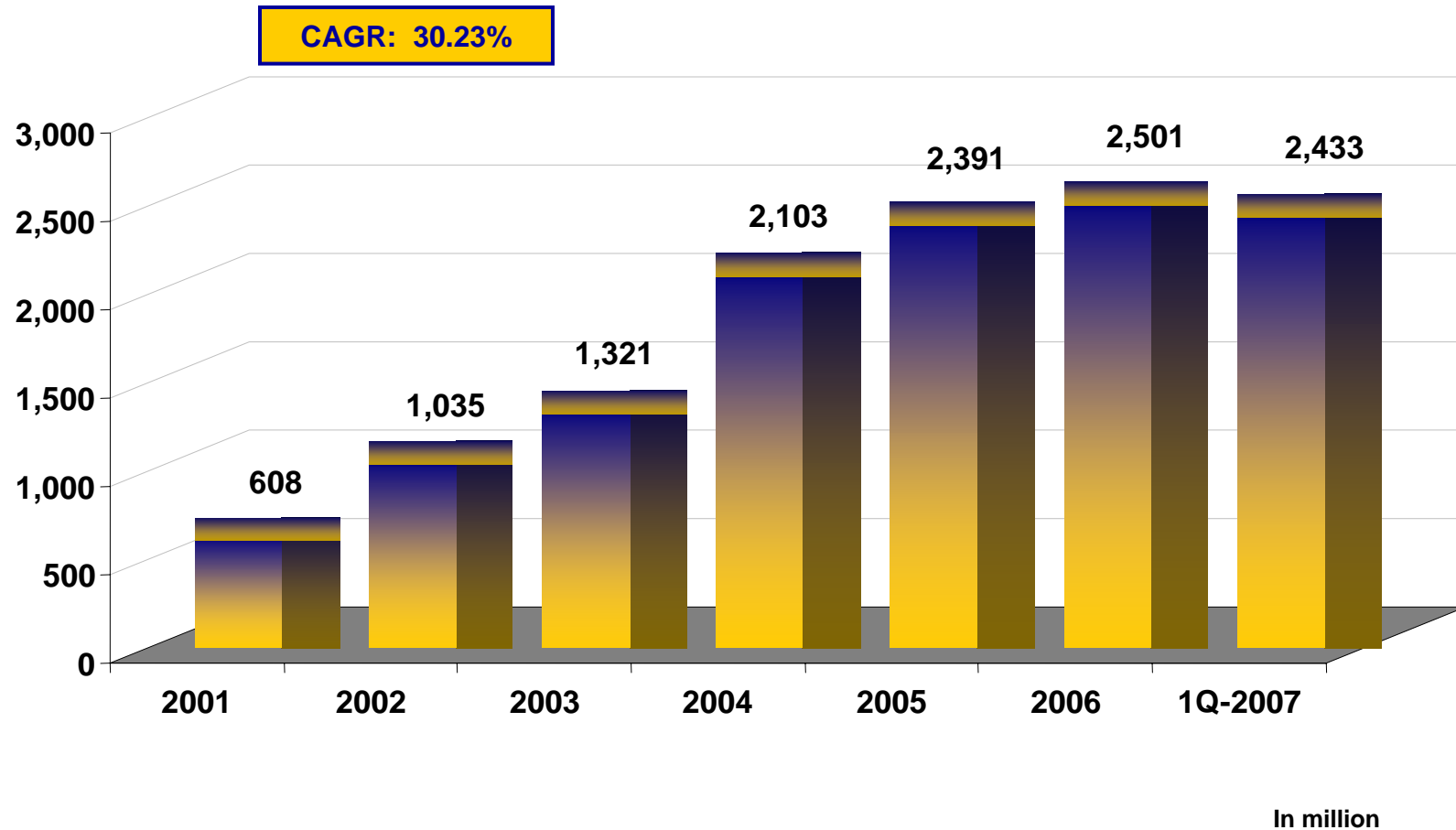
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# Branch Distribution Network



- Currently operate a network of 24 branches
- Plan to open 3 additional branches, 2 of them in 2007
- Intend to have a branch located within a convenient drive of approximately 80% of the population of Puerto Rico

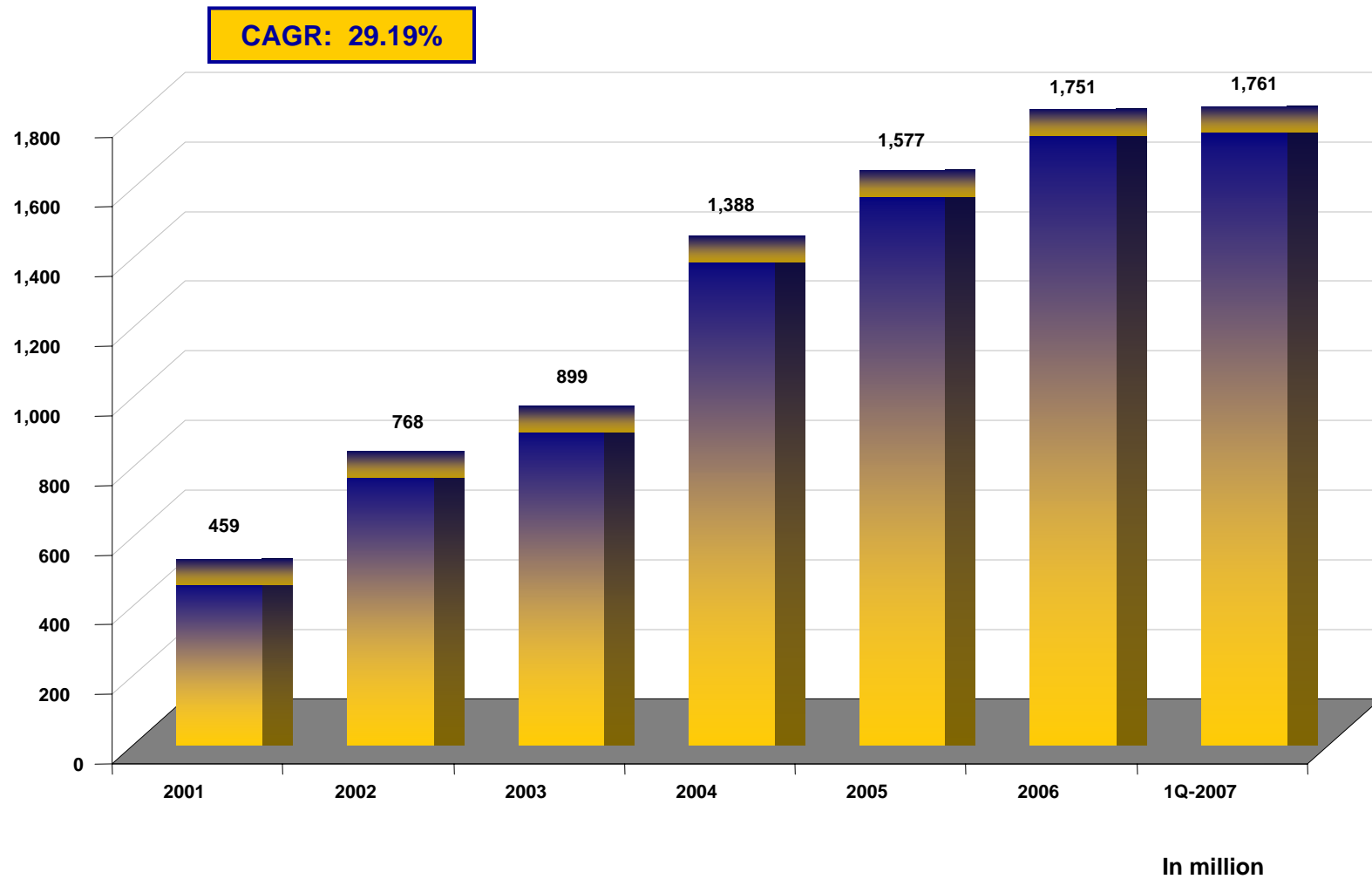
# Total Assets



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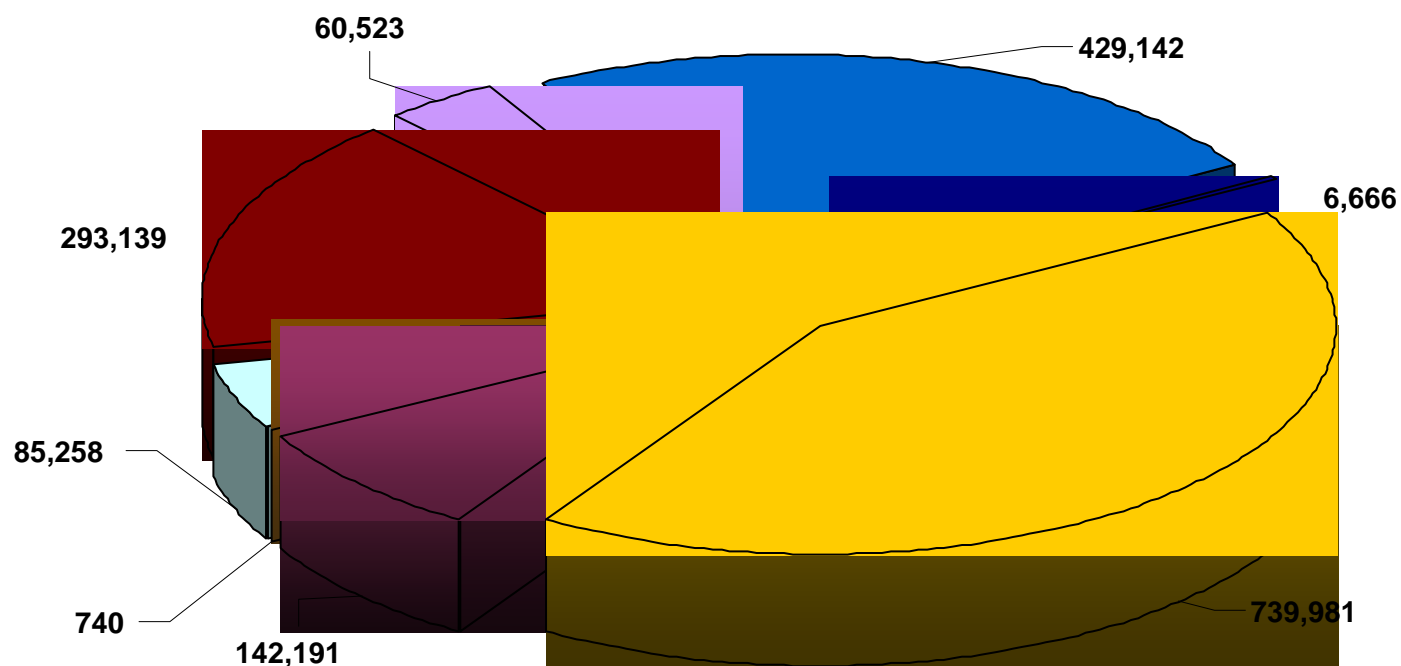
# Total Gross Loans and Leases



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# Loan Mix



- Commercial and industrial secured by R/E
- Consumer secured by R/E
- Commercial and industrial
- Lease financing contracts

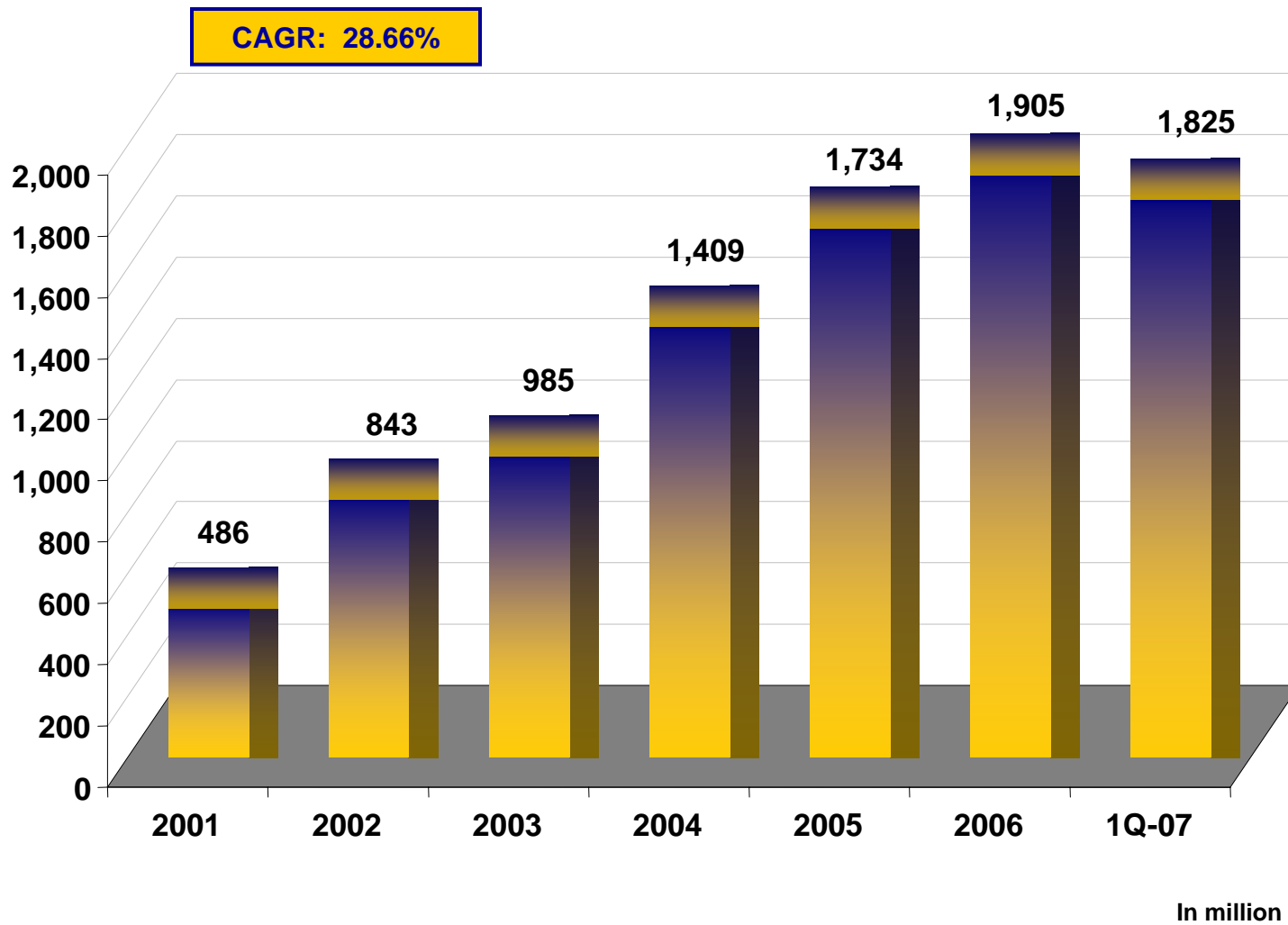
- Construction secured by R/E
- Residential mortgage
- Consumer
- Overdrafts

In thousands

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# Total Deposits

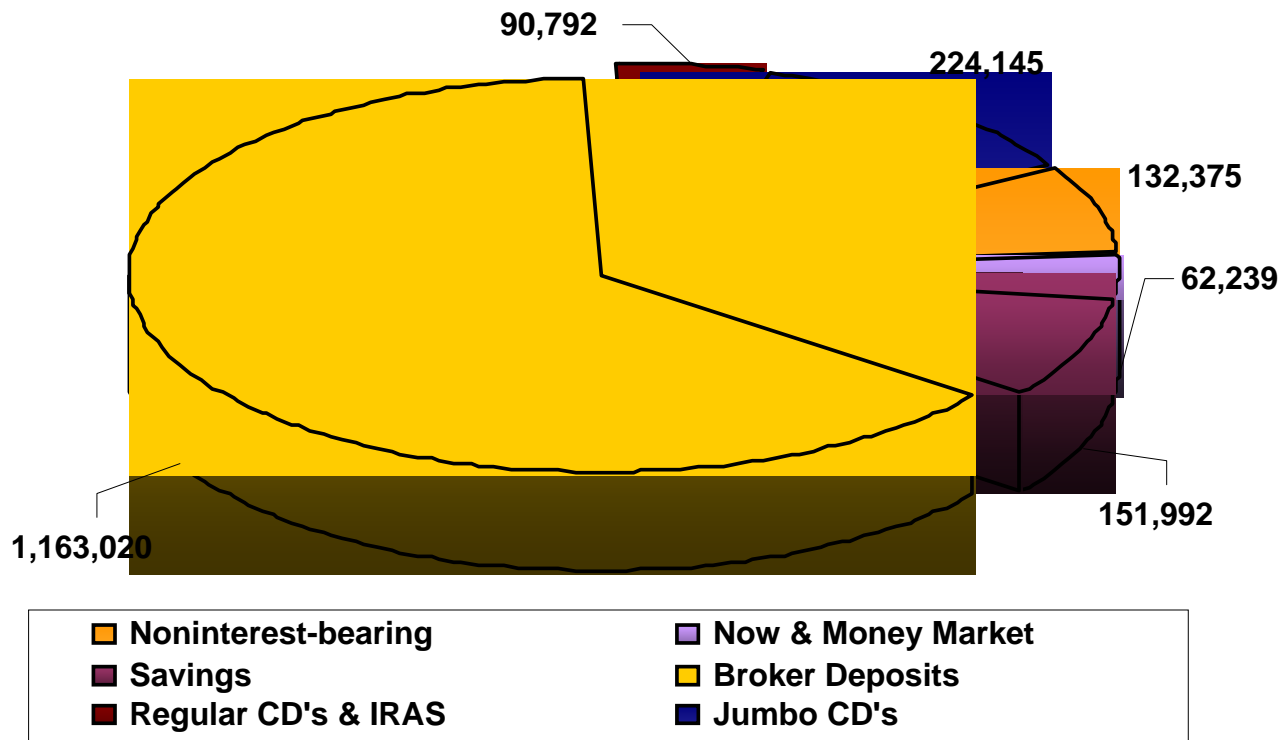


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# Deposit Mix

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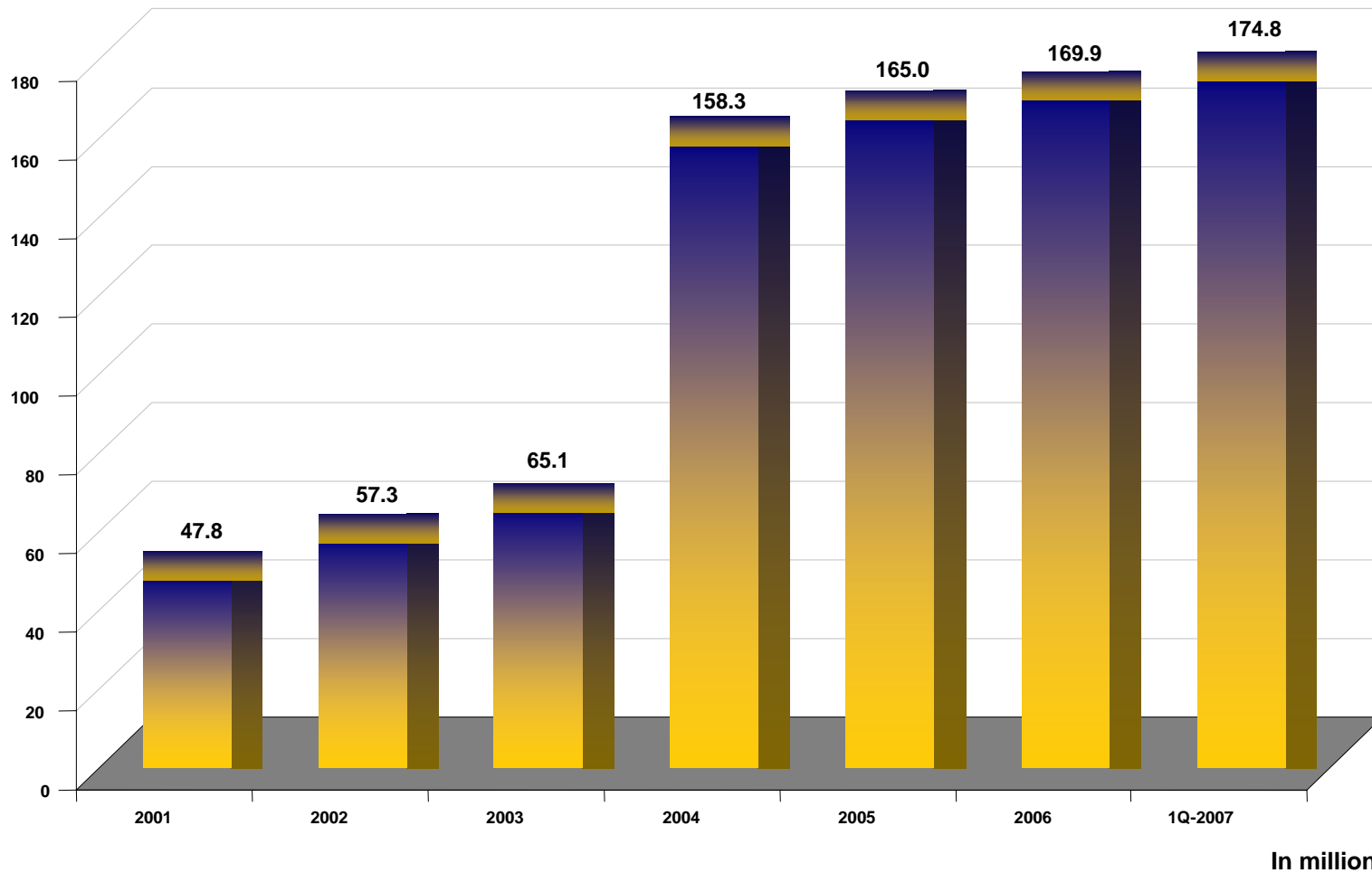
In thousands

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# Total Capital

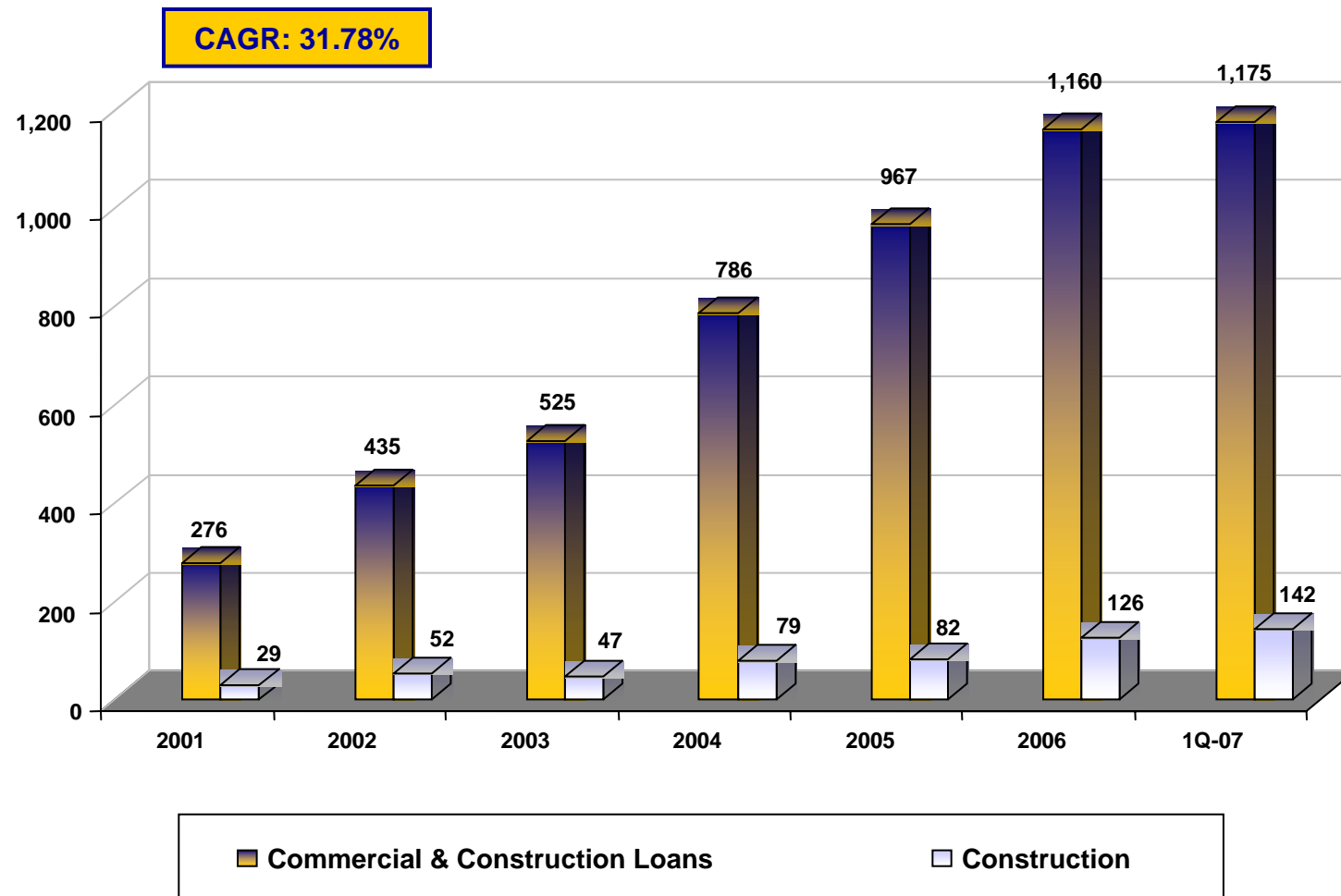
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# Premier Commercial Banking



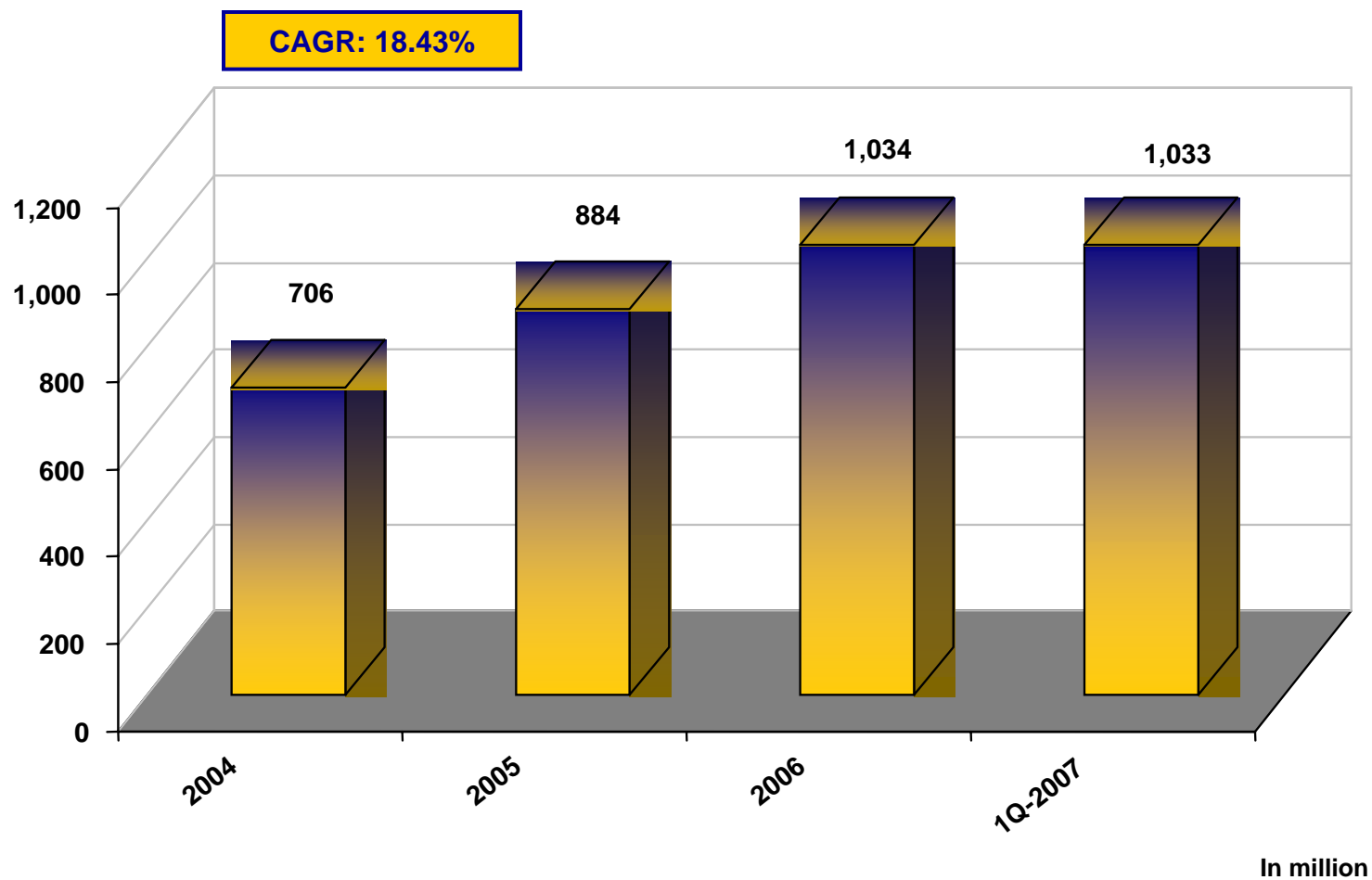
In million

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# Commercial Loans

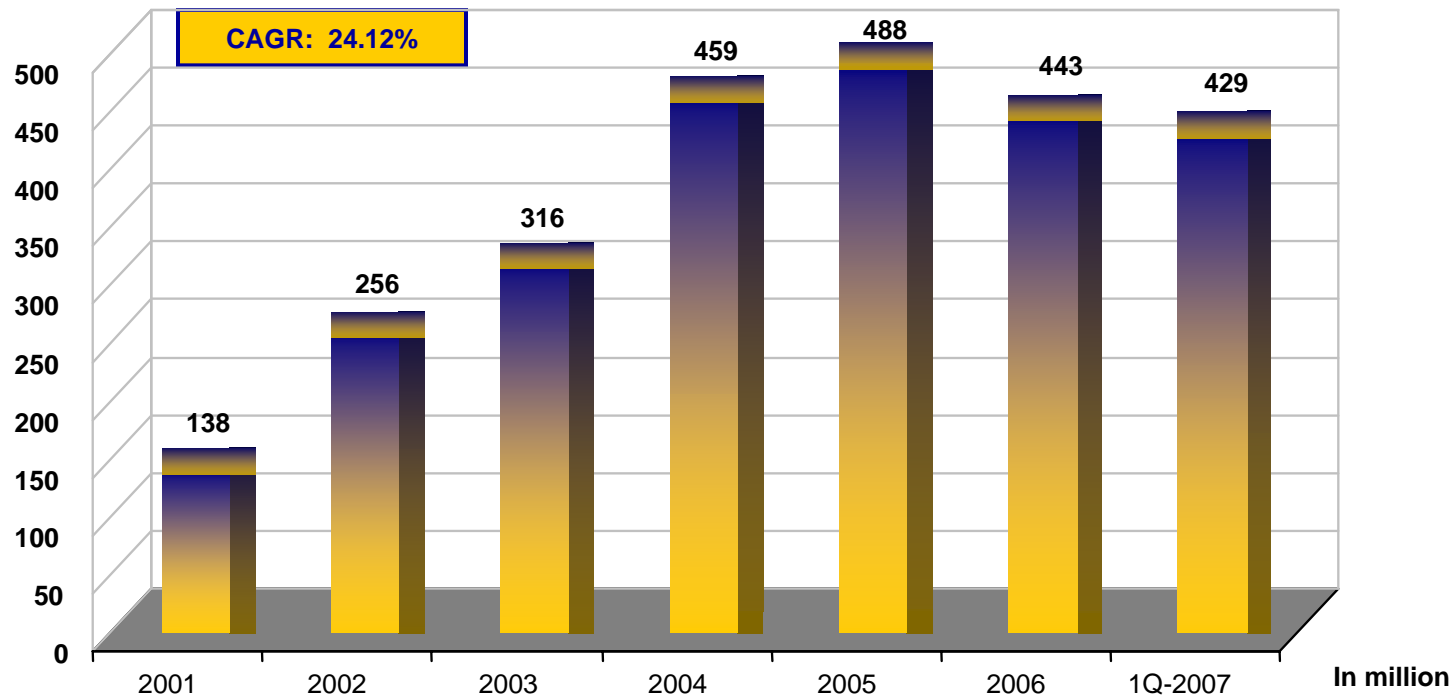
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# Leading Leasing Business



## Lease Type

- Open-ended
- 96% automobile leases

## Lease Terms

- Up to 72 months
- No residual value on 72 month leases

## Strategy

- Short to medium term fixed rate product offsets the variable rate of commercial portfolio
- If a residual value exists, the lessee is responsible
- Lessee is deemed title holder (no third party liability)

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# Mortgage Business

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- Mortgage Portfolio, \$86.5 million
- Strategy:
  - Non-wholesale
- Mortgage Type:
  - Fixed rate; maximum 30 years
  - FNMA, VA, FHA, Freddie Mac
  - Conforming, non-conforming
- Target Market:
  - Homes financed by construction lending department
- Retail customers; commercial customers

# Trust & Wealth Management

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- **Established in 2002**
- **Strategy and Focus:**
  - Offer retirement benefits
  - Offer trust and wealth management services
  - Fee structure based on AUM
  - Assets under management: \$254.0 million as of 03/31/07
- **EuroFinancial:**
  - Joint venture with Consultative Securities, Inc.
  - Established to service customers' investment needs

# Track Record



**Ponce Branch**

	<b>'01 – Dec '06 CAGR</b>
Net interest income	27.33%
Non-interest income – service charge & other fees	18.41%
Net income – before extraordinary gain	6.66%
	<b>'01 – Mar '07 CAGR</b>
Total assets	30.23%
Total gross loans & leases	29.19%
Total deposits	28.66%
Total equity	28.01%

**March 31, 2007**

**EUBK 19**

# 1Q 07 vs. 4Q 06 Highlights

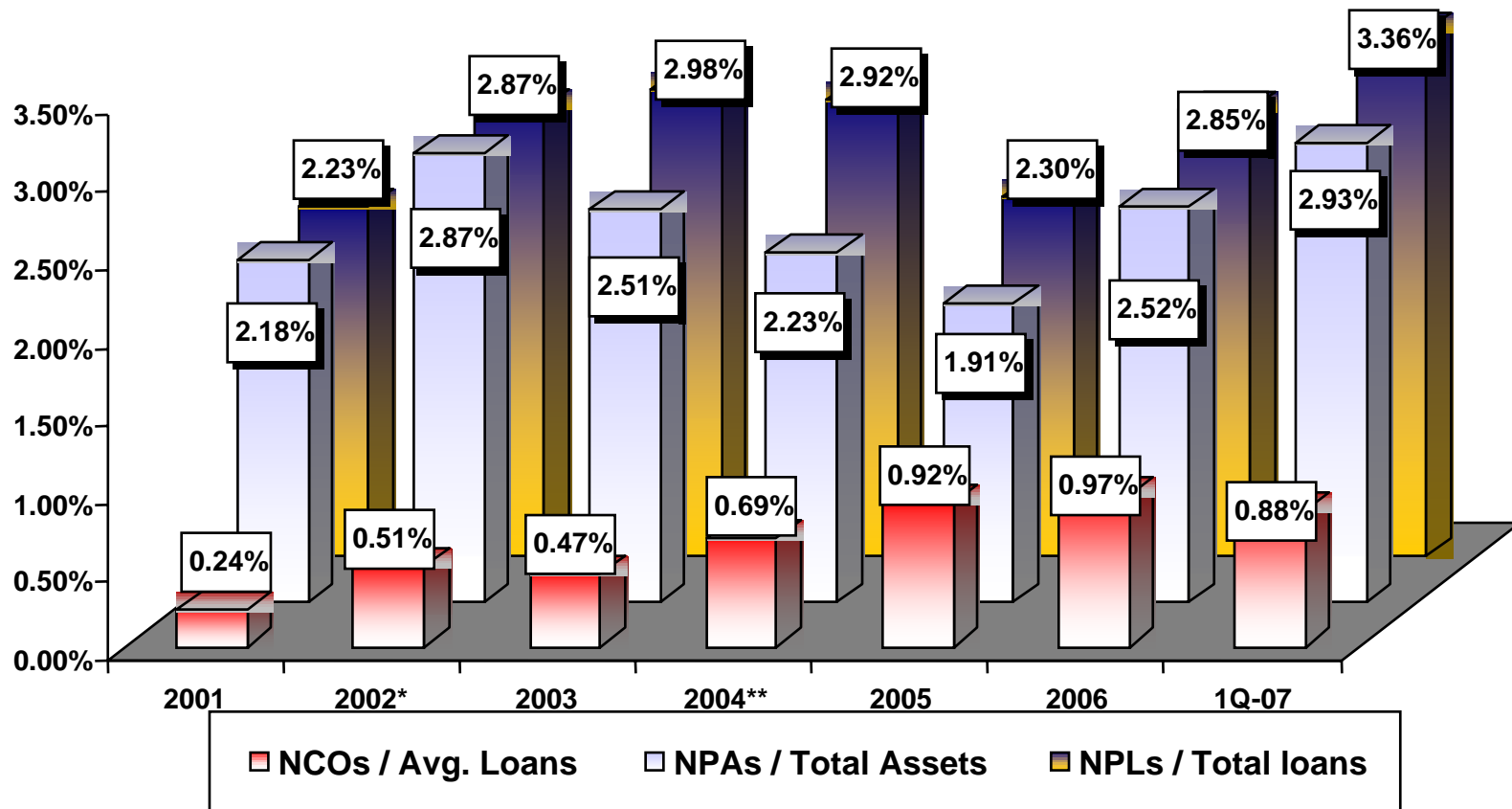
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<b>(\$ in thousands)</b>	<b>1Q '07</b>	<b>4Q '06</b>	<b><i>Annualized Change</i></b>
<b>Total interest income</b>	<b>\$42,314</b>	<b>\$42,700</b>	<b>-3.62%</b>
<b>Other non-interest income – service charges &amp; other fees</b>	<b>2,255</b>	<b>2,248</b>	<b>1.25%</b>
<b>Total non-interest expense</b>	<b>12,130</b>	<b>10,281</b>	<b>71.94%</b>
<b>Total assets</b>	<b>2,432,777</b>	<b>2,500,920</b>	<b>-10.90%</b>
<b>Loans and leases (Net of Unearned)</b>	<b>1,761,488</b>	<b>1,750,838</b>	<b>2.43%</b>
<b>Deposits</b>	<b>1,824,563</b>	<b>1,905,356</b>	<b>-16.96%</b>
<b>Stockholders' equity</b>	<b>174,771</b>	<b>169,878</b>	<b>11.52%</b>

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# Credit Quality



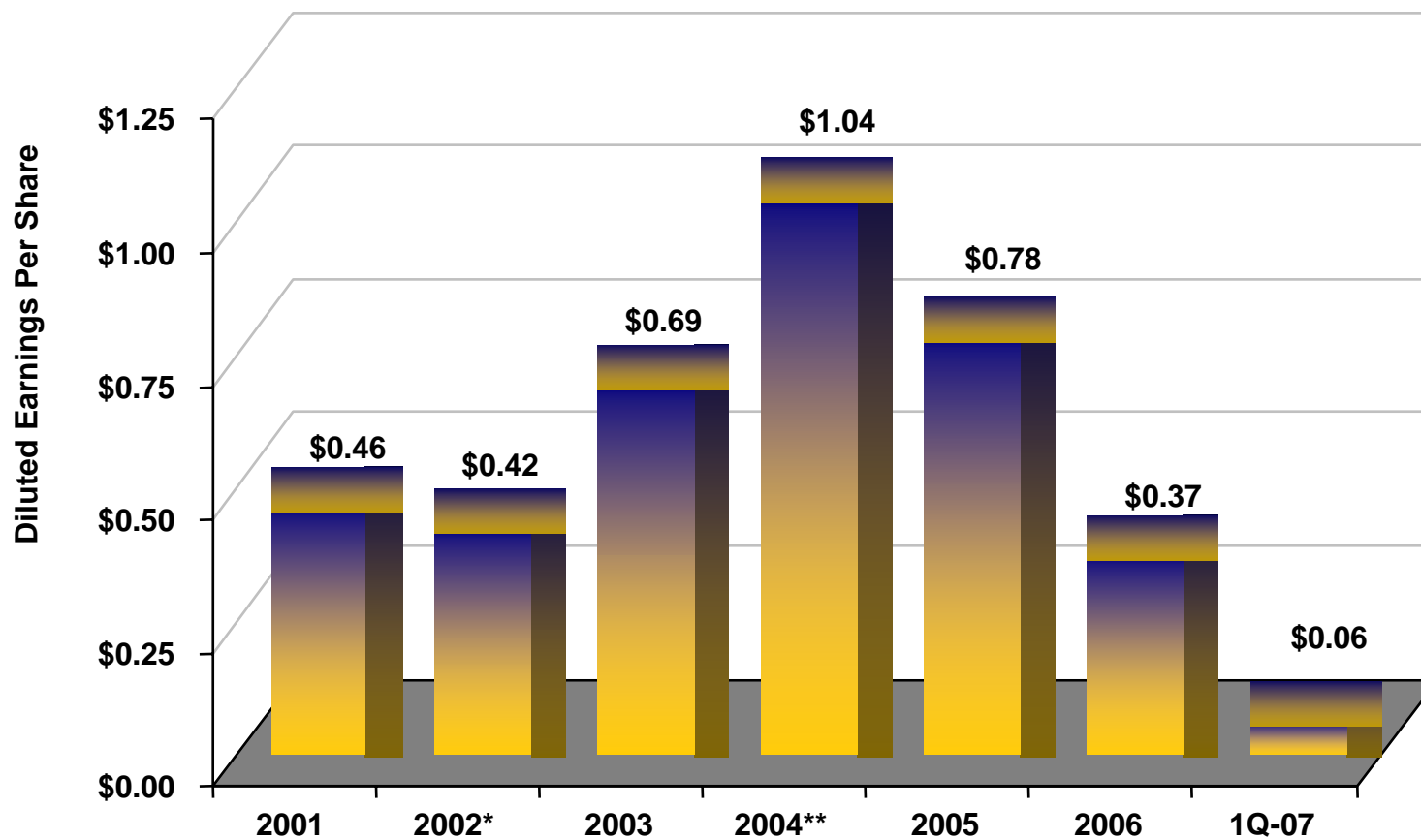
\* Acquisition of Banco Financiero (12/15/02)

\*\* Acquisition of Bank Trust (5/3/04)

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# Diluted Earnings Per Share



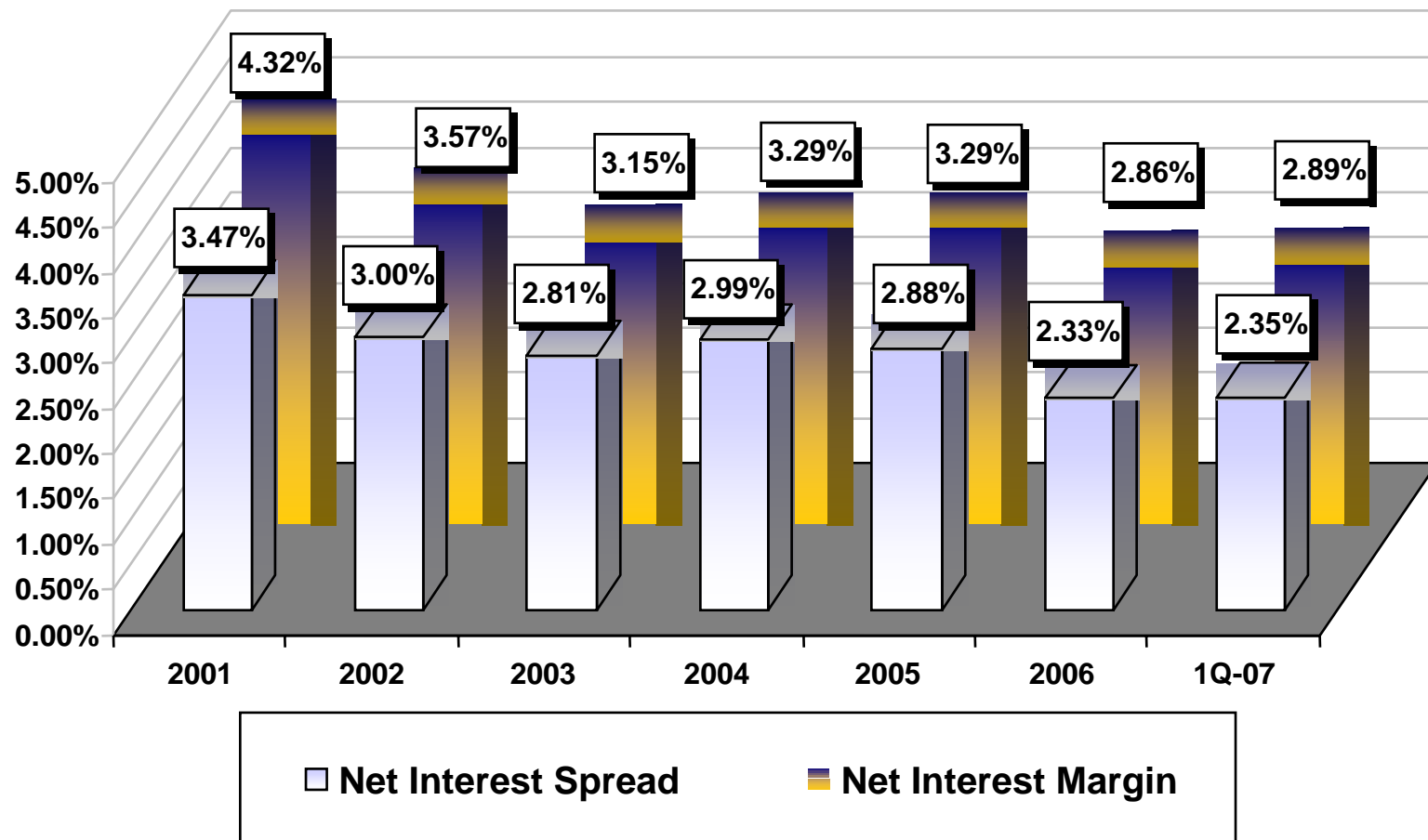
\* It does not include \$1.1 million extraordinary gain from Banco Financiero

\*\* It does not include \$4.4 million extraordinary gain from BT

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# Net Interest Margin and Spread\*



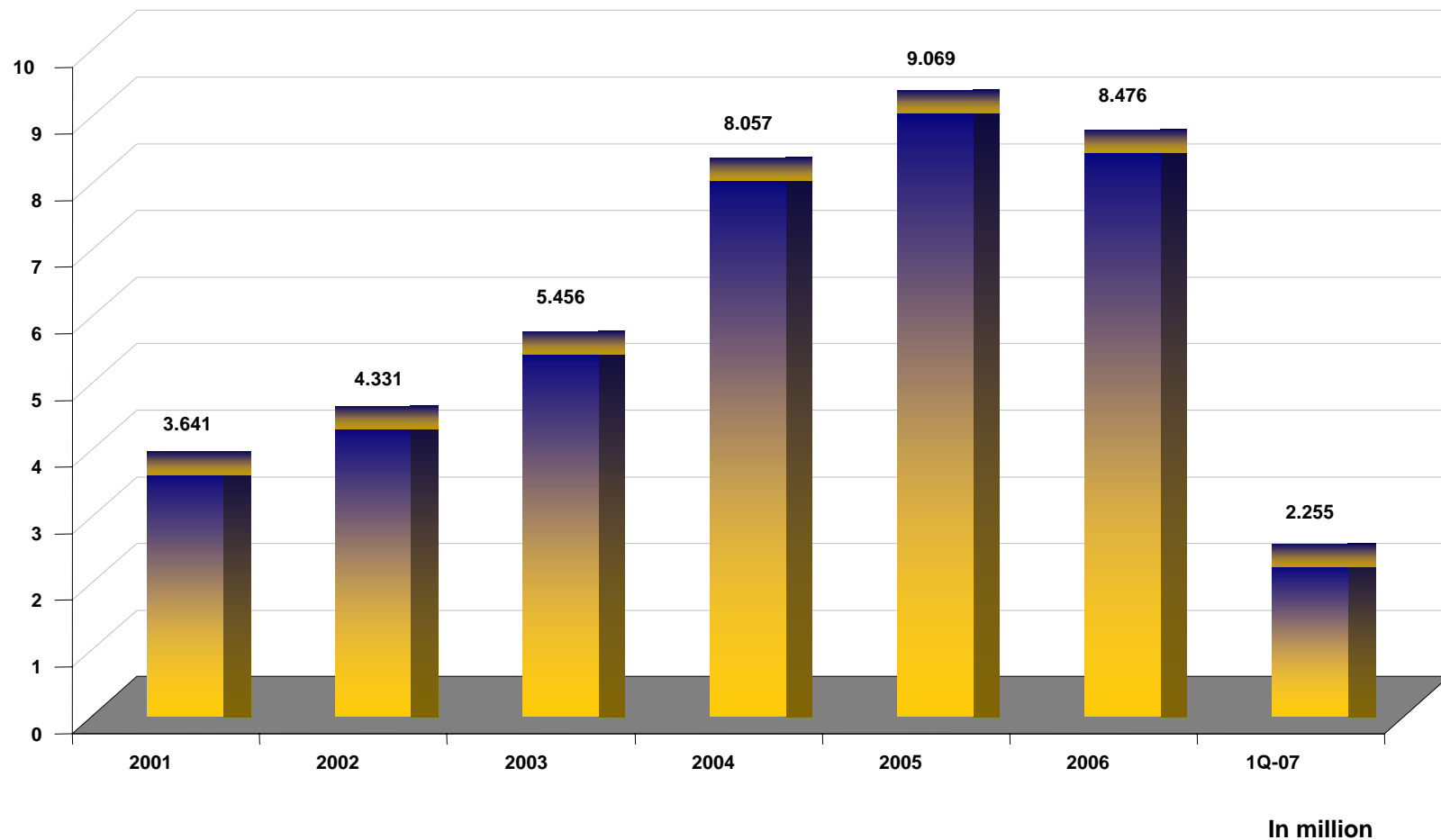
•Fully Taxable Equivalent

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# Non-interest income – service charge and other fees

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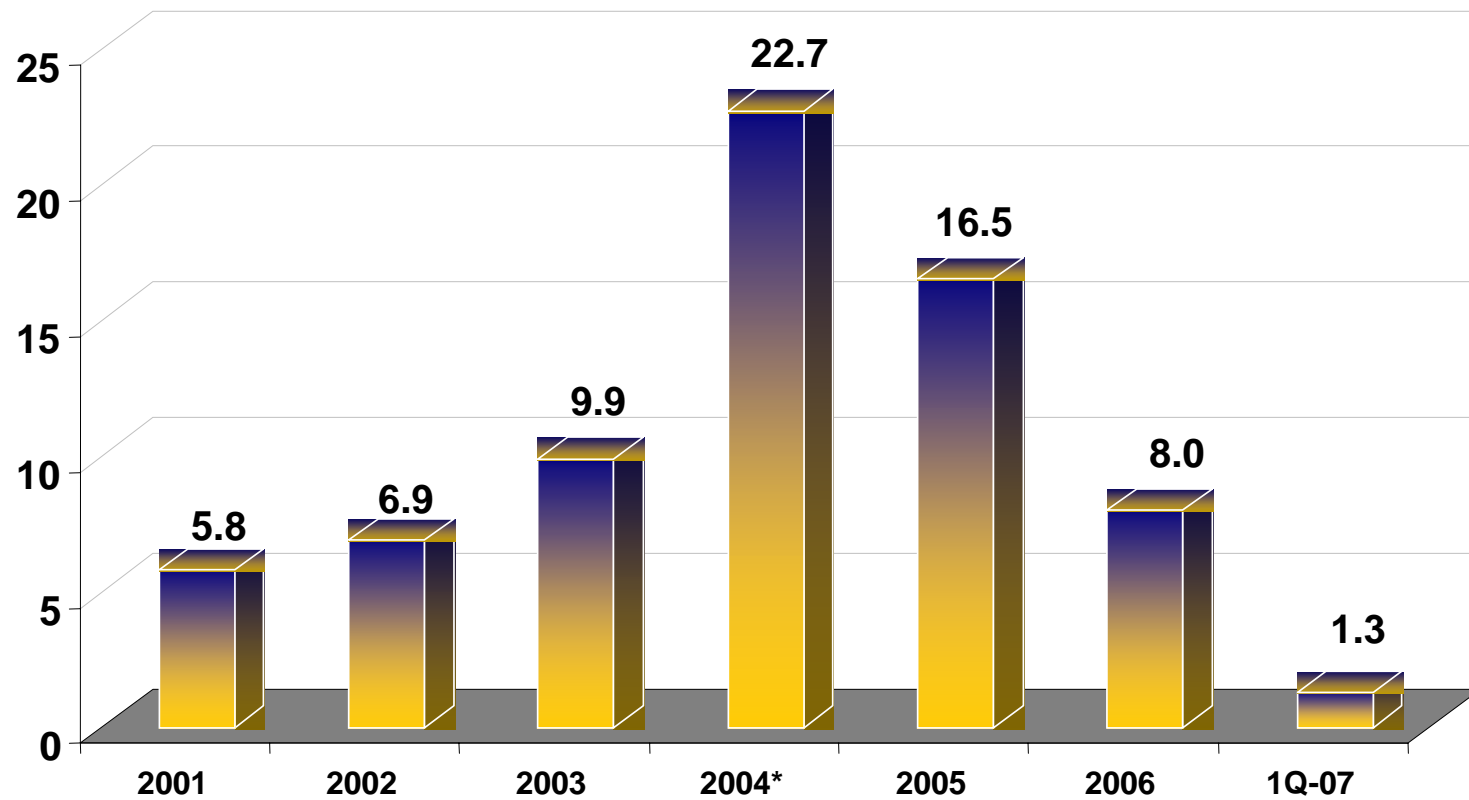


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# Net Income

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\* Includes a \$4.4 extraordinary gain from BT

In million

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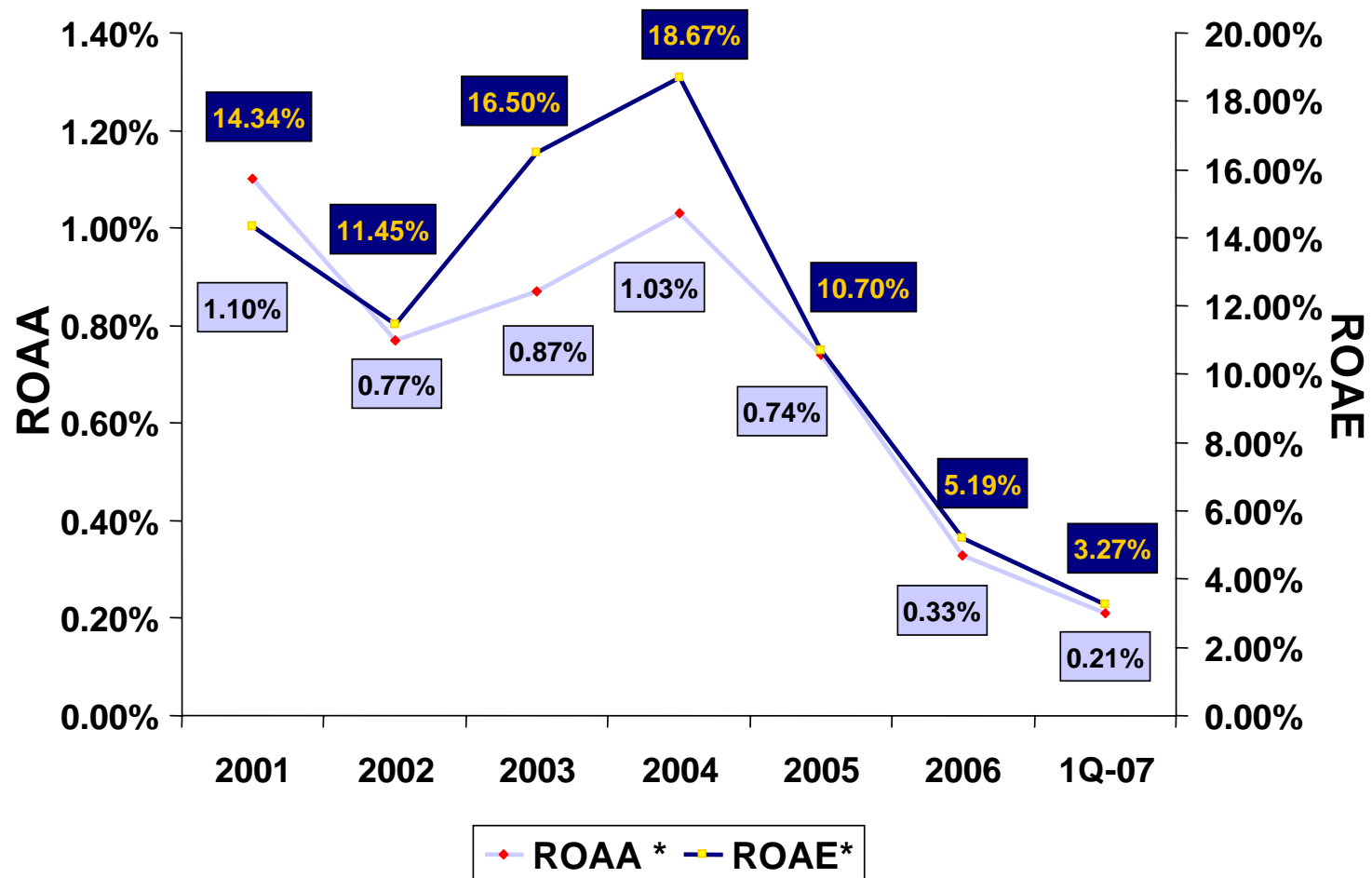
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# Track Record

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Asset Quality Ratios	1Q-2007	2006	2005	2004	2003	2002	2001
Allowance for loan and lease losses to nonperforming loans	<b>34.35</b>	37.89	50.16	46.97	35.11	31.36	44.21
Allowance for loan and lease losses to total loans	<b>1.16</b>	1.08	1.15	1.37	1.04	0.90	0.98
Provision for Loan and Lease losses to Net Loan and Lease Charge-Offs	<b>136.69</b>	104.64	93.75	84.96	162.29	113.04	259.78

# ROAA\* and ROAE\*



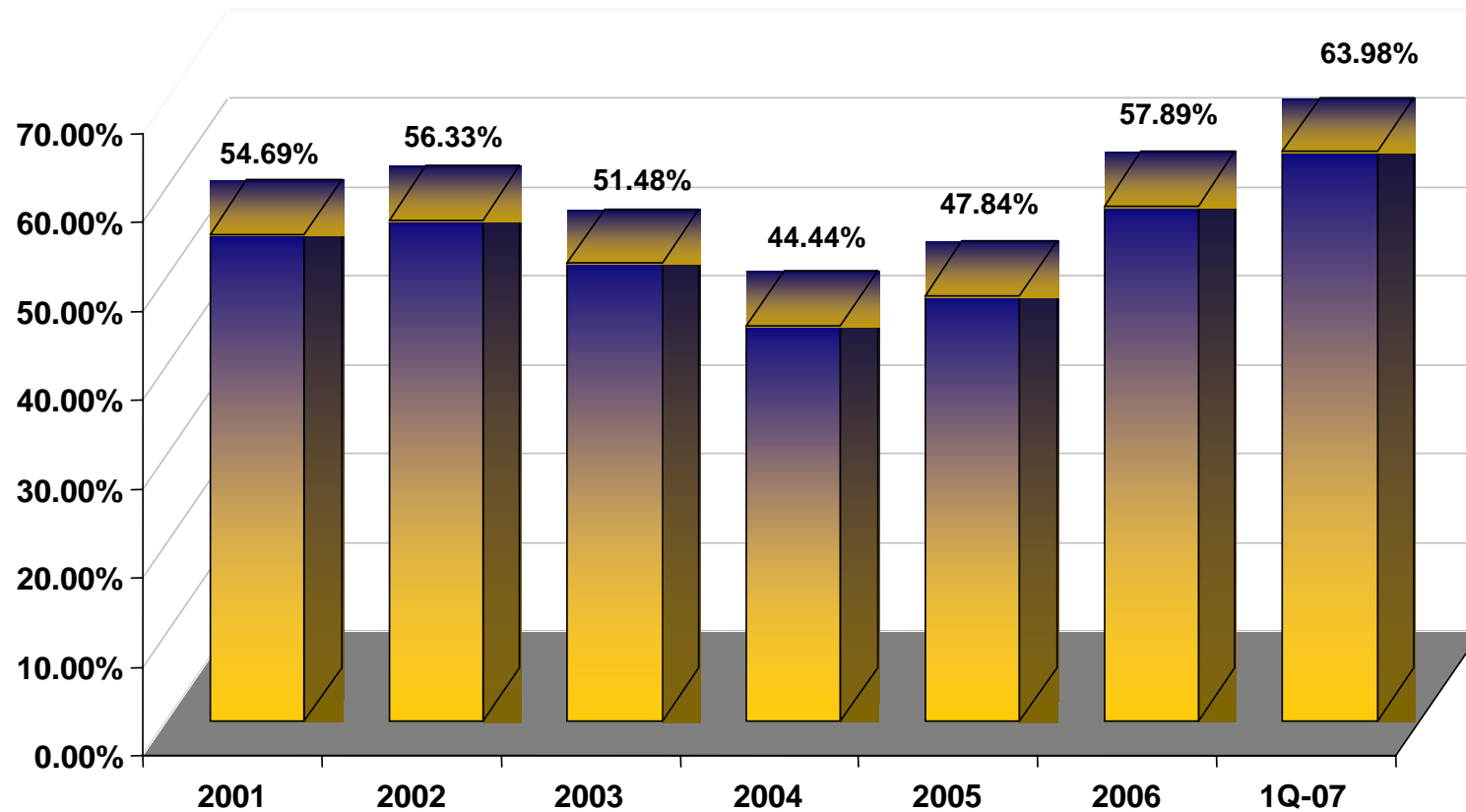
\*Before extraordinary gain

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# Efficiency Ratio

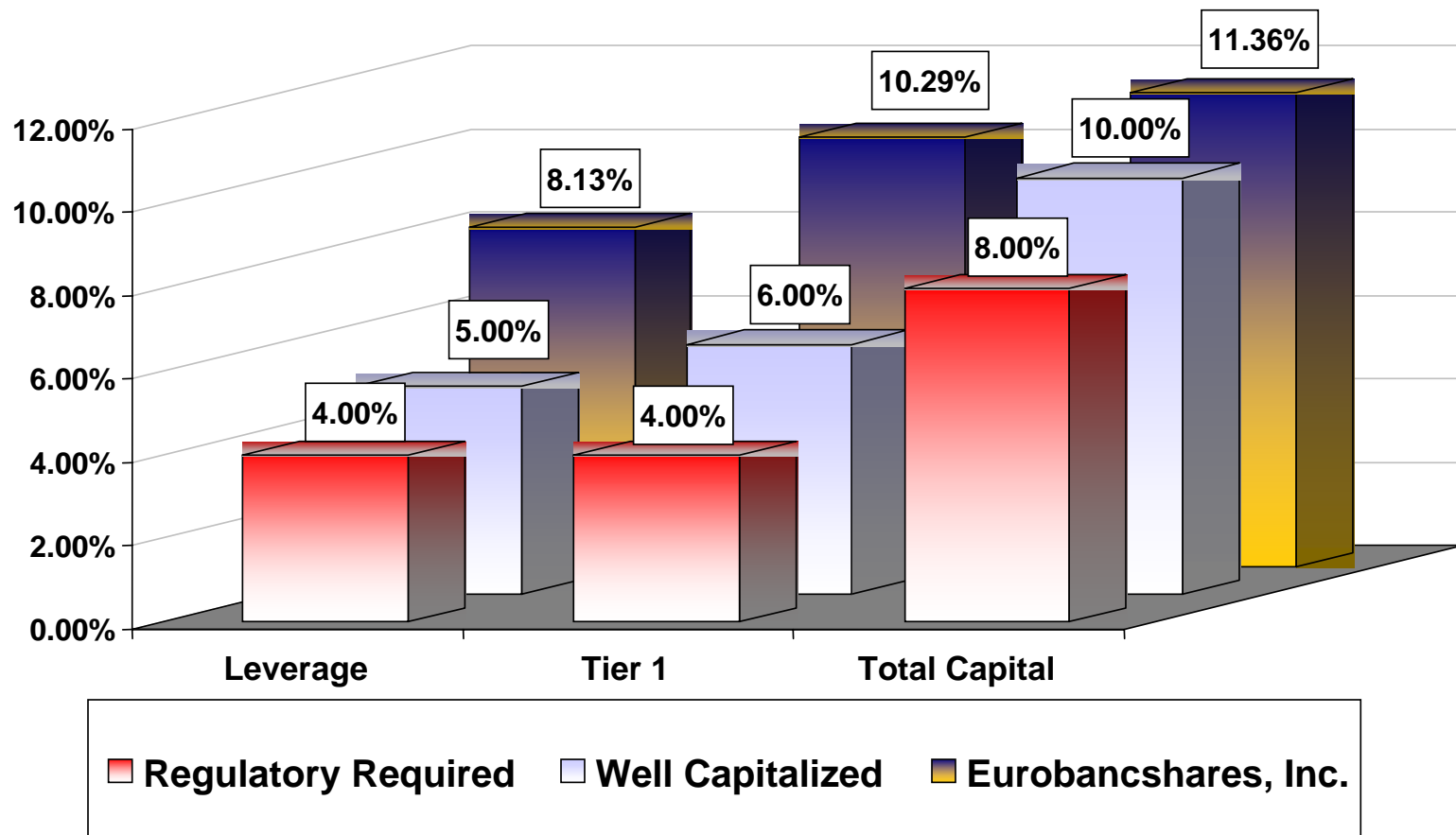
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# Capital Position

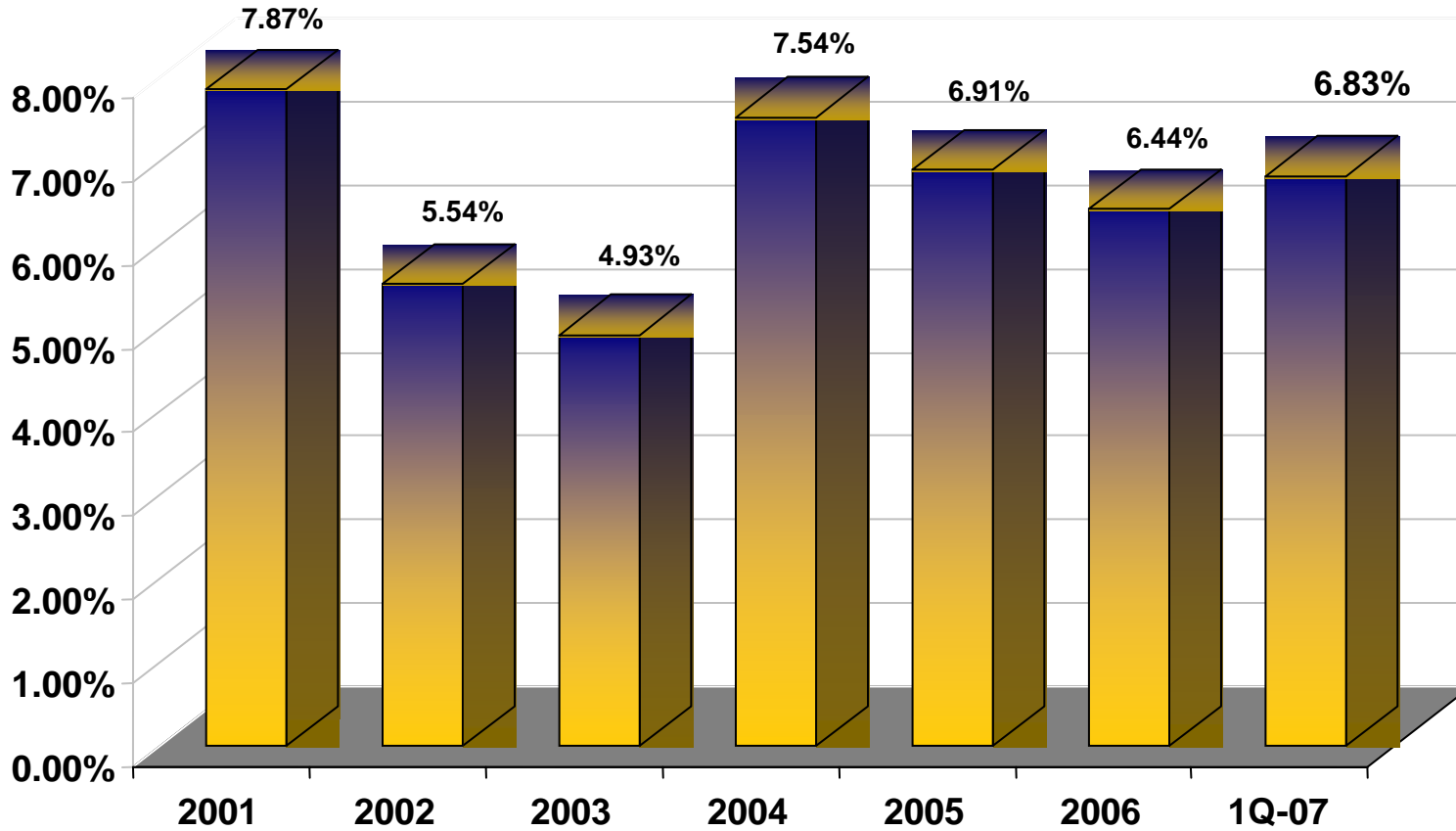


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# Tangible Common Equity Ratio

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# Investment Considerations

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- **Pure play commercial bank**
- **Conservative experienced management**
- **Strong credit fundamentals**
- **Strong organic growth**
- **Positioned for further growth**



**Hatillo Branch**