



Business Plan 2007-2011

Course towards a new Emporiki:

*Reconstruction of a model Greek
Banking organization*

Presentation to the Press

27 April 2007

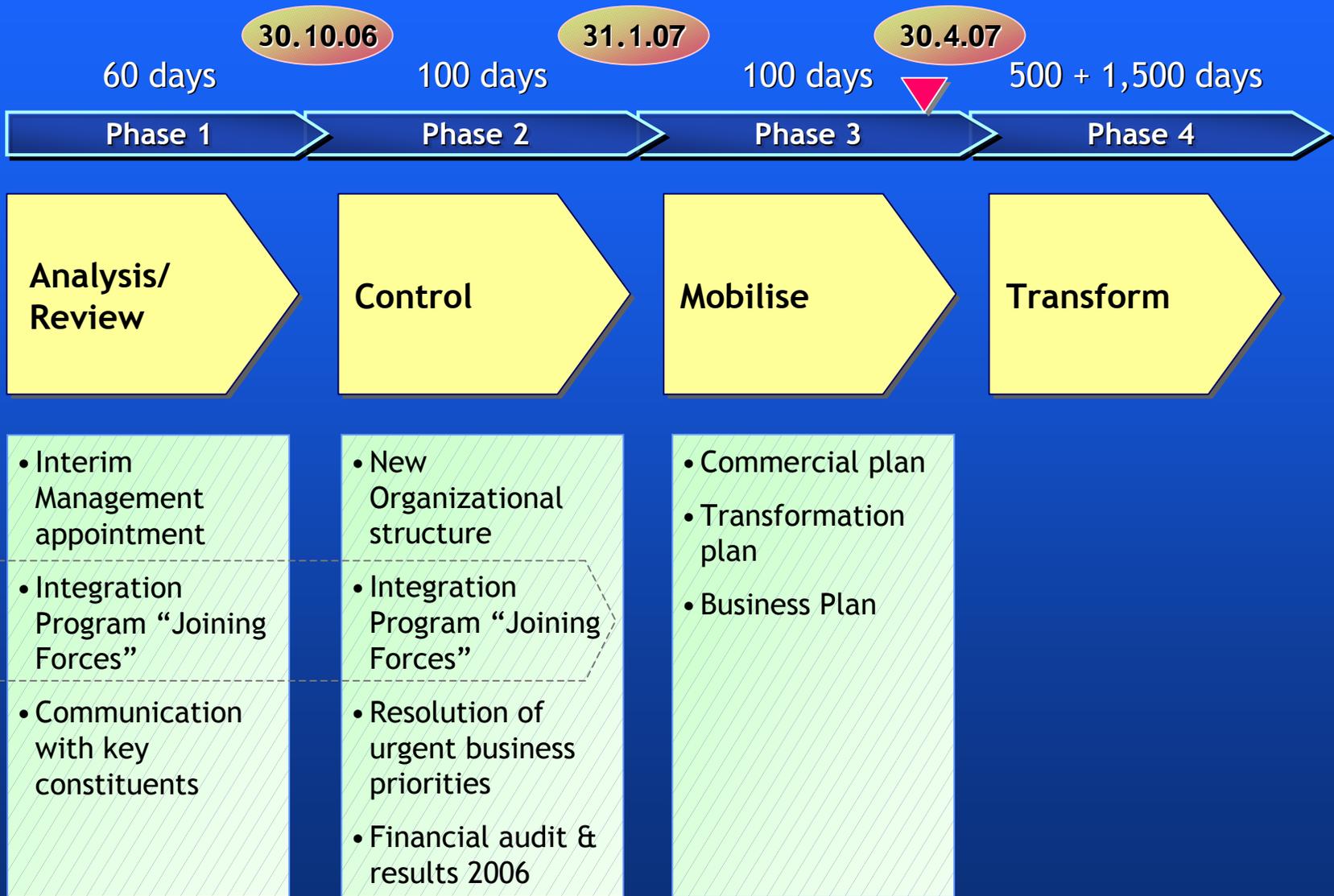
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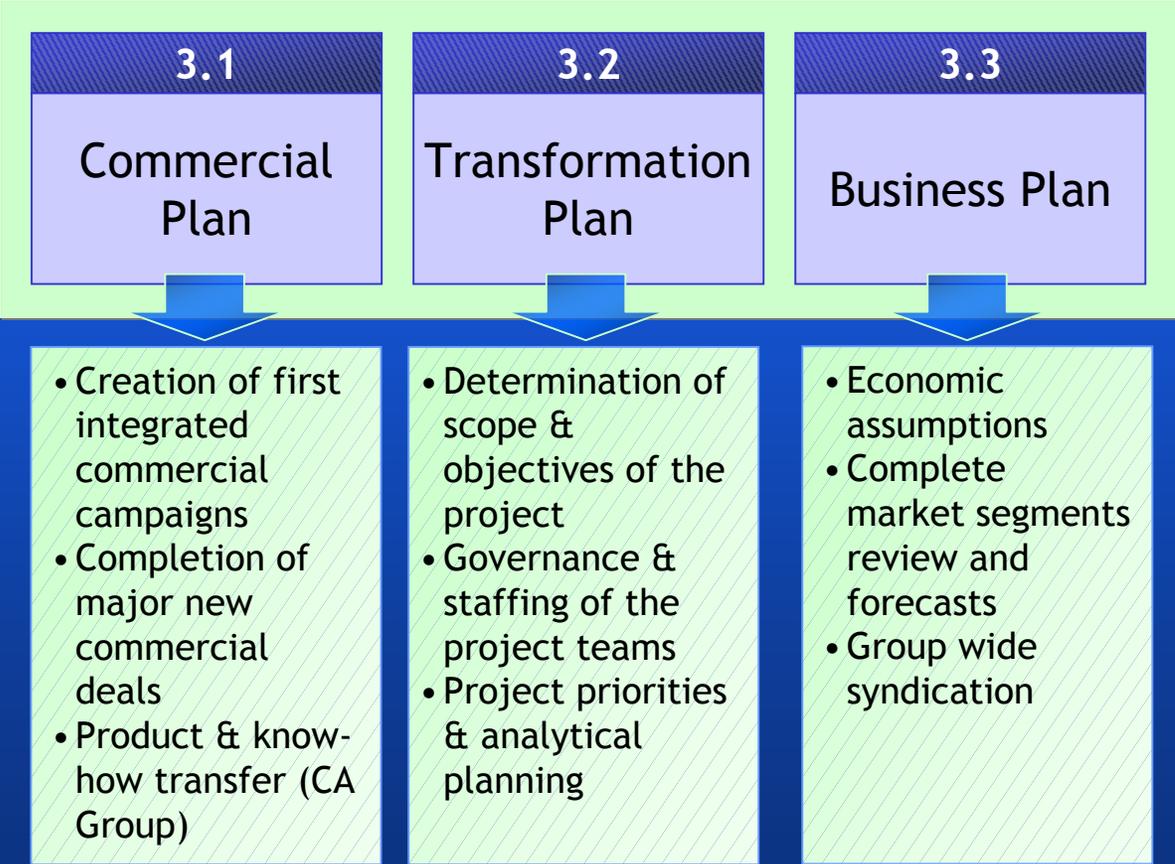
In August of 2006 CA acquired a controlling stake in Emporiki and started the integration process:



Regaining momentum was the final stage in the process before moving in the core transformation stage:

Phase 3

Mobilise



The achievements of the first 100+100 days demonstrate the dynamism & pace of the New Emporiki:

Drastic raise of the bank's standards

- Highest credit rating among Greek banks
- Highest coverage of non-performing loans **31.12.06**
- One of 3 banks using internal, Bank of Greece certified risk management standard **6.03.07**
-

Rapid rationalization of activity portfolio

- Disposal of non-banking participations
 - Charalambides dairies **31.10.06**
 - ICAP **27.12.06**
- Germany closing **8.2.07**
- Sale of Phoenix **8.3.07**
- Buy-out of blocking minority in Cyprus **27.3.07**
-

The achievements of the first 100+100 days demonstrate the “nerve” & pace of the New Emporiki:

Business successes & commercial “firsts”

- Exclusive agreement/Joint venture with Emporiki Credicom - Carrefour
- New mortgage loan campaign
-

20.12.06

22.2.07

- Sale of credit cards, consumer loans & insurance via the Carrefour store network
- #1 retailer, ≈25% market share in Greece, 230 stores

- Increase of average weekly production: 50%
- % of annual target achieved: >140%
- % of annual total retail budget achieved: >105%
- Cross-selling:
 - Bankassurance: +30%
 - Consumer credit: +15%
- Mortgage market share estimate at 9.8% (vs. budget 2007 estimate for 9.69%)

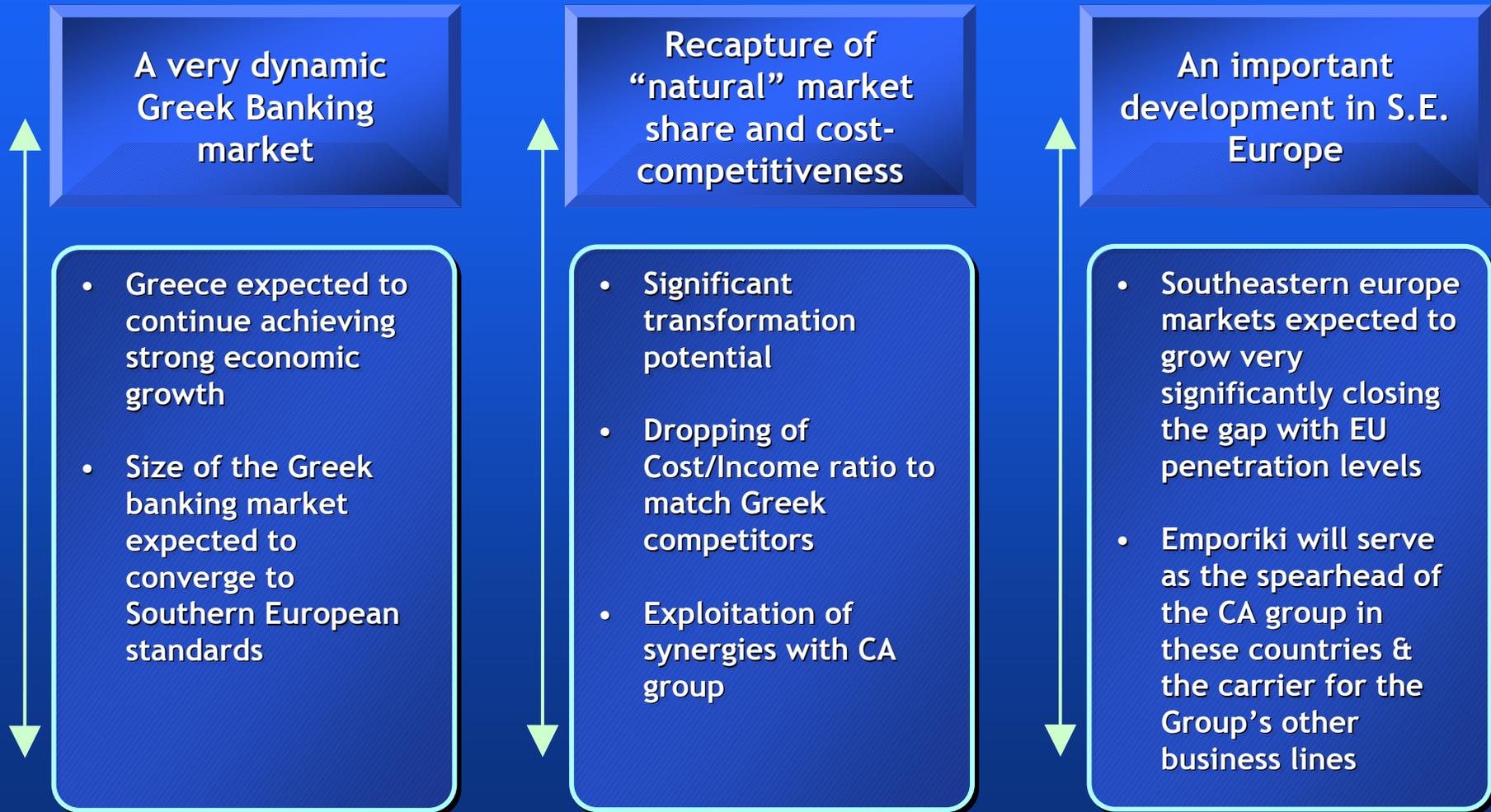


Business Plan 2007-2011

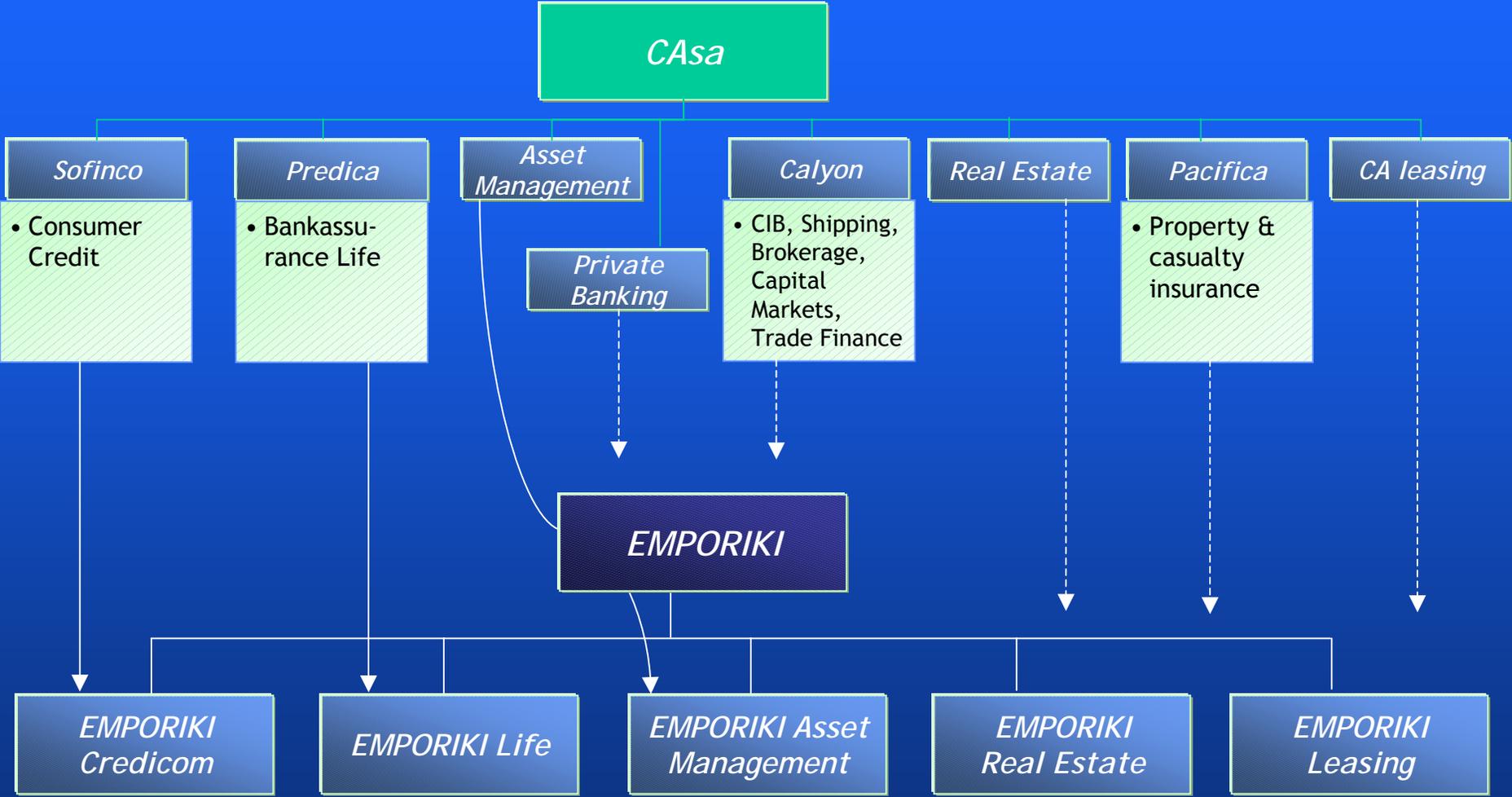


- *SUMMARY & HIGHLIGHTS*
- *STRATEGIES PER SEGMENT*
- *TRANSFORMATION*
- *FINANCIAL PROJECTIONS*

Three sources of value for Emporiki, following acquisition by Credit Agricole :

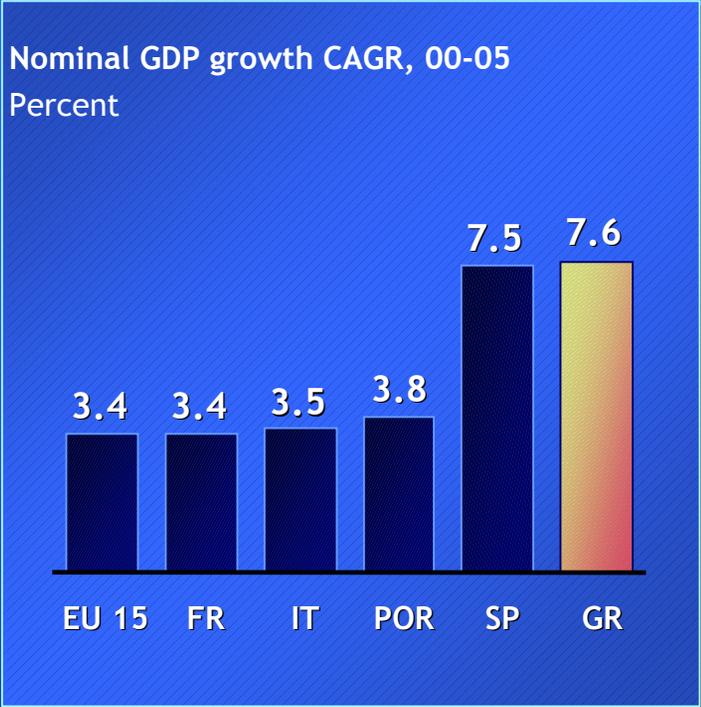


Development of specialized services & products will materialize through cooperation with the relative specialized subsidiaries of CA:

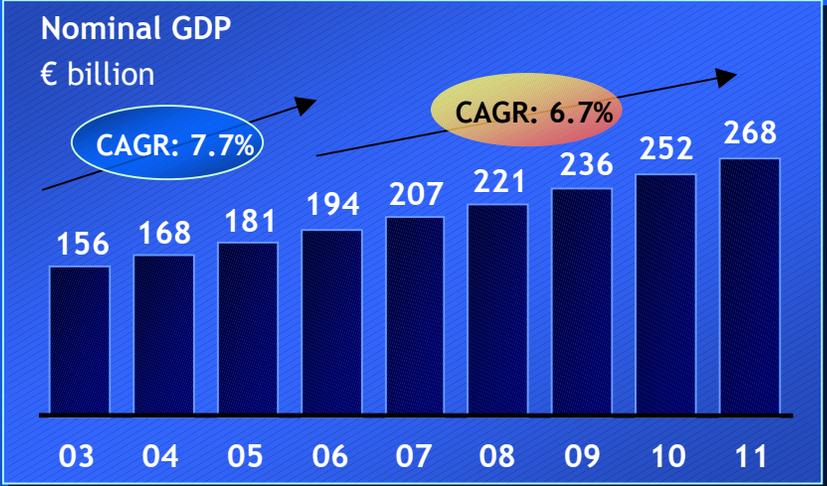


Greek GDP growth rate is almost double of other western European countries, while lending as a % of GDP is still at lower levels, growing rapidly:

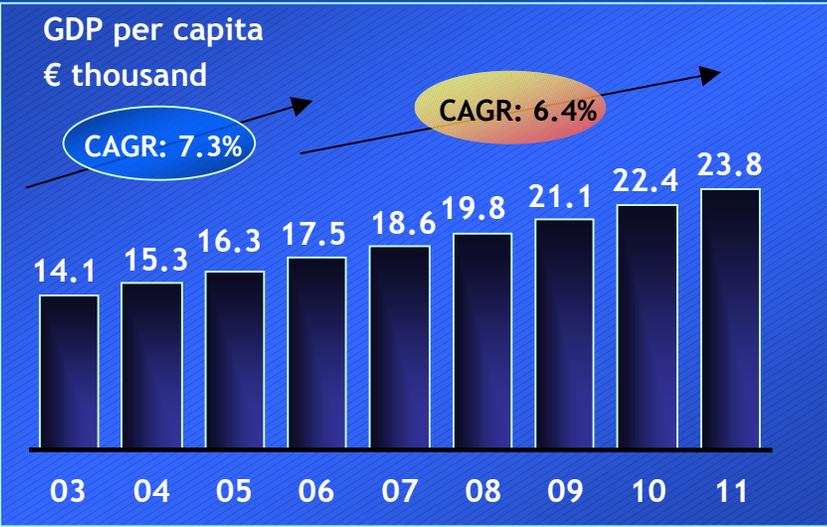
Strong past GDP growth...



Strong GDP growth to continue...



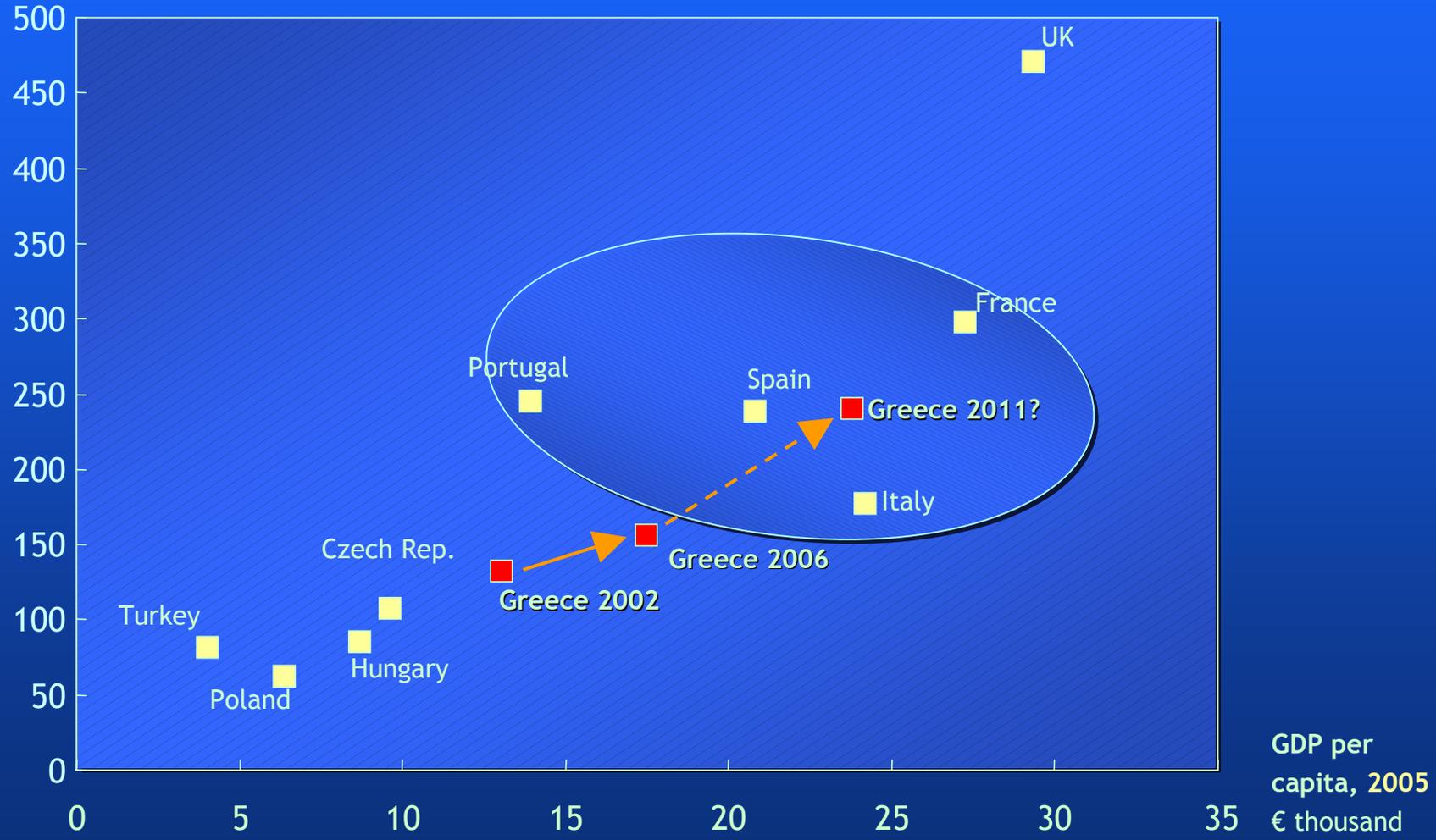
Solid GDP/capita growth...



Greek banking sector will continue to benefit from Greek convergence to Western European standards:

Banking assets/GDP, 2005

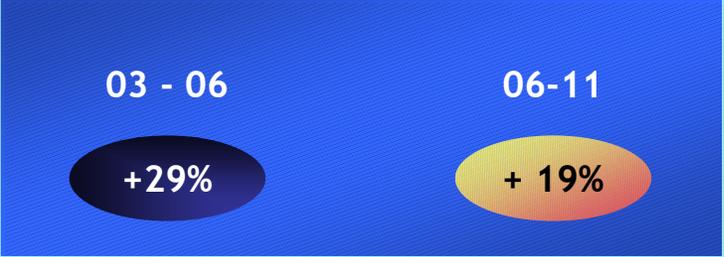
Percent



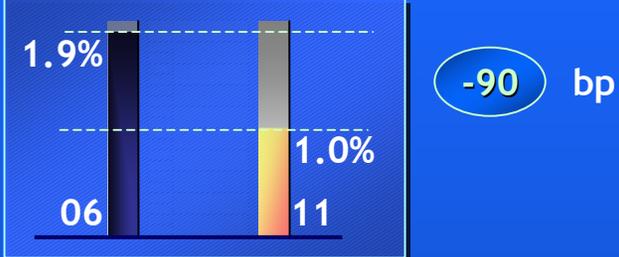
GDP per capita, 2005
€ thousand

... enjoying a high growth rate, in a dropping margins environment.

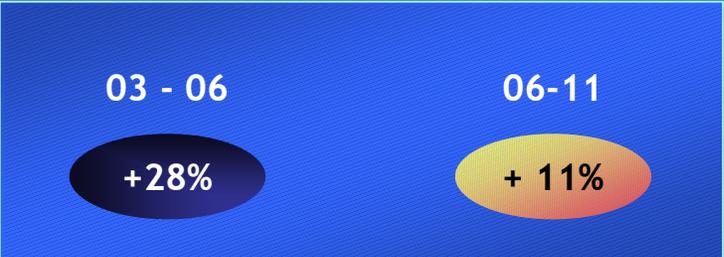
Mortgages - growth (CAGR)



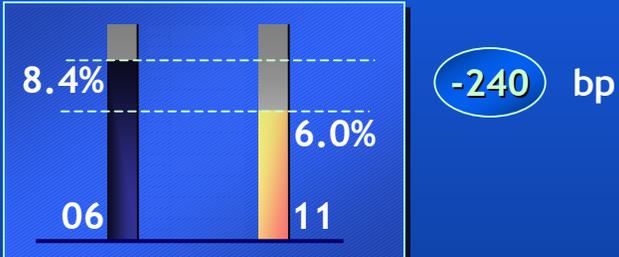
Mortgages - margins



Consumer loans - growth (CAGR)



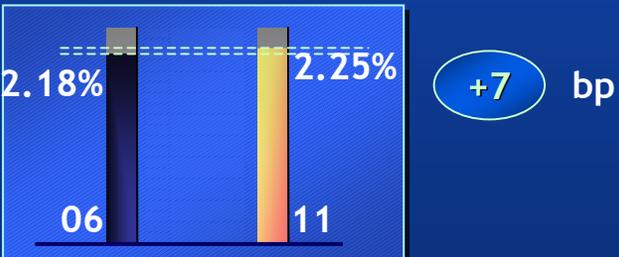
Consumer loans - margins



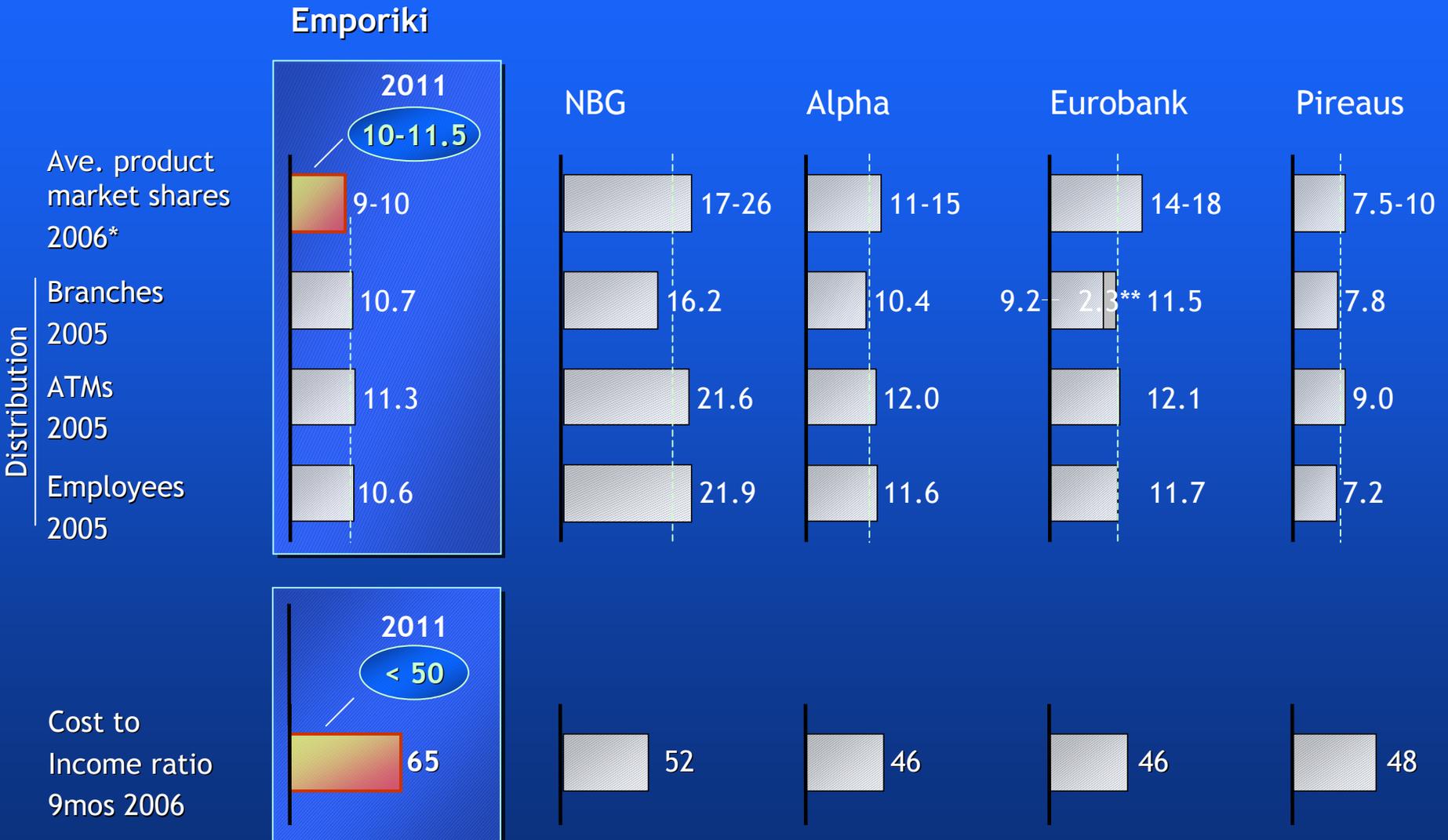
Business loans - growth (CAGR)



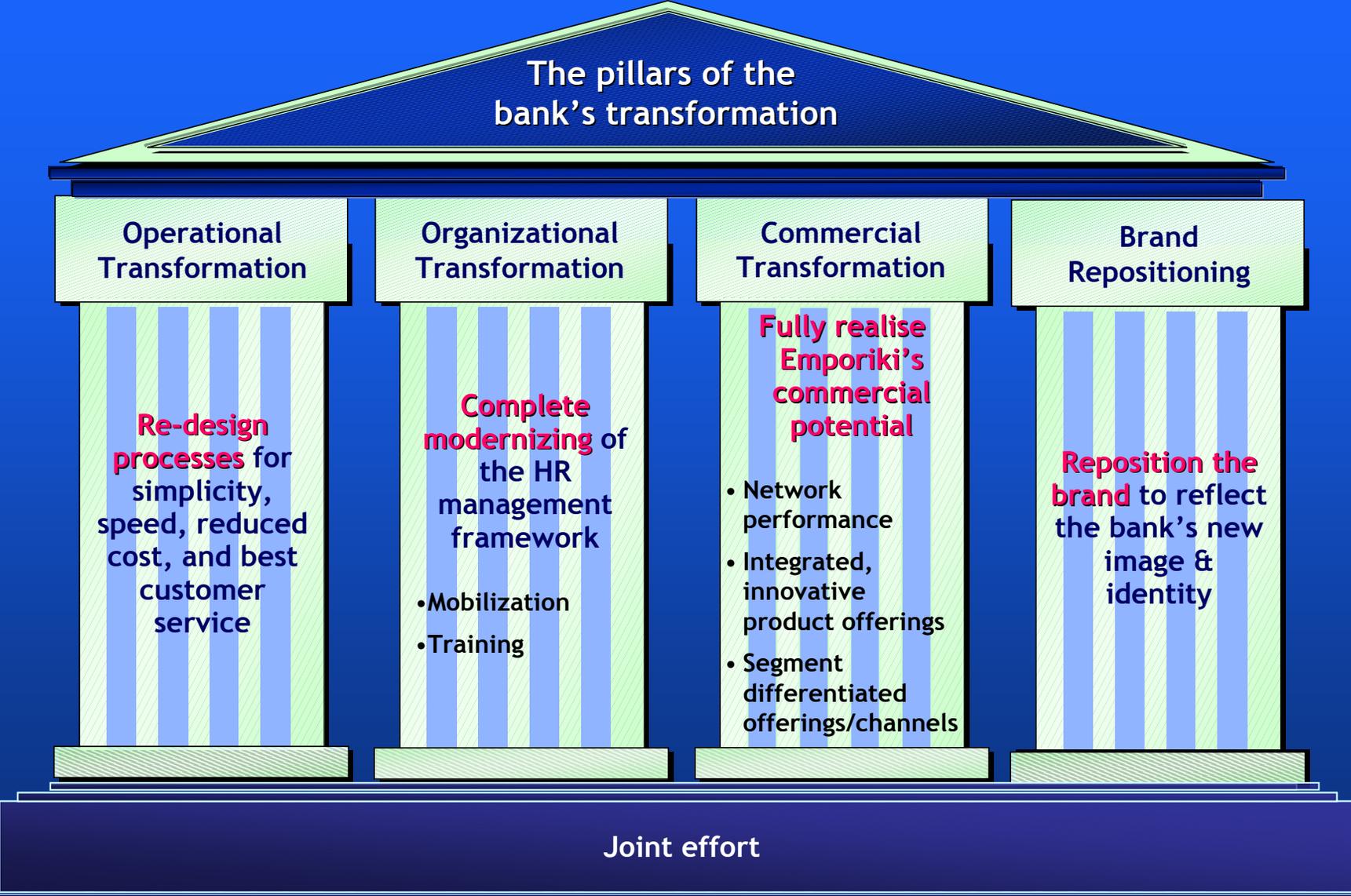
Business loans - margins



Emporiki will reclaim its "natural" market share as well as its competitiveness:



Capturing the bank's potential shall require actions on a number of fronts:



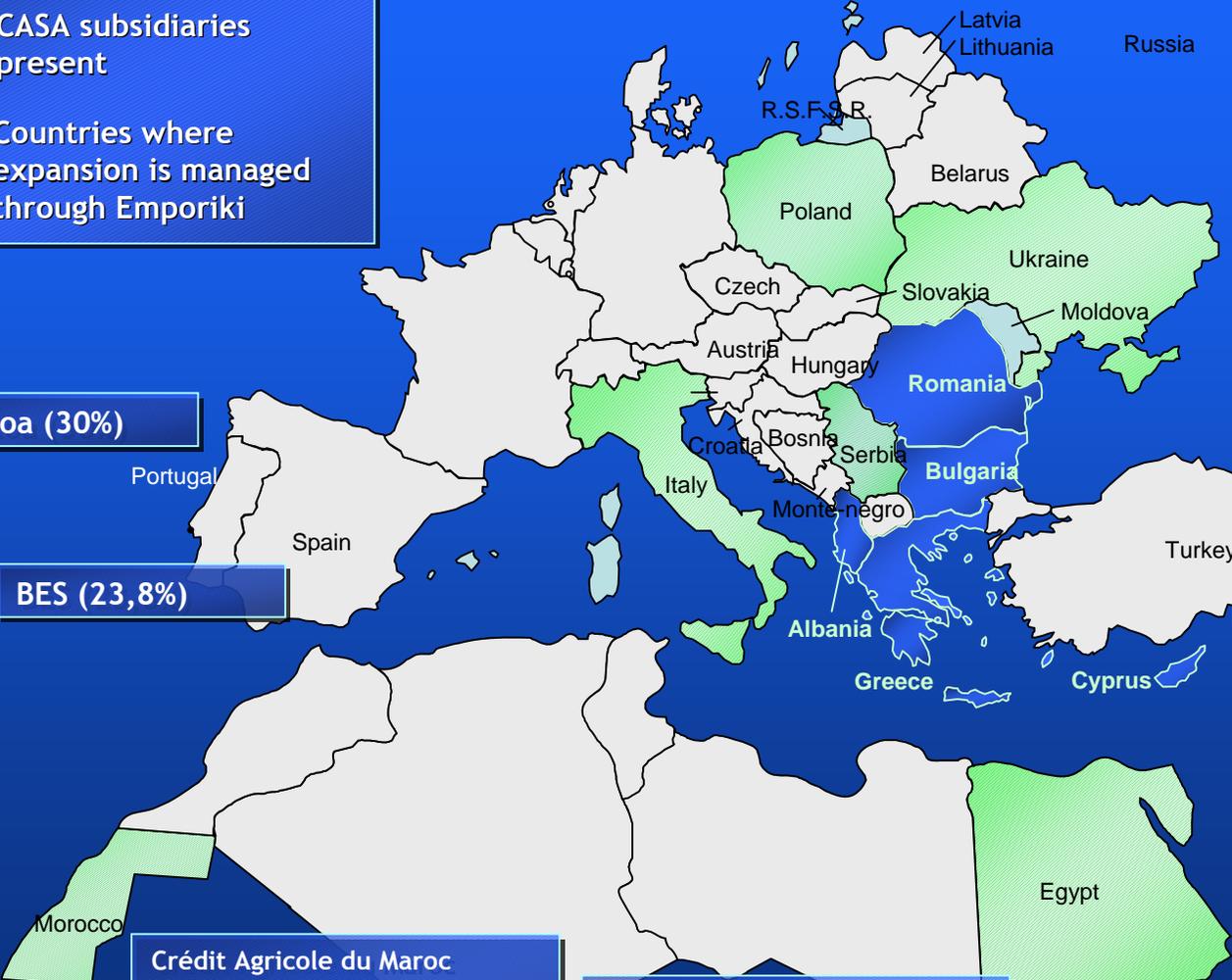
The international development of Emporiki in SE Europe, will give the opportunity to benefit from high growth, high- margin markets. Emporiki will build on our existing base to create a cost-effective organic growth.

- S.E. European markets expected to grow significantly, at double digit rates, in order to close the gap with EU penetration levels while maintaining high margins, particularly in retail banking
- Emporiki will follow a strong organic growth path in those countries, opening 265 new branches and increasing headcount by 2,250 people over the next 5 years, investing in the order of ~ € 55 mn
- Emporiki will serve as the spearhead of the CA group in these countries, carrying the products and know-how of CA Group's subsidiaries

... serving as the platform for the development of CA Group's business lines:

CASA subsidiaries present

Countries where expansion is managed through Emporiki



Lukas Bank RB (100%) - Poland
 Personnel : 1.939
 Branches : 151
 Total Assets : 1,602 bn
 Mkt. share - deposits: 1.5%
 Mkt. share - loans: 0.6%

Index Bank (100%) - Ukraine
 Personnel : 3.333
 Branches : 232
 Total Assets : 406 bn
 Mkt. share - loans: 0.7%

Meridian Bank (100%) - Serbia
 Personnel : 929
 Branches : 104
 Total Assets: 286 bn
 Mkt. share - deposits: 1.8%
 Mkt. share - loans: 2.7%

Emporiki Group (72%)
 Personnel : 7.708
 Branches : 415
 Total Assets : 23,000 bn
 Market share (Greece): 9%

Crédit Agricole Egypte (59,44%)
 Personnel : 1,519
 Branches : 44
 Total Assets: 2,103 bn
 Market Share: 2.0%

Bankoa (30%)

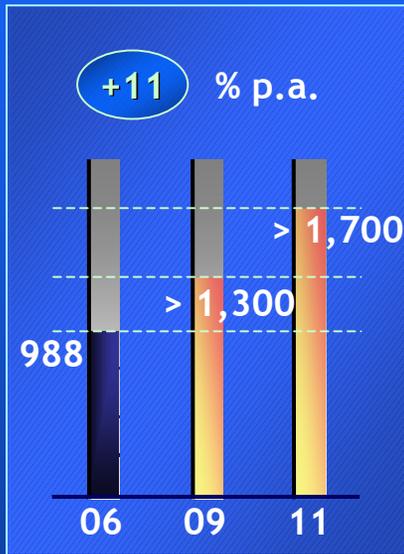
BES (23,8%)

Crédit Agricole du Maroc (52,62%)
 Personnel: 1.817
 Branches : 170
 Total Assets : 2.468 bn

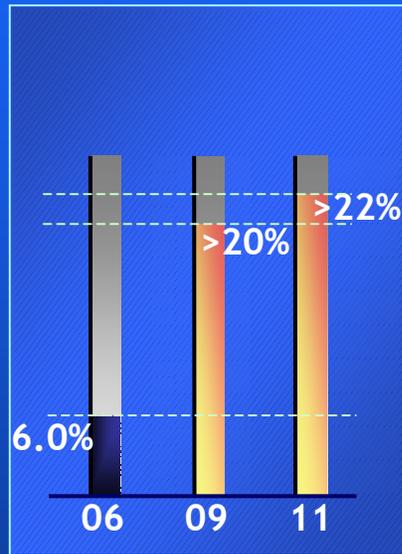
Cariparma (70%) - Italy
 Branches : ~600

Emporiki in 2011:

Net Banking Income



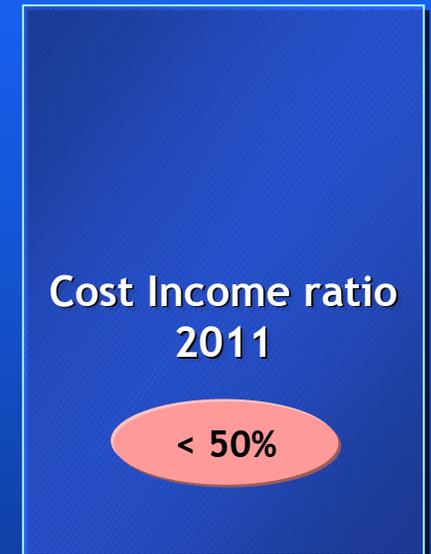
Return on Average Equity *



Profitability



Cost base

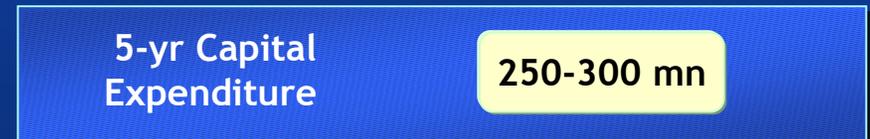


* 06: before one-off Casa alignment adjustments

Market Share

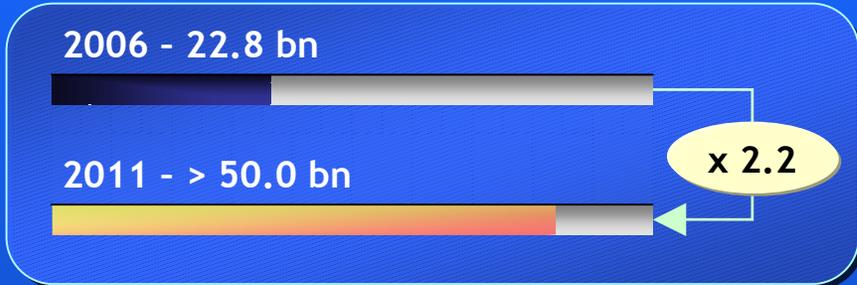


5-yr Capital Expenditure



Emporiki in 2011:

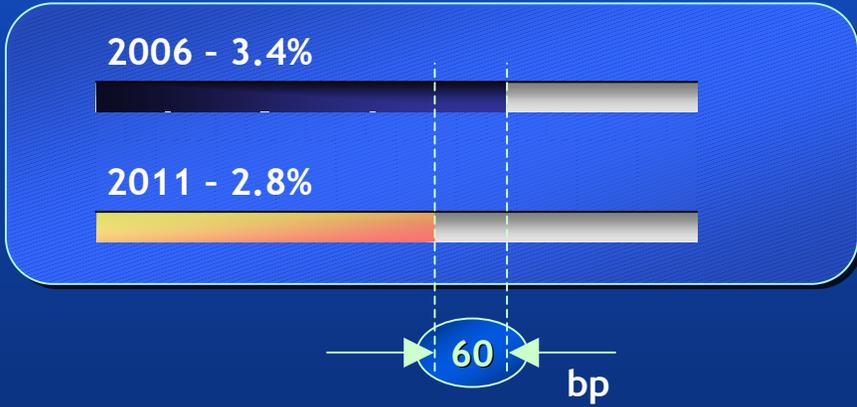
Assets - Emporiki Group



Income distribution - Group



Net Interest Margin - Greece



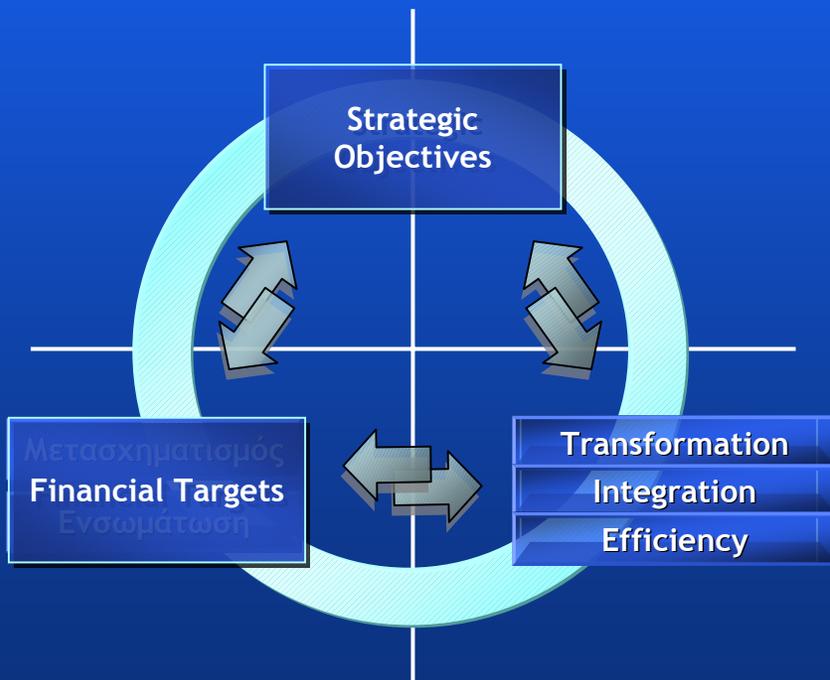
Cost of Risk - Group



* 06: before one-off adjustments



Business Plan 2007-2011



- *SUMMARY & HIGHLIGHTS*
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Segment Strategies

- *Retail Banking*
- *International Activities*

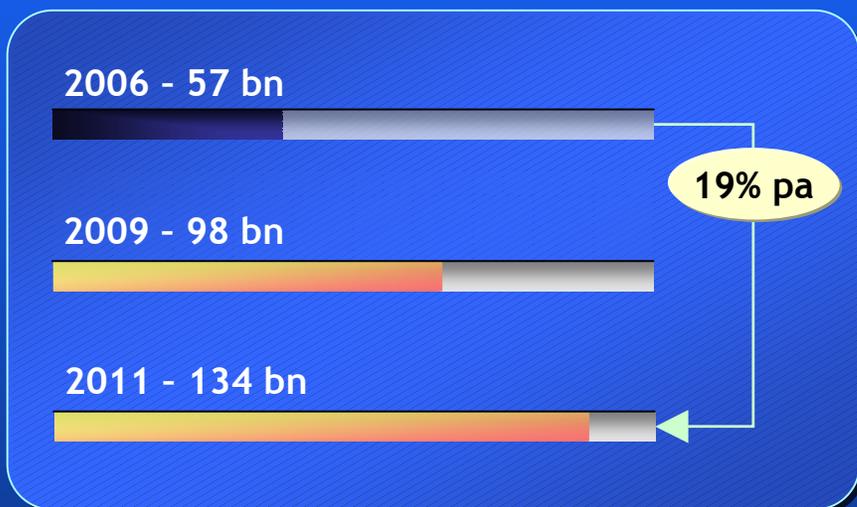
Main market trends

- Growth engine for the bank market for the last 5 years - retail portfolio to surpass corporate over the next few years
- Segment to continue growing at a high, but descending rate
- “Copy” products - price competition - transfer of balances among institutions
- Added-value services and cross-selling to become increasingly significant
- Customer service becomes a determining factor

Retail - mortgages

- Secondary market to grow in significance - house reselling/capital accumulation for “later days”

Mortgages - Market



Mortgages - Emporiki



2003-06: 29% pa

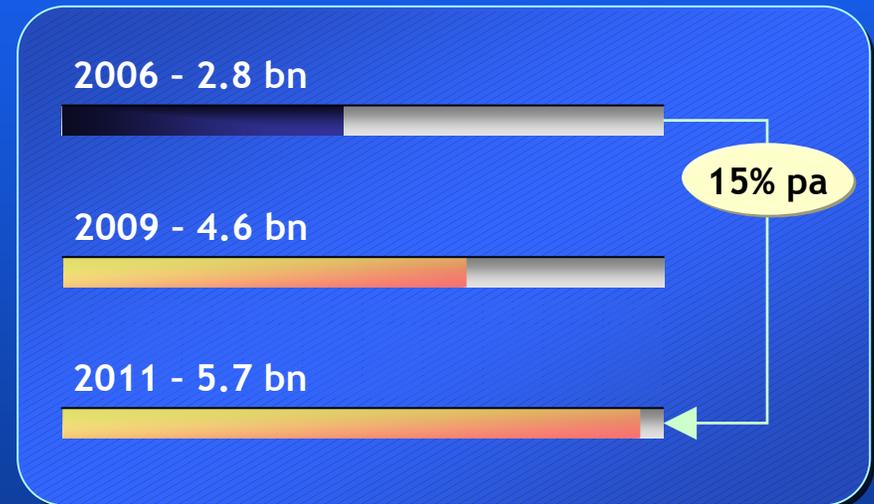
Retail - consumer loans

- Refinancing balances at lower rates/debt consolidation for **regular** customers

Consumer Loans - Market



Consumer Loans - incl. Credicom



Strategic goals

1. Commercial strategy built around:
 - Competitive pricing
 - Segment specific offerings
 - Product innovation
2. Improve service quality to a level worthy of a modern , dynamic bank
3. Capture new waves of growth

Main actions

1. Develop and implement a true personal banking value proposition based on objective advise
2. Develop new, rationalize the existing branch network and expand into new communication and distribution channels (e-banking, interactive ATMs etc.)
3. Introduce customer loyalty and retention programs
4. Constant promotional activities (advertising, campaigns, etc)

Main market trends

- Financing of “small” business owners or sole proprietors - the fastest growing segment
- Ability to provide advise becomes more important than ability to lend
- Sectoral specific offerings instead of “catch-all” products

Retail - SME loans

- Small business & “freelancers” to continue driving growth of the segment

SME Business Loans - Market



SME Business Loans - Emporiki



Strategic goals

1. Support entrepreneurship in Greece to fuel economic growth
2. Extend financial services offering down to the smaller companies' (personal owner) segment
3. Differentiate offerings based on different needs of the sub-segments
4. Focus on financing companies belonging in new advanced technologies

Main actions

1. Extend sector-specific, fee-based product bundles (for smaller companies)
2. Open business centers dedicated to serving medium enterprises, leveraging Emporiki's banking expertise
3. Establish dedicated salesforce to support new client acquisition

Deposits & Investment products

Main market trends

- Funding is becoming scarcer for banks needing to finance an ever-increasing loans/deposit ratio >100%
- Affluent client attraction becoming more important
- Bankassurance and unit linked product elements required by clientele
- Shift from traditional account types towards “investment” products

Retail - Deposits

- Less transactions and more sophistication entering the segment

Deposits - Market



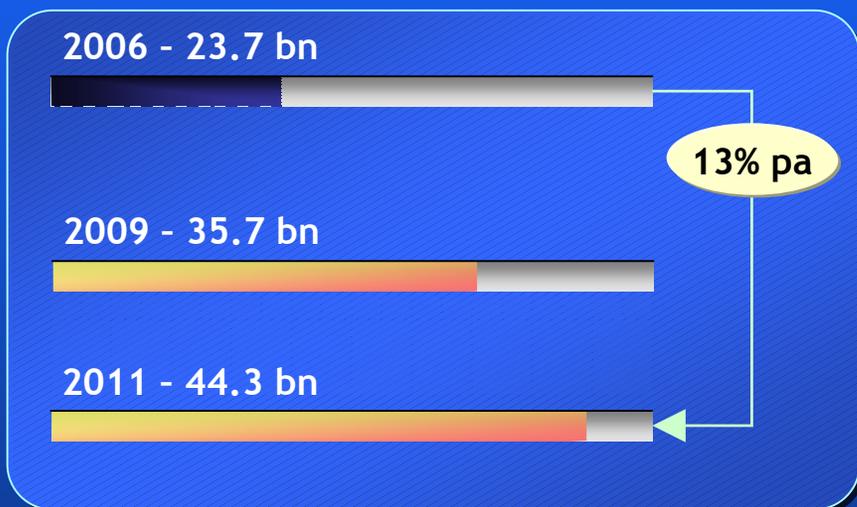
Deposits - Emporiki



Retail - Asset Management

- M/F funds of funds for diversifying risk

Asset Management - Market *



Asset Management - Emporiki **



2003-06: -8% pa

* Domestic mutual funds only

** Domestic + CAAM mutual funds - both retail & institutional

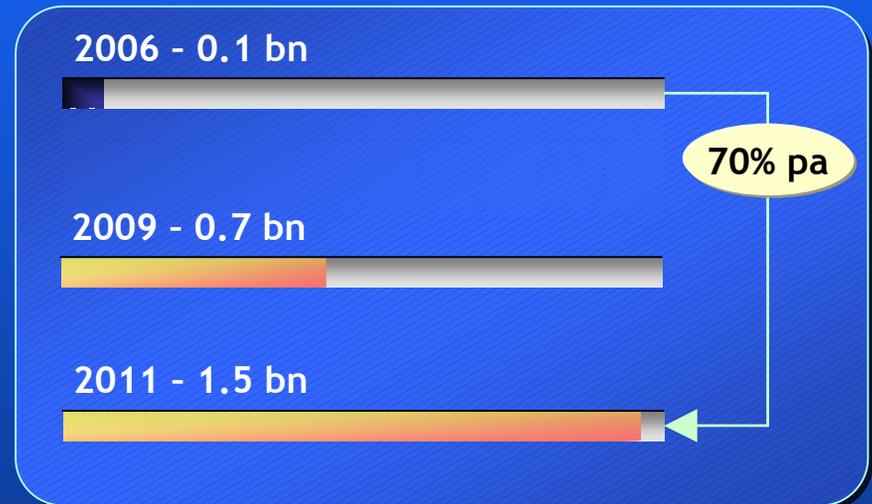
Subsidiaries - Life Insurance

- Greek market to grow at high rates, mainly due to bankassurance push

Life Insurance - Market *



Life Insurance - Emporiki *



2003-06: 10% pa

* reserve assets under management



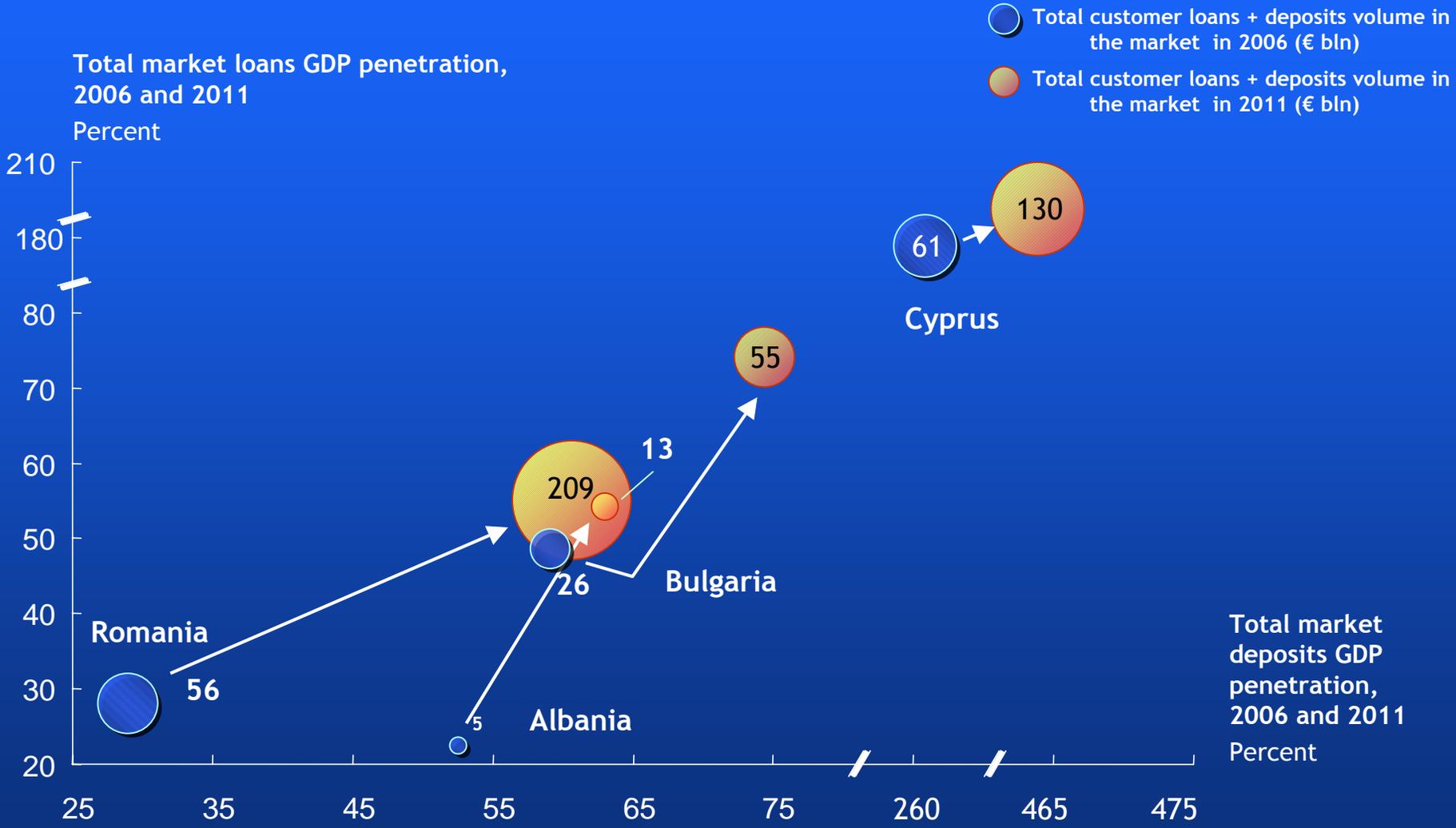
Segment Strategies

- *Retail Banking*
- *International Activities*

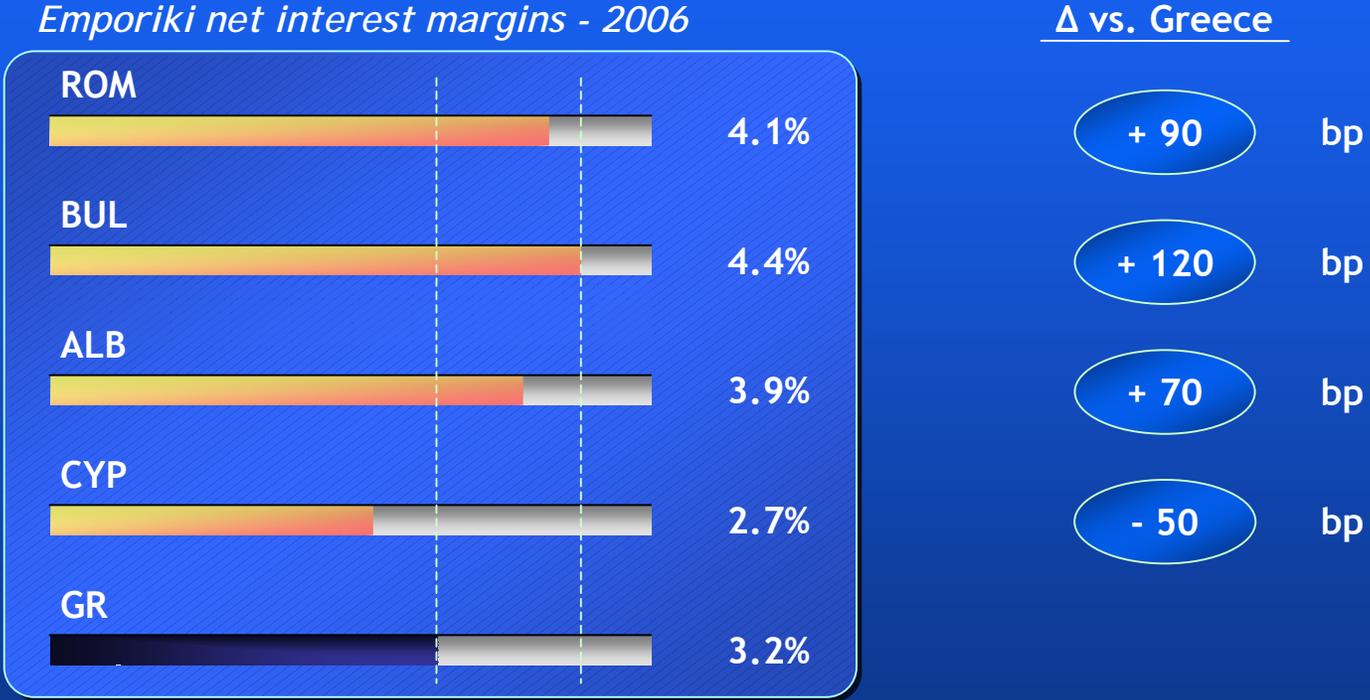
Main market trends

- **Market entry continues (new competitors) - high competition**
- **Rapid acceleration of Romanian & Bulgarian markets following EU entry - fuelling growth in other sectors (eg. Mortgages etc.)**
- **EU funding to create opportunities for major infrastructure works financing**
- **Cyprus (despite small size and market maturity) gaining interest - tax issues, off-shore money flows**
- **Albanian economy to strengthen through increased penetration from various entities planning to establish new facilities due to lower cost**

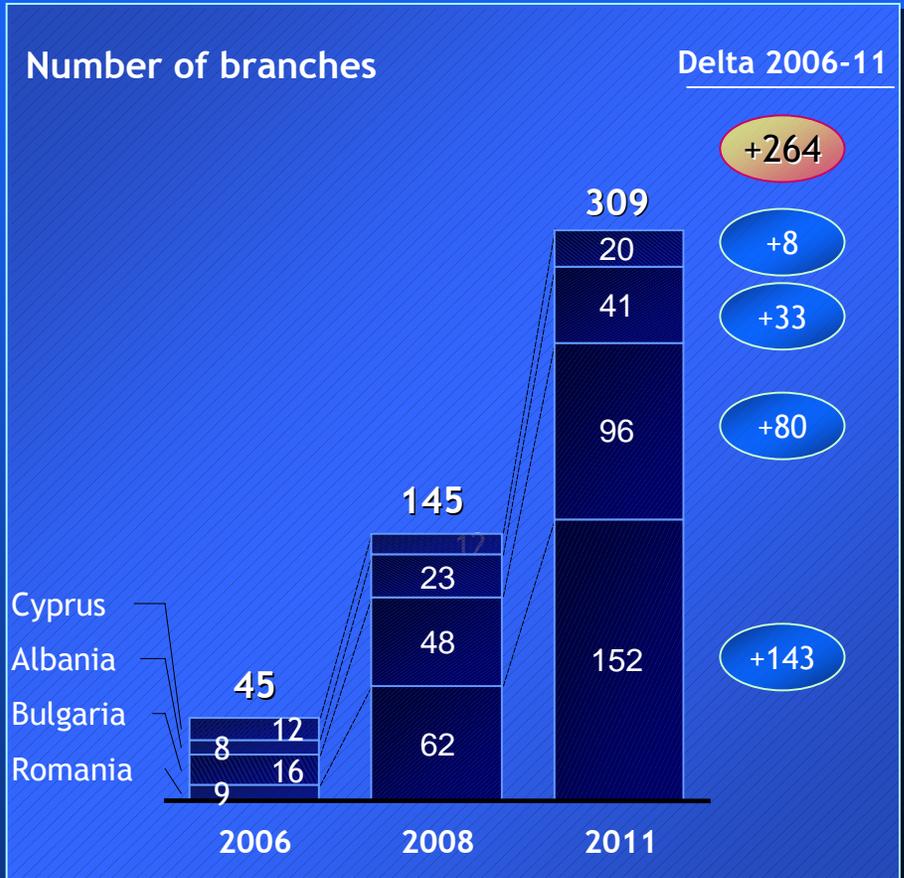
S.E. European markets expected to grow very significantly closing the gap with EU penetration



... while maintaining high interest margins to Greece despite continuing market entry:



Emporiki will follow a strong organic growth path in S.E. Europe:



... growing banking volumes at an annual rate higher than 50%:





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Capturing the bank's potential shall require actions on a number of fronts:

The pillars of the bank's transformation

Operational Transformation

Re-design processes for simplicity, speed and improved service

Organizational Transformation

Align HR strategy with bank strategy, modernizing the HR management framework

Commercial Transformation

Fully realise Emporiki's client-facing, commercial potential

Brand Repositioning

Reposition the brand to reflect the bank's new image & identity

Joint effort

Operational Transformation

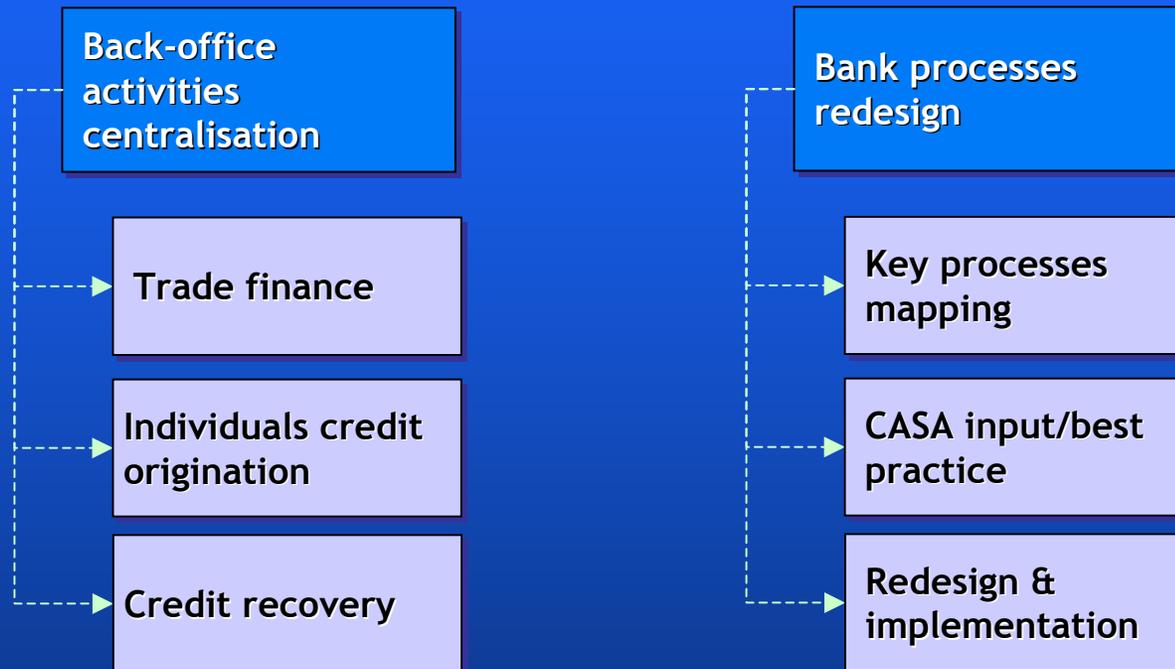
Goal

Re-design processes for simplicity, speed and improved service

Main Elements

- Free client facing staff from administrative activities
- Simplify and streamline processes for maximum efficiency
- Introduce supporting tools and applications

Key projects



Organizational Transformation

Goal

Align HR strategy with bank strategy, completely modernizing the HR management framework

Main Elements

- Redesign HR policies & practices
 - Selection & Development
 - Compensation & Benefits
 - Employee relations
 - HR operations
- Develop new HR procedures to accommodate strategic business needs
- Optimize distribution of human resources

Key projects

Selection, Training & Development

New selection process

New performance management framework

Individual & team improvement objectives

Compensation & Benefits

Merit rather than seniority based

High performance recognition

Results driven

Optimisation of HR distribution

Customer oriented

Internal "job market"

Technology enabled allocation

Internal Communication

Integrated Approach

Top-down & bottom-up

New tools

Commercial Transformation

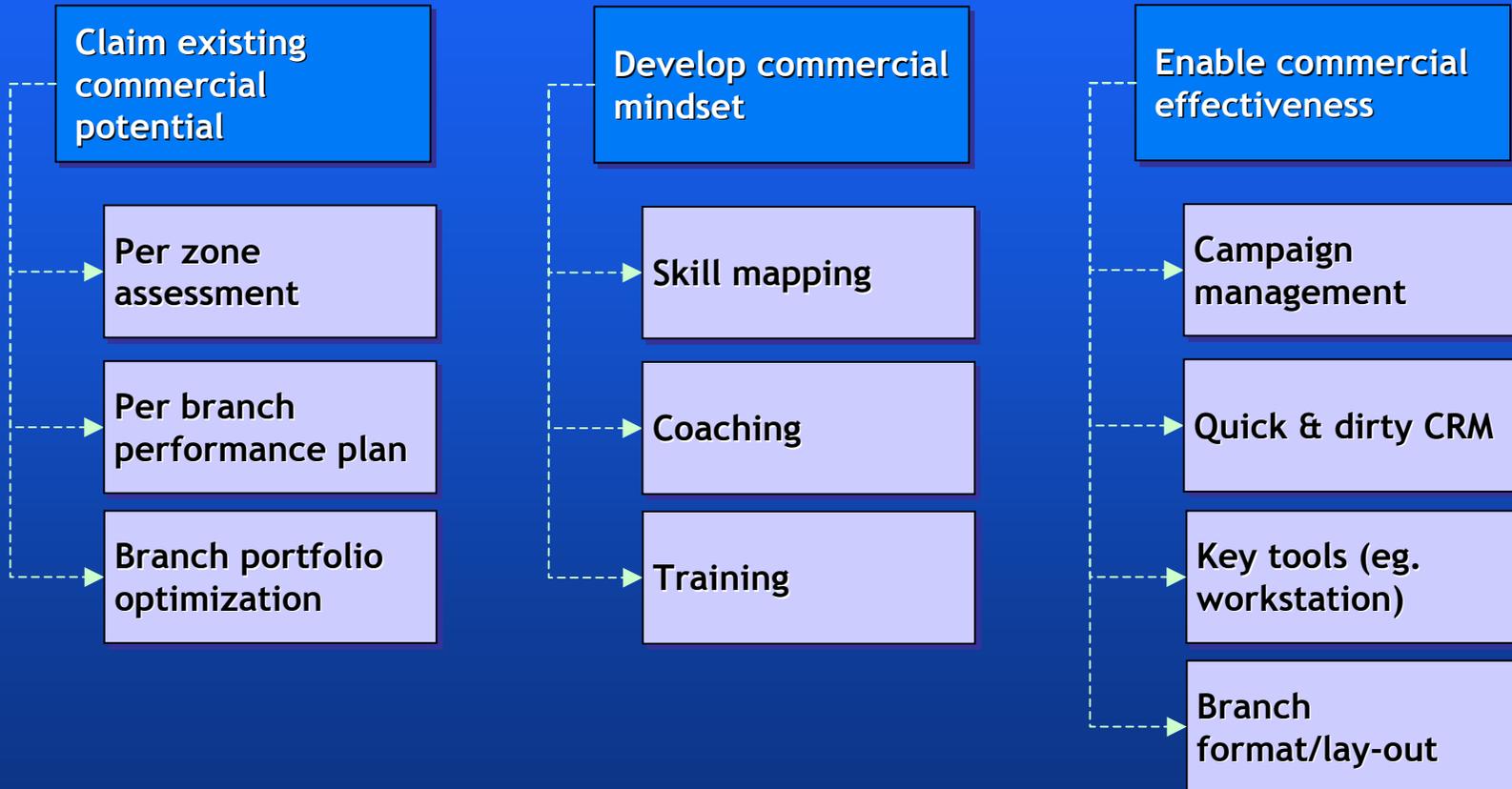
Goal

Fully realise
Emporiki's
commercial
potential

Main Elements

- Rebalance client facing/back-office staff
- New workstation and selling tools
- “Business line” product offerings
- Active sales management

Key projects



Brand Repositioning

Goal

Reposition the brand to reflect the new image & identity of the bank

Main Elements

- New corporate identity
 - values
 - brand structure
 - visual elements
 - communication
 - advertising/merchandising
- Brand repositioning
- Internal values & culture

Key projects





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Financial Summary

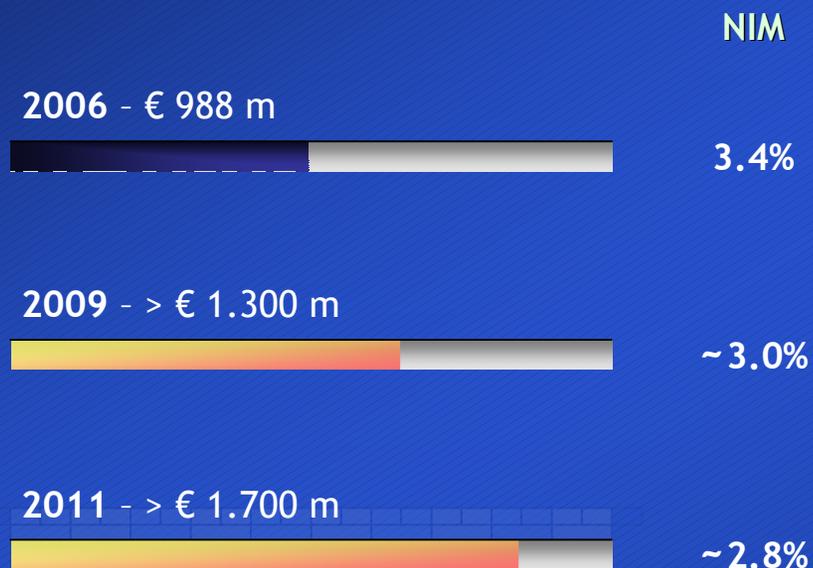
- Key financial indicators:

	<u>2006</u>	<u>2009</u>	<u>2011</u>	<u>CAGR %</u>
Net Banking Income	988	> 1300	> 1700	> 11%
Gross Operating Income *	316	> 600	> 900	> 23%
Return on Average Equity *	6,0%	> 20.0%	> 22.0%	

* Before one-off alignment with CAsa practices adjustment

Group Net Banking Income

- Emporiki Group top line to grow by more than 11% p.a., with >20% generated by key subsidiaries



Main growth drivers 07-11

- Favorable economic environment, with growth rates above avg European ones
- Effective exploitation of the bank's extensive 425 branches network and 1.2 m active customer base
- Commercial and operational transformation of the bank through an intensive integration process
- Group Net Banking Income to almost double in the 5-year period

Group Net Banking Income - breakdown *

- Combined local subsidiaries and international contribution increase

Bank -Subsidiaries - International

2006



2009



2011



- Diversified revenue-base
- Set to exploit opportunities in the Balkans
- Domestic market remains in focus

* Excluding Phoenix Metrolife in 2006

Group Loans - breakdown by segment

- Focus on retail lending market

Retail - SME - Corporate

2006



[%] 45:30:25

2009



[%] 49:29:22

2011



[%] 51:28:21

Mortgage loans

- Flagship product for commercial growth
- Market share at ~10.6 % in 2011 vs 9.5% in 2006, to derive also from cross selling

Consumer loans

- Higher than natural market share achieved with Cedicom, to reach >11.5% in 2011 from current 9.6%

Business loans

- Increased focus on SME loans, market share at ~11% in 2011 vs 9% in 2006
- Maintaining market share in large corporates at ~12.6%

Group Cost to Income Ratio

- Decreasing cost/income ratio

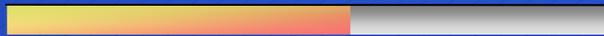
2006



C/I

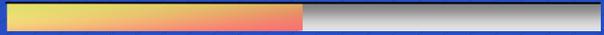
68%

2009



<57%

2011



<50%

Major trends

- Gradual reduction of C/I ratio to a comparable level with peers
- Effective cost management with efficiency improvements
- The restructuring costs are forecast to be around €200m in the 5-year period

Gross Operating Income

- Constantly improving performance

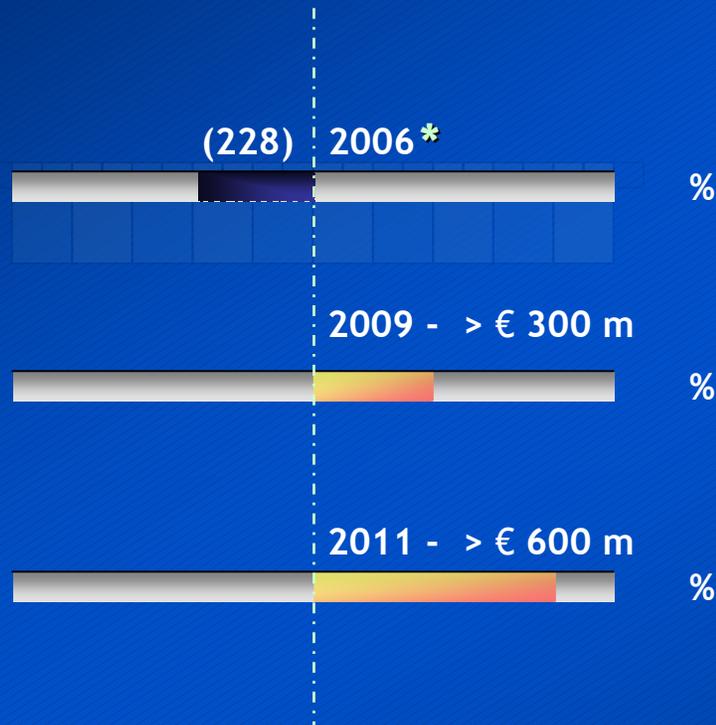


Major trends

- Gross Operating Income tripling in 5-years
- 22% growth per annum
- Containment of operating costs

Profit before Tax

- PBT to exhibit a 30% CAGR 06-11 bfr. extraordinary costs



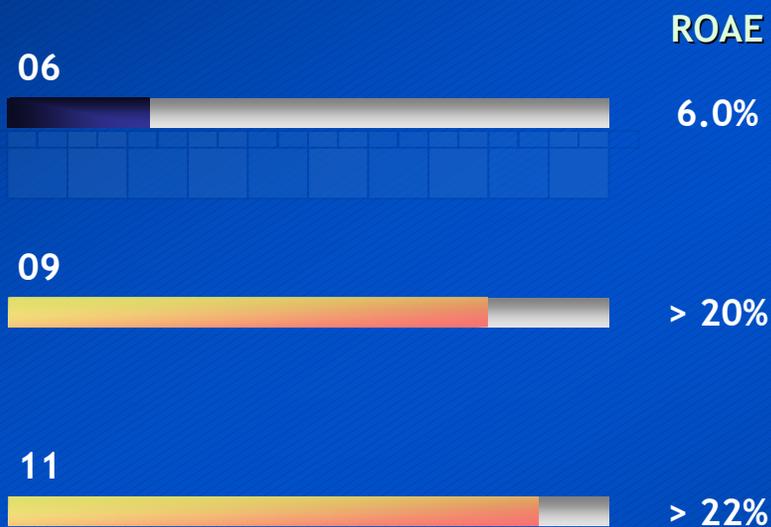
Major trends

- PBT in 2006 stood at 158.6 mn, excluding one-off alignment costs
- PBT will benefit from strong top line growth and cost containment
- Provisions to align Emporiki with the standards of Credit Agricole Group

* one-off alignment with Casa practices adjustment of 366 mn

ROAE - before extraordinary costs

- ROAE expected to quadruple at the end of the period



Business Plan 2007-11



Annex

Financial ratios

	2006	2009 e	2011 e
Loans/Deposits	110%	> 120%	~ 130%
Risk Weighted Assets	16,896	~25,000	~34,000
Tier I ratio	8.1%	~ 6.3%	~ 6.4%
Tier II ratio	9.7%	~ 8.3%	~ 8.0%
Cost/Income	68%	< 57%	< 50%
ROAE	N/R	< 20%	< 22%
ROAA	N/R	> 0.60%	> 0.80%
RORWA	N/R	~ 1.0%	~ 1.3%
NIM	3.4%	~ 3.0%	~ 2.8%

Group Credit Risk cost assumptions

Doubtful* loan rate

Greece

06 - 10%

11 - ~ 8.2%

- 180bp

International

06 - 6.6%

11 - ~4.8%

-220bp

Doubtful* loan coverage ratio

Greece

06 - 62.2%

11 - 69%

+6.8

International

06 - 76.1%

11 - 84%

+7.9

* Loans delayed for more than 180 days for mortgages or for more than 90 days for the rest of the loans

Group Credit Risk cost assumptions

Ordinary credit risk cost/avg. RWA

Greece

06 - 1.1%



11 - ~ 0.9%



International

06 - 0.4%



11 - 1.5%



Ordinary credit risk cost/total year-end loans (%)

Greece

06 - 0.9%



11 - 0.6%



International

06 - 0.3%



11 - 1.3%

