



Emporiki Bank

FY2006 results
22 February 2007

Highlights since the acquisition of Emporiki by CA

Progress in the integration of Emporiki Bank into the Crédit Agricole Group

- ❑ Establishing management control in Emporiki Bank
 - Senior appointments and strengthening of the management team
 - New organisational structure
- ❑ Progress in Joining Forces
 - Alignment of Emporiki's governance model and most of its key processes with Crédit Agricole's standards nears completion
 - Program rebalanced towards commercial activity and efficiency
- ❑ Alignment of risk management and accounting principles
 - First step in the integration completed with special charges of €291.5m after tax
 - In 2007, a further alignment with Crédit Agricole's risk estimation methodology linked to Basel II may have a further impact on the accounts

Continuous improvement in the underlying operating performance

- ❑ Top line increases by 20% as a function of robust NII growth and favourable investment income
- ❑ Costs increased by 14% driven, however, mainly by exceptional and production-related expenses
- ❑ Cost of risk increased significantly even excl. additional loan loss impairment and other extra provisions (+52.7%) in anticipation of the special review for the alignment with Crédit Agricole's practices
- ❑ Firming market shares in Individuals

Disposal of Phoenix Metrolife Emporiki insurance

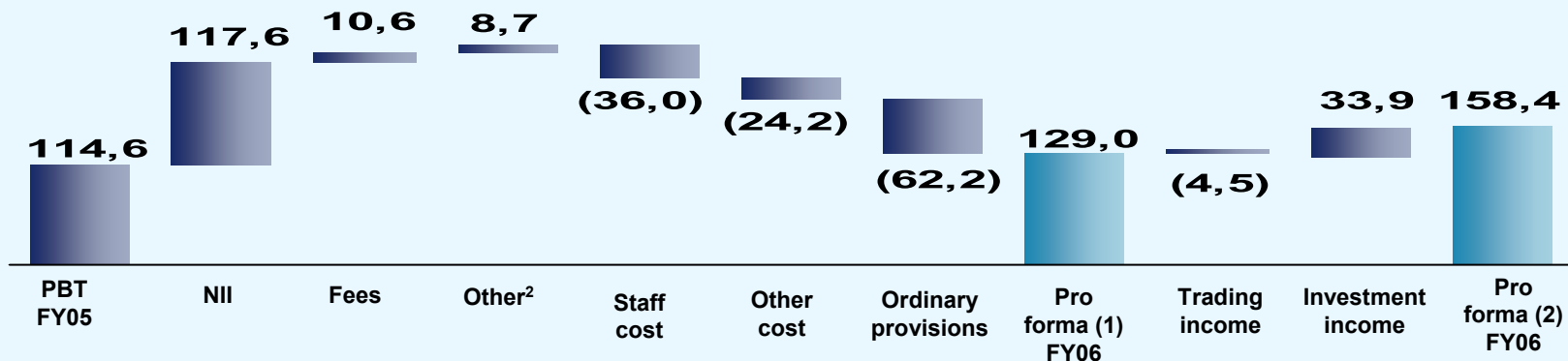
- ❑ Emporiki and Crédit Agricole have entered into exclusive negotiations to sell 100% of Phoenix to Groupama

Emporiki Bank : Consolidated key figures

Group: Key figures (€m)	2006 pro forma	Special review	2006 reported	2005 FY06 reported vs. reported	FY05 reported
Net interest income	727.6		727.6	609.9	19.3%
Net fee income	156.6		156.6	146.0	7.2%
Net insurance income	19.8		19.8	16.9	17.2%
Dividend income	7.5		7.5	3.7	104.7%
Net trading income	9.0		9.0	13.6	-33.4%
Net investment income	41.1	(2.8)	38.3	7.1	439.9%
Other income	29.6		29.6	29.0	1.9%
Total income	991.2	(2.8)	988.5	826.3	19.6%
Staff expenses	(406.2)	(21.7)	(427.9)	(370.2)	15.6%
Depreciation charges	(34.3)	(3.2)	(37.5)	(35.2)	6.7%
Other operating expenses	(206.8)		(206.8)	(181.7)	13.8%
Total operating expenses	(647.3)	(24.9)	(672.2)	(587.1)	14.5%
Provisions	(180.4)	(358.9)	(539.2)	(118.1)	356.6%
Profit from associates	(5.1)		(5.1)	(6.6)	-
Earnings before tax	158.4	(386.5)	(228.1)	114.6	-
Tax	(100.3)	92.8	(7.5)	(40.9)	-
Minorities	1.4	(2.3)	(0.9)	(2.3)	-
Net earnings after tax	56.8	(291.5)	(234.7)	76.0	-
Cost/income	65.3%		68.0%	71.0%	

Marginally improving performance from ordinary business in FY06

Pro forma PBT FY05 vs. FY06¹ (€m)



Comments

- ❑ Significant positive contribution to bottom line comes from:
 - NII growth, primarily due to widening of deposit spreads
 - Disposal of venture capital investments and unwinding of AFS investments
- ❑ P&L is adversely impacted by:
 - Increased provisions
 - Higher cost base
 - One off €54.5m charge regarding the taxation of non-taxed reserves of banks

¹ Pro forma Profit does not include any charges related to the extraordinary review

² Including dividend income, insurance income, other operating income and results from associates

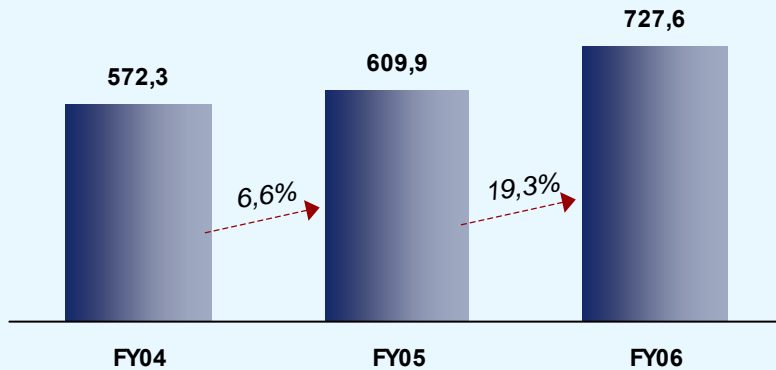
...was more than offset by the impact of the special adjustments due to the alignment with Crédit Agricole

Following an in depth review, Emporiki introduced relevant steps to adapt to Crédit Agricole's risk management and accounting practices and methodologies, which had an adverse pre-tax impact of **€386.5 million** on its FY06 accounts:

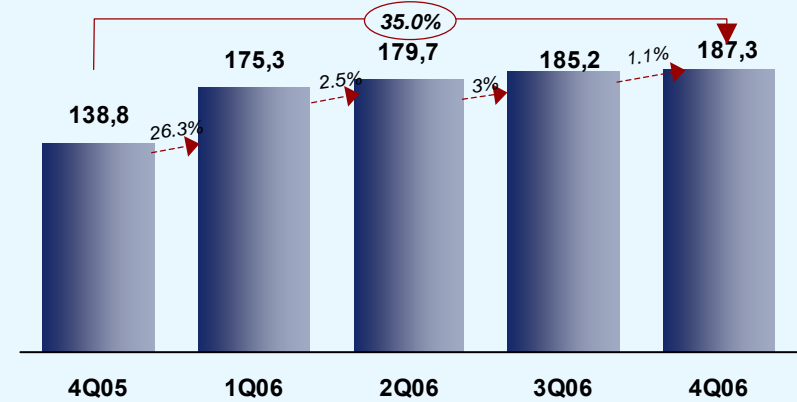
- ❑ **€299.4** million additional provisions for impairment losses on loans and advances
- ❑ **€59.5** million additional provisions for expected losses on a wide variety of other exposures and contingencies and for adjustments relating to the impairment of receivables
- ❑ **€21.7** million additional staff cost relating to the method for providing for employee benefits
- ❑ **€3.2** million additional depreciation cost relating to the useful life of assets
- ❑ **€2.8** million additional losses from investment securities relating to the impairment of securities

Net interest income continues to drive top line growth

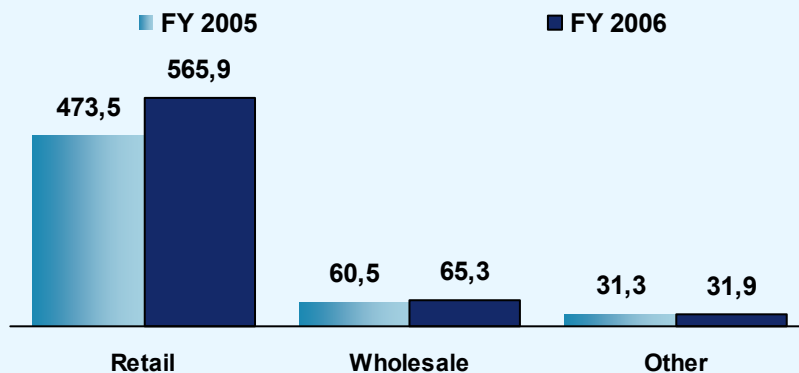
NII y-o-y development (€m)



NII quarterly development (€m)



NII by Segment (€m)-Bank only figures

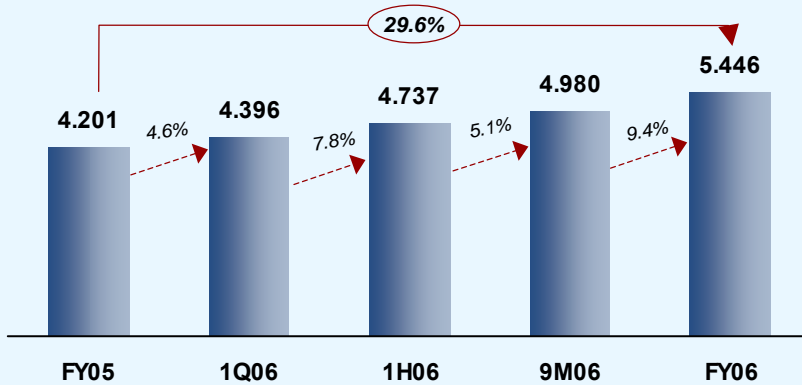


Comments

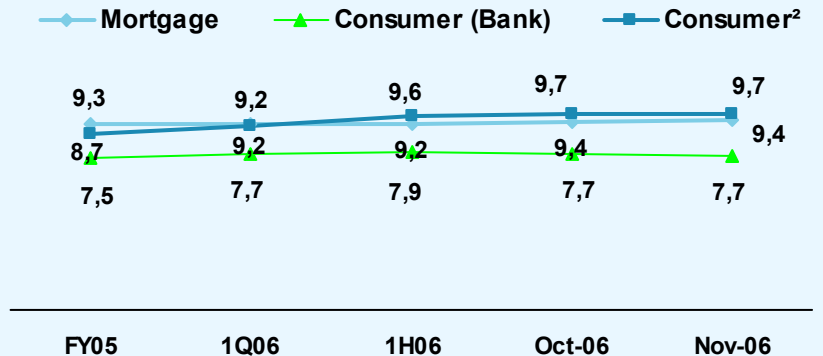
- NII in 4Q05 was burdened by an interest expense of approx. €28m attributable to interest on state-sponsored pension funds amounts outstanding during the year
- The 2006 trend is largely reflecting the shift of the lending mix towards retail products and the expanding interest margin

... as a function of solid growth in retail lending in an increasingly competitive environment

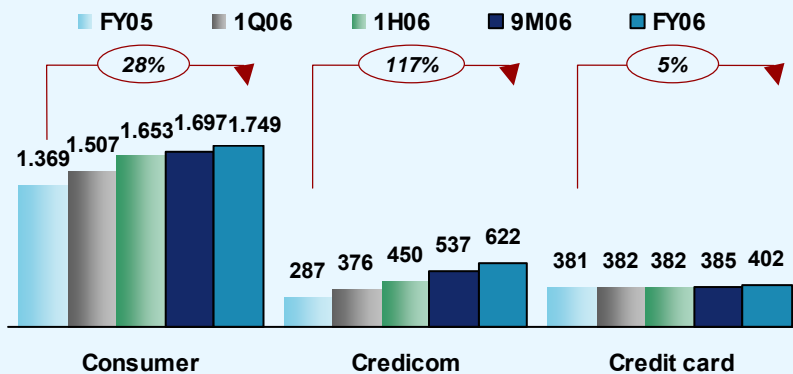
Mortgage loans balances (€m)



Market shares development¹ (%)



Consumer finance balances (€m)



Comments

- Emporiki managed in the months following the acquisition to firm its competitive position in mortgages
- The overall market share in consumer credit has advanced by full 100 bps supported by a strong performance of Credicom and by a resolute distribution through the banking channel

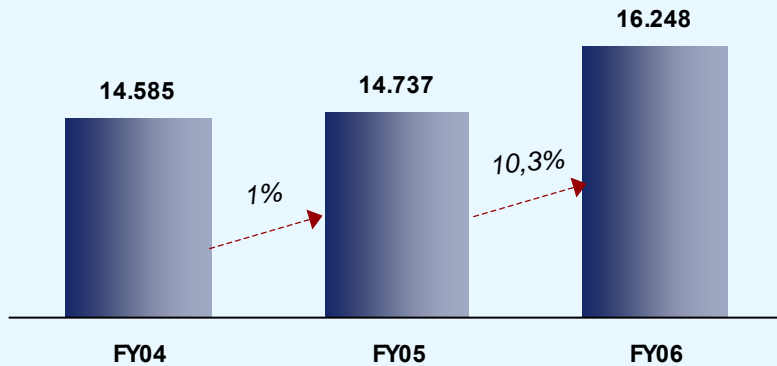
Note: Bank-only figures

¹ Source: Bank of Greece

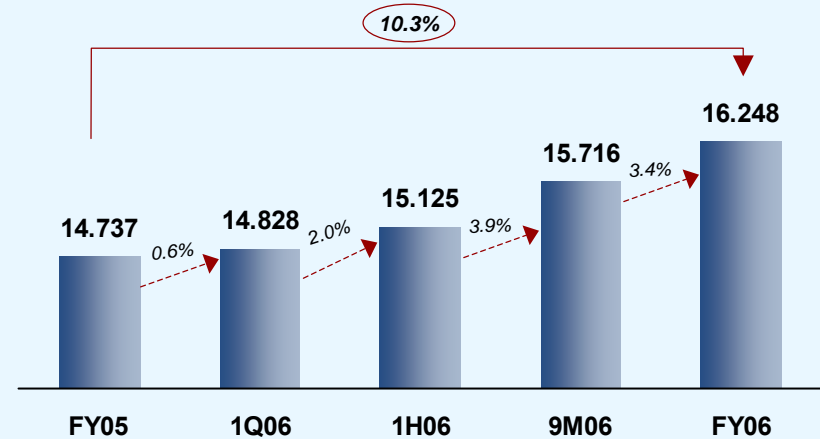
² Consumer loans include Credicom

... and of widening deposit spreads

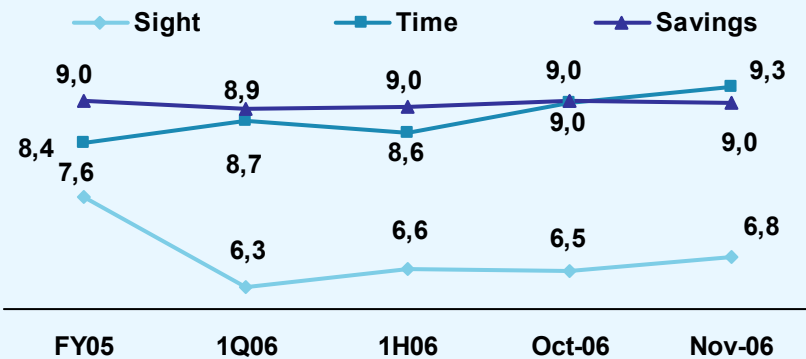
Deposits y-o-y development (€m)



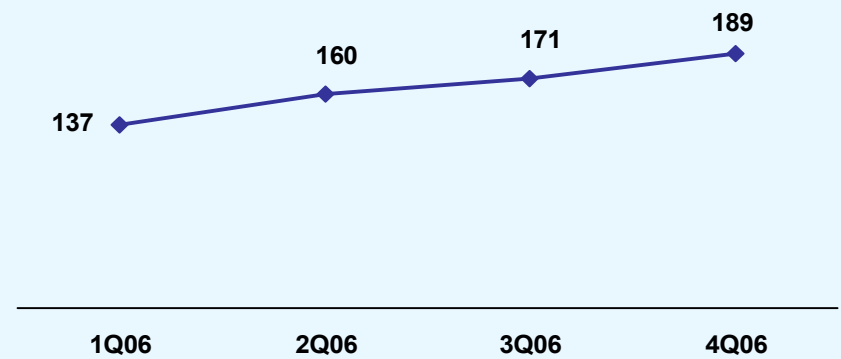
Deposits quarterly development (€m)



Market shares development¹ (%)



Deposit spreads over Euribor² (bps)



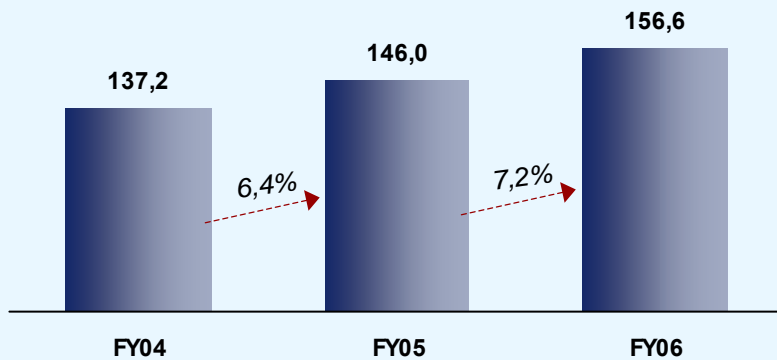
Note: Bank-only figures

¹ Source: Bank of Greece

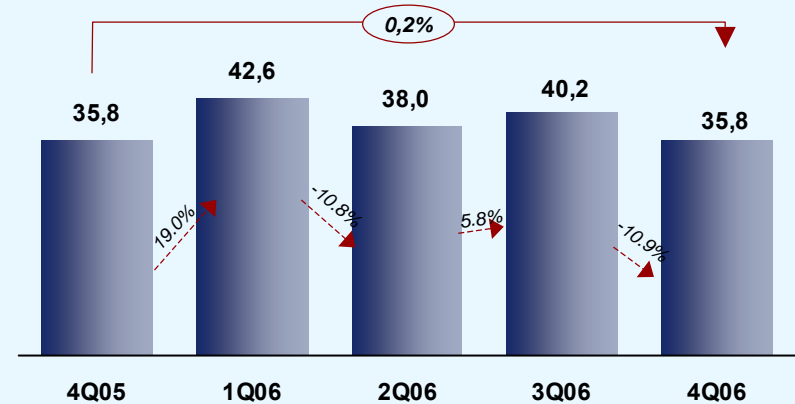
² € only deposits, reference rate 3- mo EURIBOR

Net commission income is marginally improving, mainly as a function of new loan disbursements...

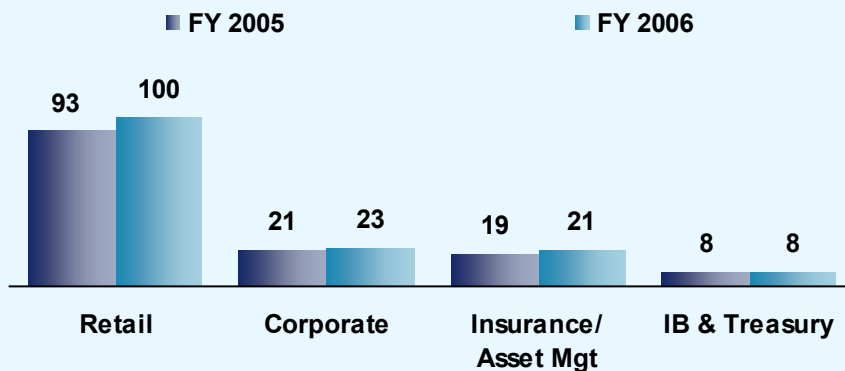
NCI y-o-y development (€m)



NCI development—reported (€m)



NCI by Segment (€m)-Bank only¹



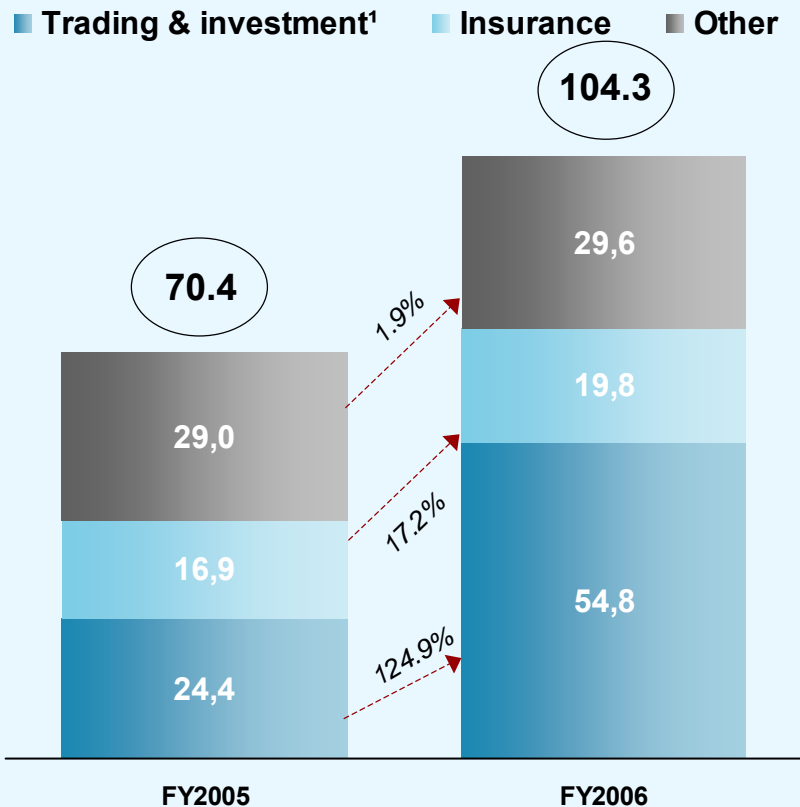
Comments

- ❑ Loan related fees drove NCI growth, accounting for more than 40% of NCI
- ❑ Asset gathering and Investment banking, and transaction related fees have barely increased
- ❑ Retail banking fees are dominating NCI, however, their growth in 2006 (+10.9%) is only half of the respective NII growth (+20.8%)

¹ Wholesale also includes asset management & investment banking

...other income provided significant support for top line growth

Other income development-reported (€m)



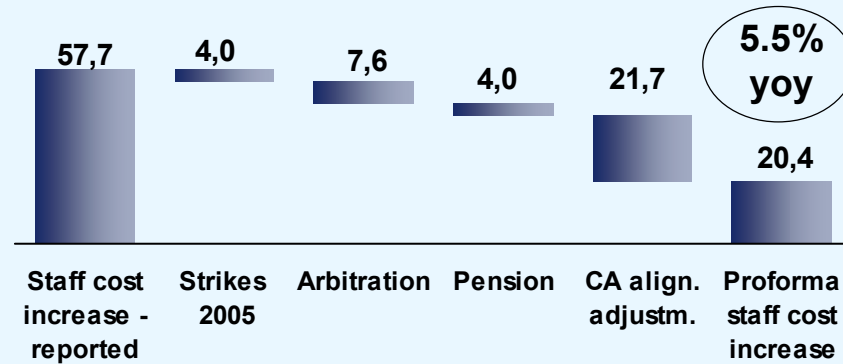
Comments

- ❑ Income from investment securities is greatly influenced by an approx. €14m gain on a venture capital divestment, a €15.4m gain from the AFS portfolio, as well a €6.4m gain from the disposal of subsidiaries & associates
- ❑ Trading income is adversely impacted by the trading result at Phoenix and the cost of hedging the parent bond portfolio
- ❑ Insurance income grew as Phoenix makes progress in handling claims and Emporiki Life continues its bancassurance inroads
- ❑ Increase in other income is mainly attributed to real estate related gains

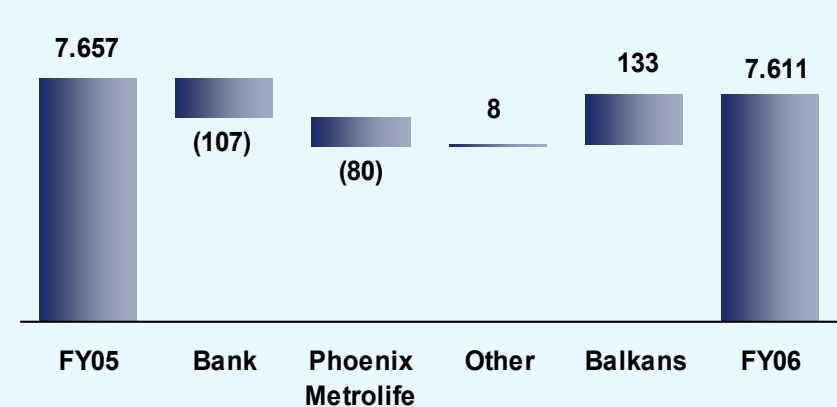
¹ Comprising dividend income, net trading income and net gains from investment securities

Normalised staff cost have recorded contained growth...

Staff cost growth decomposition (€m)



Headcount development

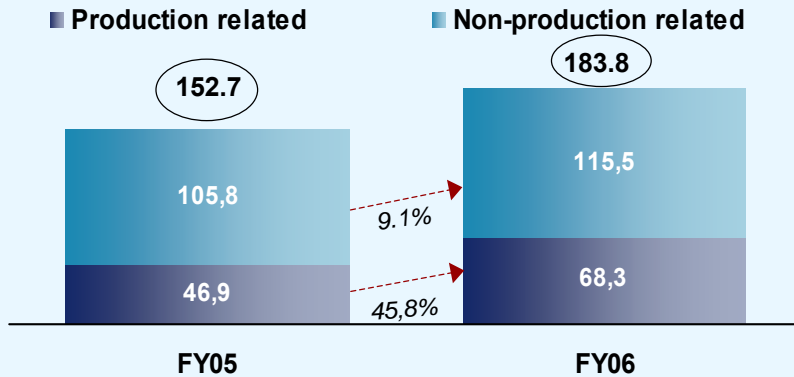


Comments

- ❑ Stable headcount is not reflected in the reported staff expenses, which grew by 15.6%. However, this contains following base adjustments:
 - €21.7m one-off charge for applying Crédit Agricole's accounting principles regarding employee benefits
 - €7.6m refer to the arbitration on the company-wide salary agreement for 2005/06, which affect the cost base going forward
 - €4m was the one-off adjustment for pension related contributions for 2005
 - €4m was the one-off relief for 2005 from salaries saved due to strikes

...but other operating expenses grew significantly, driven by the development of production related expenses

Operating expenses¹ (€m)



Comments

- ❑ Other operating expenses grew at Group level by 13.8%, while at parent level they registered a 20.5% growth, mainly driven by:
 - Production-related expenses, whereby top contributors included:
 - Legal fees (up €7.5m)
 - Technical assistance fees (up €7.5m)
 - Product premiums (up €4.4m)
 - One-off non production-related expenses amount to €7.5m

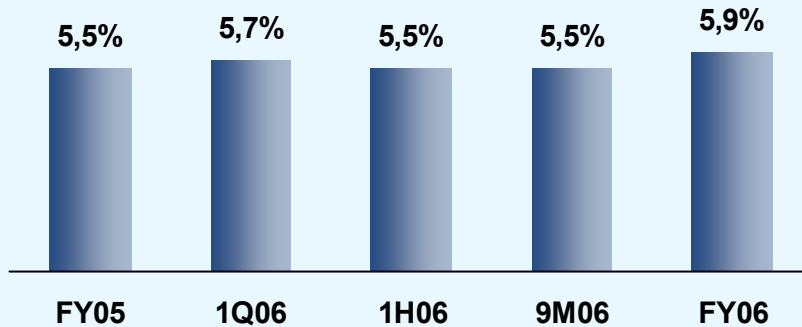
Top 4 G&A categories in absolute growth¹ (€m)

Bank	FY05	FY06	Absolute growth	Variance (%)
Legal-notary fees	8.548	16.093	7.546	88%
Technical assistance fees	0.980	8.430	7.450	760%
Product insurance premiums	3.996	8.378	4.412	111%
Reorganisation expenses	0	2.880	2.880	-

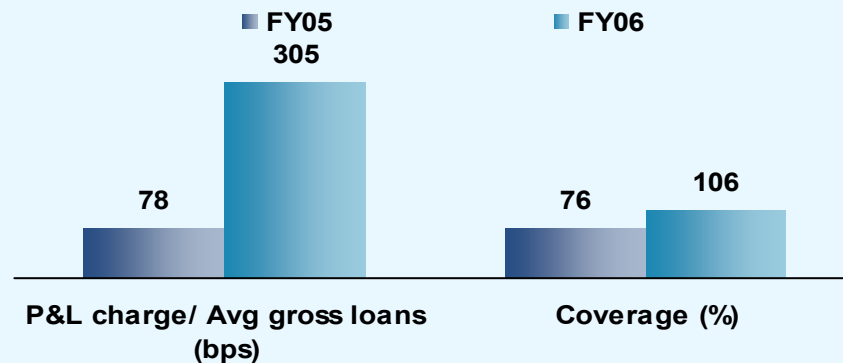
¹ Bank only figures

Non performing loans are well provided

NPLs development (% of gross loans)



Asset quality statistics



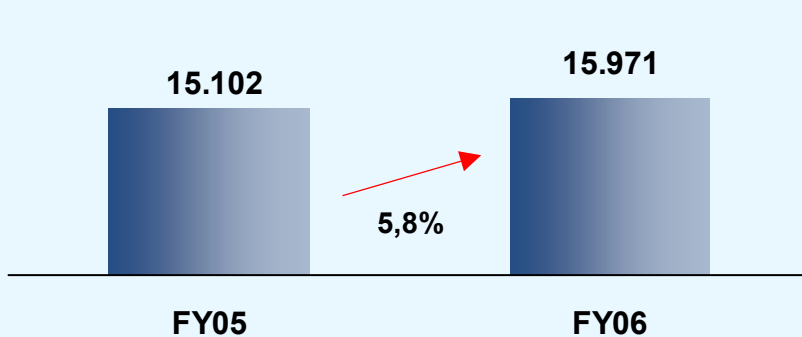
Comments

- NPLs have slightly picked up over the past couple of quarters; however, measures building upon Crédit Agricole's know-how in the area of risk management will soon begin to unfold

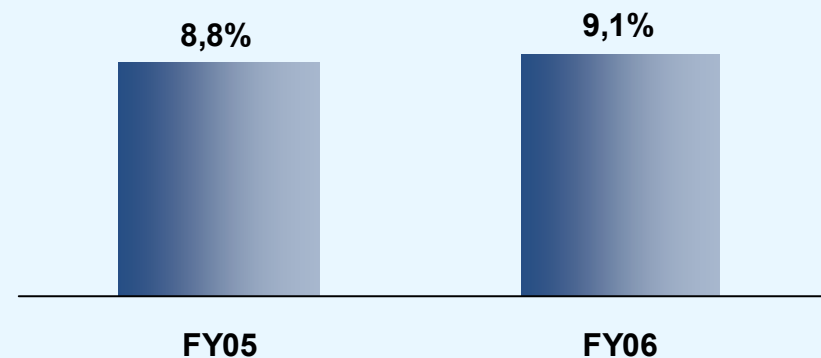
- Due to the significant additional provisions as a result of the special audit, NPLs are well covered

Capital base was replenished ahead of the special charges

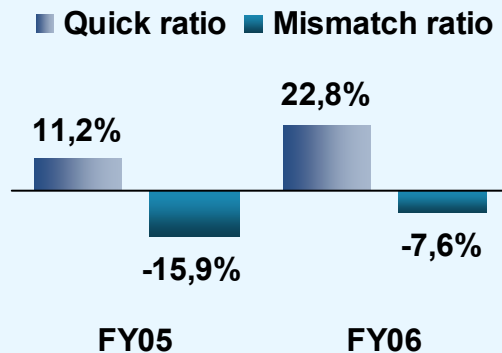
Risk weighted assets



Capital base



Liquidity ratio¹



Comments

- 2006 RWAs growth is impacted by the €1bn RMBS securitisation
- Capital base was replenished with a €170m hybrid capital and a €200m LTII transactions, which partially absorbed the impact of the special charges
- Regulatory liquidity ratios have significantly improved following the acquisition of Emporiki by Crédit Agricole

¹ Bank of Greece's guidance for quick ratio is >20% and for mismatch ratio of >-20%

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