

**PRESS RELEASE**  
**Nine-month 2006 results**

**Net profit at €94.2 million, up 39.8%**  
**Successful completion of Crédit Agricole's mandatory offer for Phoenix**

### **PROGRESS IN THE INTEGRATION OF EMPORIKI INTO CRÉDIT AGRICOLE**

Following the successful completion of the acquisition of Emporiki by Crédit Agricole on 16 August 2006, the process of integrating Emporiki into the Crédit Agricole Group has progressed expediently, focusing on the following key areas:

- **Establishing management control in Emporiki Bank**

Following the resignation of George Provopoulos and five other board members on 24 August 2006, a new Board of Directors has been appointed and adopted Crédit Agricole's management model, which splits the roles of Chairman and CEO. Within that context, Jean Frederic de Leusse, Head of International Development of Crédit Agricole S.A. has been appointed as acting Chairman at Emporiki Bank S.A.

On 20 October 2006, the Board of Directors of Emporiki Bank S.A. appointed Anthony Crontiras as CEO of the bank. Pursuant to this appointment, Christian Jacques, who has been Crédit Agricole's representative at Emporiki for the past 5 years and served as acting CEO for the past two months, became Deputy CEO. Mr Crontiras, who is in the process of reviewing the existing operations, intends to present the new management structure of Emporiki along with the new business plan in the first quarter 2007.

- **Launch of "Joining Forces"**

Shortly after the acquisition joint teams of Crédit Agricole and Emporiki have developed an enterprise-wide program, code-named "Joining Forces", aiming at the seamless integration of Emporiki into the Crédit Agricole Group. The objectives of this project, which has already launched 15 distinct initiatives in key areas, can be summarized as follows:

- Successful alignment of the governance model and of key processes with Crédit Agricole standards;
- Enhancement of the commercial activity, building on existing projects (such as Pegasus);
- Improvement of the efficiency of Emporiki's platform.

The "Joining Forces" project is a key milestone in the process of transforming Emporiki into a model Greek bank with a dedicated customer-centric approach by leveraging its brand, franchise and branch network, underpinned by Crédit Agricole's know how and commitment to additional investments. Furthermore, the ongoing in depth analysis for the relevant steps that Emporiki needs to undertake to adapt to Crédit Agricole's practices and methodologies will result in specific actions that may have a financial impact that cannot yet be quantified.

### **RATING UPGRADE**

Emporiki is already enjoying a funding competitive advantage by being part of the Crédit Agricole Group as major rating agencies have granted the Bank the highest credit rating among its peers (long term rating: S&P A; Fitch A+).

## SUCCESSFUL COMPLETION OF TENDER OFFER FOR PHOENIX

Pursuant to the successful acquisition of Emporiki, Crédit Agricole announced on 4 September 2006 a mandatory tender offer for approximately 10.2% of Phoenix it did not own, offering €2.18 per share in cash. At the end of the acceptance period on 25 October 2006 Crédit Agricole announced that, upon settlement of the transfers of its direct and indirect stakes in Phoenix, it will reach 98.5% and that it intends to promptly exercise its squeeze out right, thus taking Phoenix private.

## NINE MONTH 2006 RESULTS

<b>Key figures</b>			
<b>(€ m)</b>	<b>9M06</b>	<b>9M05</b>	<b>Δ (%)</b>
<b>Net banking income</b>	<b>733.8</b>	<b>636.6</b>	<b>15.3</b>
Of which			
Net interest income	540.2	471.1	14.7
Fee and commission income	120.8	110.3	9.5
<b>Operating expenses</b>	<b>477.1</b>	<b>457.6</b>	<b>4.3</b>
Of which			
Staff expenses	307.6	302.1	1.8
Provisions	120.7	81.3	48.4
<b>Earnings after tax &amp; minority</b>	<b>94.2</b>	<b>67.4</b>	<b>39.8</b>
Earnings per share (EPS) (€)	0.71	0.50	42.0
<b>Ratios</b>			<b>Δ (bp)</b>
Cost to income	65.0%	71.9%	-690
Return on assets (RoA)	0.59%	0.47%	12

In the nine months 2006 (9M06), **profit attributable to shareholders** rose to €94.2 million, recording a 39.8% increase over the respective period last year. This growth came as a function of a robust net banking income growth (+15.3%) and a contained development of operating costs (+4.3%), while provisions increased by 48.4% compared to last year.

### Net banking income: €733.8 million, +15,3%

- **Net interest income** was €540.2 million, up 14.7%, with net interest margin expanding to 3.39% vs. 3.30% in the respective period last year. Adjusting 9M05 net interest income for the portion of the pension related interest expense of €27.8 million that was charged against the 4Q05 results, the net interest income growth increases to 20%. This growth reflects the widening of the liability margin and the continuing shift of the loan portfolio towards retail banking.
- **Net fee and commission income** increased by 9.5% to €120.8 million mainly as a result of the growth in new disbursements and the positive development of capital markets related fees.
- **Net income from insurance operations** stood at €13.8 million registering a 29.3% decrease over the respective period last year. This decline is mainly attributed to Phoenix and reflects its selective underwriting policy in the motor sector and the ongoing restructuring of its agency network. Emporiki Life, a joint venture of Emporiki and Predica, distributed 6,620 bancassurance contracts over the Bank's branches in the 9M06, 51.8% more than in 9M05.
- **Income from financial transactions** recorded a loss of €0.3 million in 9M06 and **income from investment securities** amounted to €32.8 million, significantly higher than last year, mainly as a result of the disposal of a venture capital participation (€13.8 million).
- **Other operating income** increased by 62% mainly driven by the enhanced efforts to dispose of foreclosed property collaterals.

**Operating expenses** rose by 4.3% leading to a significant improvement of the efficiency ratio (operating expenses to operating income) to 65% from 71.9% in 9M05.

- **Employee costs** increased by 1.8%, whereby in 9M05 a one-off saving from salaries not paid due to strikes was included. Moreover, staff expenses in 9M06 include a €1.3 million charge related to 2005 and refers to the decision of the arbitrator (OMED) between Emporiki and its trade union; as the parties could not conclude a company-wide salary agreement for the period 2005/06, they referred the subject to arbitration. Group personnel stood at 7,621 people as at 30 September 2006 (22 less compared to 9M05) that includes 132 new hiring over the respective period last year for the staffing of 12 new branches opened in the Balkans.
- **Other operating expenses** increased by 14.4% over 9M05 primarily reflecting the growth of production related cost.

**Provisions** for the 9M06 increased by 48.4% year-on-year and represented 93 bps over the average loan portfolio. Risk-related cost is an area where Crédit Agricole has already announced that it intends to align Emporiki's risk management practices to its own policies and methodologies. A dedicated work force within "Joining Forces" has started to review the issue whereby a final assessment on possible additional provisions is expected to be reflected in the FY06 financials of Emporiki.

#### **NINE MONTH 2006 BALANCE SHEET DETAILS**

**Total loans** of the Bank increased to €17.1 billion as of 30 September 2006 vs. €14.5 billion over the respective date last year, registering a 17.6% increase. Mortgage and consumer loans represent 41.3% of the loan portfolio vs. 38.2% last year.

In 9M06 the annual growth rate of **mortgage loan** balances of the Bank stood at 26.8% resulting in outstanding balances of €5 billion. New mortgage loan disbursements stood at €1.2 billion, significantly increased (+43.6%) over the respective period last year, resulting to a 9.2% market share. In **consumer finance** annual growth rate stood at 28% with new disbursements (€708.6 million) significantly increased (+79.3%) over 9M05, driving total outstanding balances to €2.1 billion. Credicom continued to register notable growth with balances standing at €536.8 million at 9M06, putting on additional €354 million loan balances since September 2005. Considering Credicom and branch network originated consumer finance balances Emporiki further enhanced its market share in consumer finance to 9.7%.

Loans to **SMEs** increased by 15% year-on-year, with balances standing at €5 billion. Based on the "Easy Business" offering, the Bank has managed to attract more than 5,000 new clients over this period.

**Deposits** of the Bank increased by 4.9% compared to last year to €15.7 billion. Time deposits increased by 17.4% and sight deposits by 7.5%, offsetting the 3% decrease of savings deposits. Total mutual funds under management stood at €1.7 billion, lower than the 9M05 levels, whereby the decrease reflects slowed down activity in money market funds.

**Non-performing loans** stood at 5.8% with accumulated provisions at €796.5 million representing 4.4% of total loans and 75.4% of non-performing loans.

**Shareholders' equity** stood at €1,158 million with Tier 1 ratio estimated at 8.5% and total capital adequacy ratio at 8.7%. It is noted that Emporiki has not issued any hybrid capital.

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**Emporiki Bank Group**
**Profit & Loss Account**

<i>(in € m)</i>	<b>9M06</b>	<b>9M05</b>	<b>Δ (%)</b>
Net interest income	540.2	471.1	14.7
Net fee & commission income	120.8	110.3	9.5
Dividend income	3.5	3.0	16.1
Net trading income	-0.3	11.2	-102.8
Net gains from investment securities	32.8	7.3	348.7
Net income from insurance operations	13.8	19.6	-29.3
Other operating income	22.9	14.1	62.3
<b>Operating income</b>	<b>733.7</b>	<b>636.6</b>	<b>15.3</b>
Staff expenses	307.6	302.1	1.8
Other operating expenses	144.7	126.5	14.4
Depreciation	24.9	29.1	-14.5
<b>Operating expenses</b>	<b>477.1</b>	<b>457.6</b>	<b>4.3</b>
Loan provisions	120.7	81.3	48.4
Profit/loss of associates	-5.1	-2.3	120.1
<b>EBT</b>	<b>130.8</b>	<b>95.3</b>	<b>37.3</b>
Tax	36.0	29.1	23.7
Profit to minorities	0.6	-1.2	151.8
<b>EAT</b>	<b>94.2</b>	<b>67.4</b>	<b>39.8</b>
<b>EPS</b>	<b>0.71</b>	<b>0.50</b>	<b>42.0</b>

**Loans of Emporiki Bank (parent data)**

<i>(€ m)</i>	<b>30.09.06</b>	<b>30.06.06</b>	<b>31.03.06</b>	<b>31.12.05</b>	<b>30.09.05</b>	<b>Change</b>	
						<b>9M06/ 9M05</b>	<b>9M06/ 1H06</b>
Business sector	9,472	9,430	8,941	8,667	8,122	16.6%	0.4%
<i>-of which SMEs</i>	<i>4,992</i>	<i>5,006</i>	<i>4,818</i>	<i>4,618</i>	<i>4,342</i>	<i>15.0%</i>	<i>-0.3%</i>
Consumer loans	2,082	2,034	1,889	1,750	1,626	28.0%	2.3%
Mortgages	4,980	4,737	4,396	4,201	3,929	26.8%	5.1%
Public entities	416	532	528	605	615	-32.4%	-21.8%
Other loans	151	128	222	189	245	-38.4%	17.9%
<b>Total</b>	<b>17,100</b>	<b>16,861</b>	<b>15,976</b>	<b>15,411</b>	<b>14,537</b>	<b>17.6%</b>	<b>1.4%</b>

*SME: Small Medium Enterprises*

**Deposits of Emporiki Bank (parent data)**

<i>(€ m)</i>	<b>30.09.06</b>	<b>30.06.06</b>	<b>31.03.06</b>	<b>31.12.05</b>	<b>30.09.05</b>	<b>Change</b>	
						<b>9M06/ 9M05</b>	<b>9M06/ 1H06</b>
Sight	2,047	2,007	1,847	2,288	1,905	7.5%	2.0%
Savings	7,003	7,050	6,931	7,218	7,217	-3.0%	-0.7%
Time and other	6,665	6,063	6,042	5,218	5,677	17.4%	9.9%
Repos	1	5	8	13	177	-99.4%	-78.5%
<b>Total</b>	<b>15,716</b>	<b>15,125</b>	<b>14,828</b>	<b>14,737</b>	<b>14,976</b>	<b>4.9%</b>	<b>3.9%</b>