

ANNOUNCEMENT
Consolidated 2007 Results of Emporiki Bank

**First full fiscal year following integration into the Crédit Agricole Group
concludes with return to profitability for Emporiki Bank**

Transformation Program progresses smoothly and is ahead of schedule

HIGHLIGHTS

Net profit (*) of €73.4 million for financial year 2007 compared to losses of €234.7 million in 2006.

- **The above result includes one-off provisions of €73.0 million due to the second phase of compliance with Basel II requirements.**
- **These provisions conclude the process of Emporiki's alignment with Crédit Agricole's prudential standards and policies and underline the management's commitment to the full compliance of the 2007 results with the IFRS standards, Crédit Agricole's prudential standards and policies, and, a first for a Greek bank: with Basel II requirements.**
- **The net profit incorporates expenses of €47.9 million due to the execution of the Transformation program, as well as gains of €43.3 million from the sale of Phoenix Metrolife and the operations' discontinuation of the Group's subsidiary in Germany.**

The Transformation Program, devised and launched early 2007, is progressing faster than anticipated and is already producing significant benefits for Emporiki.

- **Reduction of total operating costs by €14.2 million (-2.3%) versus 2006.**
- **Redesign and centralization of key operational processes of the Bank, resulting in significant productivity gains in the retail branch network.**
- **Development of a Business Centers Network to exclusively service SMEs.**
- **Full redesign, recruitment and roll out of the new Retail Network as well as Corporate and Investment Banking Organization.**

Emporiki's relaunched and renewed commercial efforts are in line with the Transformation projects' evolution and have already resulted in a series of initial key successes in 2007:

- **Market share increase in mortgage loans (50 bps on a yearly average), as a result of a significant 25% increase in outstanding mortgage loans.**
- **25.5% increase in consumer loans and introduction of innovative new ventures and products (Joint Venture with Carrefour Group - Carrefour Credit).**
- **Growth of the SME loan portfolio by 11%, with the growth rate in this specific market strongly accelerating since October 2007, with the roll-out of the newly established Business Centers' network.**
- **Total credit expansion +15% (Bank and Credicom) and total increase in deposits +8.1% in the local market versus year-end 2006.**
- **Business re-activation in the Balkan markets (Albania, Bulgaria, Romania), achieving 47% increase in outstanding loans during Q4 2007, following a redesign of organizational structures and operating mechanisms in the local subsidiaries.**

(*) After tax and minority interest.

STATEMENTS BY THE BOD CHAIRMAN AND THE CEO OF EMPORIKI BANK

Mr. Jean-Frédéric de Leusse, Chairman of the Board of Directors of Emporiki Bank, Deputy CEO and Head of International Development of Crédit Agricole S.A. stated:

"Crédit Agricole is very pleased with Emporiki's performance in 2007, the first full post-acquisition year, since it joined the Group. 2007 was also a transition year for Emporiki, the year we laid the foundations for the "Renaissance" of the bank and established the future growth path. Emporiki has successfully adapted best-in-class international prudential and risk management procedures and standards, an important achievement in the current turbulent financial environment and a basis for ongoing trust".

Mr. Anthony Crontiras, Chief Executive Officer of Emporiki Bank made the following statement:

"In 2007 Emporiki Bank celebrated its 100-year anniversary by completing the integration into the Crédit Agricole Group and returning to profitability. In addition Emporiki is the first bank in Greece to be fully compliant with the new Basel II regulations and requirements.

The bank successfully turned a new page in its History. It was awarded the highest credit rating of the Greek banking system by all the international rating agencies, furthering the longstanding trust of our customers in the bank; achievements well recognized by our customers as well as by our main shareholder, Crédit Agricole Group.

Thanks to the support of Crédit Agricole, the determination of the Management team, the motivation, flexibility and professionalism of our people, Emporiki enters 2008, the starting point of its second 100 years, in the strongest financial position ever in its History.

I am confident that in 2008 we will succeed in completing Emporiki's turnaround substantially expanding our international business and actively pursuing the Transformation Program to further enhance our competitiveness".

FY 2007 ACTIVITY REPORT

LOANS & DEPOSITS 2007 (before write-offs)

Bank solo			
<i>(€ million)</i>	FY07	FY06	Ch (%)
Mortgages	6,802	5,445	24.9%
Consumer loans (including Credicom)	2,968	2,365	25.5%
Business sector	10,169	9,498	7.1%
- of which SMEs	5,814	5,240	11.0%
Total Loans (Bank + Credicom)	20,371	17,706	15.0%
Total Deposits (Bank only)	17,563	16,248	8.1%

FY 2007 P/L STATEMENT (GROUP)

Key figures (Group)

<i>(€ million)</i>	FY07	FY06* proforma	Ch (%)
Net interest income	759.4	713.1	6.5%
Fee and commission income	153.3	159.1	-3.6%
Other income	36.1	72.2	-50.0%
Net banking income	948.8	944.4	0.5%
Staff expenses	-388.4	-397.7	-2.3%
Depreciation	-32.4	-35.3	-8.2%
Other operating expenses	-195.7	-197.7	-1.0%
Operating expenses	-616.5	-630.7	-2.3%
Gross operating income	332.3	313.7	5.9%
Regular & Other Provisions	-160.7	-233.7	-31.2%
Exceptional cost of risk	-73.0	-299.3	-75.6%
Transformation cost	-47.9	0	-
Discontinued Operations Results	43.3	-8.8	-
Earnings before tax	94.0	-228.1	-
Income tax expense	-21.1	-7.5	-
Earnings after tax	72.9	-235.6	-
Minority Interest	-0.4	-0.9	-
Earnings after tax & minority	73.4	-234.7	-

RATIOS

			Ch (bps)
Earnings per share (EPS) (€)	0.55	-	-
Cost to income (without transformation costs)	65.0%	66.4%	-143
Loans / Deposits (bank only)	110%	106%	+400

(*) FY06 P/L has been adjusted for comparability purposes with FY07 P/L, with Phoenix & Emporiki Bank Germany treated as discontinued operations.

KEY BUSINESS DEVELOPMENTS IN 2007

➤ **BUSINESS PLAN 2007-2011**

Emporiki's 5-year business plan, which was presented on April 27, 2007, aims at transforming the Bank into a modern banking institution and recapturing its 'natural' market share (10.5%-11% on average). This process is based on three sources of growth: i).The sustained growth of the Greek Economy, ii).The transformation potential of the Bank and iii). The further development prospects in SE Europe, where Emporiki will serve as a regional "hub" for Crédit Agricole.

➤ **TRANSFORMATION PROGRAM**

During 1Q 2007 Emporiki completed important rationalization steps, such as the Joining Forces program, which aligned the Bank's operating and governance model to the standards of Crédit Agricole and a program to improve sales effectiveness at the branch network.

The execution of the Transformation Program -a key business tool for the implementation of the 5-year Business Plan- was rolled out as of the beginning of 2Q 2007. The Transformation projects evolve at a pace faster than anticipated, already delivering positive results. In particular, as part of the Program:

- A number of key operating procedures were redesigned and centralized, resulting in significant productivity gains in the retail branch network, allowing the staff to better serve the customer.
- The Retail Network as well as the Corporate & Investment Banking Organizational Structure were fully redesigned.
- A new model for the Retail Banking Clientele Segmentation has been implemented as of September 30, 2007.
- A nation-wide SME's network was launched; since October 2007 12 business centers are operating and the network will be expanded to reach a total of 21 BCs in the first semester of 2008.
- Significant progress has been made in restructuring the processes relating to the selection, training, development, reward, recognition and elevation of the Bank's human resources, a determining factor for the implementation of its business objectives.

➤ **RATIONALIZATION OF ACTIVITY PORTFOLIO**

• **Discontinuation of the Group's German subsidiary operations**

On February 8 2007, the Board of Directors of Emporiki decided to discontinue the operation of the Group's subsidiary Emporiki Bank Germany GmbH and commenced its liquidation process.

• **Purchase of shares of Emporiki Bank Cyprus**

On March 27 2007, Emporiki announced the purchase of 9.99% of the total share capital of the subsidiary company EMPORIKI BANK CYPRUS. Consequently, Emporiki Bank of Greece owns the 91.18% of the share capital of EMPORIKI BANK CYPRUS.

• **Sale of Phoenix Metrolife Insurance Company**

On June 29 2007, Emporiki announced that it signed the final agreement with Groupama SA for the sale of 100% of the share capital of Phoenix Metrolife Insurance SA, for a total amount of €96.3 million, resulting in a net profit of €47.7 million in consolidated results for Emporiki's Group.

➤ **MARKET PRESENCE**

A main goal of the Bank achieved during 2007 was to regain commercial momentum; very competitive products (mortgage and consumer loans, deposits and investment products) were designed and offered to customers, supported by strong advertising campaigns.

The superior expertise in a number of critical banking market fields is a key competitive edge secured for Emporiki following its entrance to the group of Crédit Agricole. Exploiting this advantage, Emporiki started to introduce significant innovations in the market as of the end of 2007 (business deal with the Carrefour Group in consumer credit).

In light of Emporiki's 100 years of uninterrupted operations (1907-2007) and in order to celebrate 2008 as the first of the Bank's next 100 years, a large corporate advertising campaign was launched at Christmas 2007, with the key message: «Emporiki bank 2008: Year of Creativity, Year of Renaissance».

➤ **RISK METHODOLOGY**

In 2007 Emporiki adopted for the first time a stricter default definition as well as more advanced contagion rules. With these measures, Emporiki's risk methodologies have fully integrated the requirements of Basel II, earlier than the timeframe set by the competent regulatory authorities, thus fulfilling the Management's commitment for a full alignment with Basel II standards, Crédit Agricole's prudential policies and (for financial reporting purposes) with the IFRS impairment rules for loans.

Moreover, through the implementation of a more efficient recovery process, Emporiki has significantly reduced the level of regular provisions at the Bank level, while **for the first time in years**, it has written-off non performing loans, which were considered uncollectible, amounting to €310 million.

ANALYSIS OF 2007 RESULTS

Full year 2007 results are in line with the new 5-year business plan. The application of risk methodologies compliant with Basel II requirements had an impact on the results of the Bank for the last quarter as well. The cost of the Transformation Program is slightly lower than anticipated, whereas operating costs are under tight control.

Net banking income: €948.8 million, +0.5%

- **Net interest income** was €759.4 million, up 6.5%.
- **Net fee and commission income** decreased by 3.6% to €153.3 million due to low activity in mutual funds and bank-assurance products.
- **Other operating income** in total stood at €36.1 million, lower by 50% compared to FY 06, when gains from venture capital disposals and AFS portfolio positively impacted results. The trading income of 2007 was affected by the current market conditions.

Operating expenses declined by 2.3% to €616.5 – significant improvement on a quarterly basis (Q4 07 -12.6% vs. Q4 06)

- **Staff expenses** decreased by 2.3% (Q4 07 significantly decreased by 9.6% vs. Q4 06).
- **Other operating expenses** also lower by 1% (Q4 07 significantly decreased by 13.3% vs. Q4 06).

Gross Operating Income went up by 5.9% to €332.3 million.

Transformation expenses amounted to €47.9 million.

Regular Provisions (Impairment losses) and Other Provisions reached €160.7 million. The implementation of the new recovery process that has already started, is gradually lowering the cost of risk (Q4 07 -20% vs. Q307 & -31.2% vs. Q4 06). Compliance with Basel II requirements was completed by the end of the year and had an impact on the results of Q3 and Q4 2007 (total exceptional provisions 2007: €73 million).

ANALYSIS OF FY07 BALANCE SHEET

In FY 2007 the annual YoY growth rate of **mortgage loans** of the Bank stood at 24.9% resulting in outstanding balances of €6,802 million. New mortgage loan disbursements stood at €1,974 million, roughly at the same level as last year, resulting in an enhanced competitive position (average annual market share of 9.8% or +50 bps versus 2006).

In **consumer loans (including Credicom)** annual growth rate stood at 25.5% driving total outstanding balances to €2,968 million. Credicom continued its notable growth with balances standing at €941 million in December 31, 2007, increased by €319.5 million since year-end 2006. Taking into account consumer loans originating from both Emporiki's branch network and Credicom, Emporiki Group has a market share in consumer loans of 10.8% (average for 2007).

Loans to **SMEs** increased by 11% YoY, with balances standing at €5,814 million, enhanced heavily during Q4 07, with the launch of the Business Centers' network.

Deposits of the Bank increased by 8.1% to €17,563 million, with the average market share for 2007 remaining unchanged at 8.6%.

The Bank's **provisioning coverage ratio** (i.e. loan loss reserves as a percentage of Non-Performing Loans) was 102.9% on 31/12/2007 and improved even further after write-offs, to 103.9%.

Equity at the consolidated Group level stood at € 888.6 million.

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- ➔ The Consolidated 2007 Results announcement is available at www.emporiki.gr and at www.ase.gr

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