

ATEbank



AGRICULTURAL BANK OF GREECE

1st Half 2007 results presentation

August 2007

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SECTION 1

Highlights of the period

Highlights of the period

- ◆ **SIGNIFICANT IMPROVEMENT IN ALL FRONTS COMPARED TO ONE YEAR EARLIER**
- ◆ **Remarkable Net Profits Growth by 61.9%** (36.8% on a recurrent basis)
- ◆ **Accelerating Customer Loans growth by 20.7%**, despite write-offs of €395m
- ◆ **Household lending continues to expand well above market rate (+28.5%).**
Mortgage Lending expands significantly (+29.7%) while **Consumer lending** accelerates further (+35.5%)
- ◆ **Customer deposits grow at high rates (+10.2%),** while the funding cost is still at very low levels (1.84%)
- ◆ **Net Interest Margin remains at very satisfactory levels (3.34%),** despite high competition in the market
- ◆ **Efficiency ratios show continuous improvement (cost/income down to 57.3% on a recurrent basis).**
The percentage increase of total cost (+11%) is seasonal and is expected to be significantly reduced by Q4
- ◆ **Reduction of NPLs below 10% for the first time (9.6%) with Coverage Ratio at comfortable levels (85.2%)**
- ◆ **Sustained Capital Adequacy with Tier 1 ratio at 11.0%**
- ◆ **ROE at 19,5% (17.6% on a recurrent basis) and ROA at 1.20%(1.08% on a recurrent basis)**

Summary financials

Balance sheet and regulatory capital

Selected figures

€m, as of	30 Jun 2007	30 Jun 2006	Growth (%)
Total assets	22,127	20,250	9.3
Gross customer loans	15,810	13,101	20.7
Net customer loans	14,518	11,492	26.3
Customer deposits	19,098	17,331	10.2
Shareholders equity	1,376	1,114	23.5
Tier I capital (estimate)	1,238	1,126	9.9
Risk-weighted assets	11,227	9,238	21.5

Selected ratios

%, as of	30 Jun 2007	30 Jun 2006
Gross customer loans / customer deposits	82.8	75.6
NPL ratio	9.6	14.3
Provision coverage	85.2	85.7
Tier I capital ratio	11.0	12.2

Income statement

Selected figures

€m, for 6 month period ending	30 Jun 2007	30 Jun 2006	Growth (%)	Growth on recurrent Basis (%)
Total operating income	480.4	404.3	18.8	21.6
of which: Net interest income	310.6	280.6	10.7	10.7
of which: Non-interest income	169.8	123.7	37.2	52.6
Operating expenses	(264.7)	(238.6)	11.0	11.0
Impairment losses	(44.1)	(30.0)	46.9	23.6
Net profit attributable to shareholders	133.0	82.1	61.9	36.8

Selected ratios – Recurrent basis

%, for 6 month period ending	30 Jun 2007	30 Jun 2006
Net interest margin ¹	3.34	3.15
Cost/income ratio ²	57.3	62.8
Return on equity ³	17.6	14.65
Return on assets ⁴	1.08	0.85

Notes:

- 1 Net interest income over average interest earning assets (calculated on monthly basis)
- 2 Operating expenses over operating income
- 3 Net profit attributable to shareholders over average shareholders equity (calculated on quarterly basis)
- 4 Net profit attributable to shareholders over average assets (calculated on quarterly basis)

Financial targets 2007–2009

H1 2007 results in line with targets

- ◆ Total Loan Growth at least 10% CAGR (after write-offs)
- ◆ Deposits Growth around 7% CAGR
- ◆ NII Growth around 11% CAGR
- ◆ Cost Growth around 4% CAGR
- ◆ Cost of Risk around 45-50bps
- ◆ Net Profits Growth around 25% CAGR

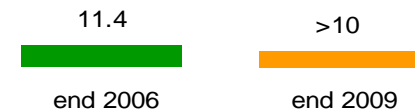
- ◆ Return on average equity at least 20% by the end of 2009

Return on average equity (%)



- ◆ Tier 1 ratio in excess of 10%

Tier I ratio (%)



- ◆ Growing income combined with tight cost control expected to lead to an improved cost/income ratio around 52% by the end of 2009

Cost income ratio (%)



- ◆ Sharp decline of NPL ratio to below 6% by the end of 2009

NPL ratio (%)



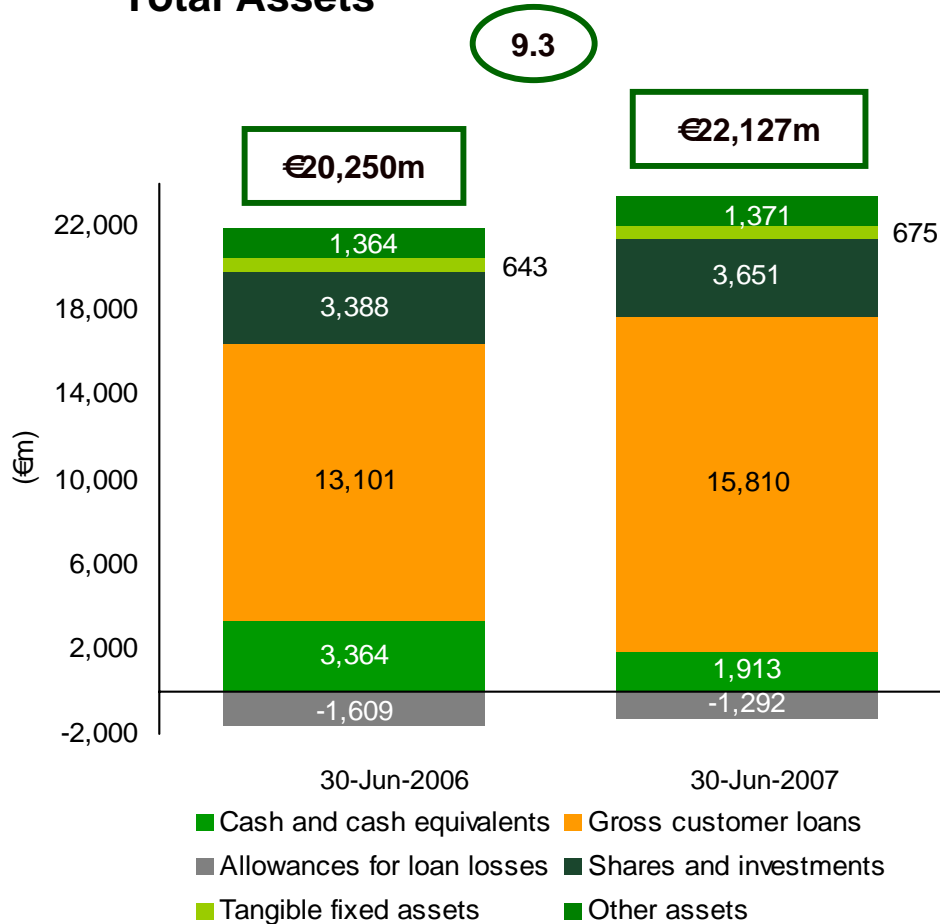
SECTION 2

Financial review

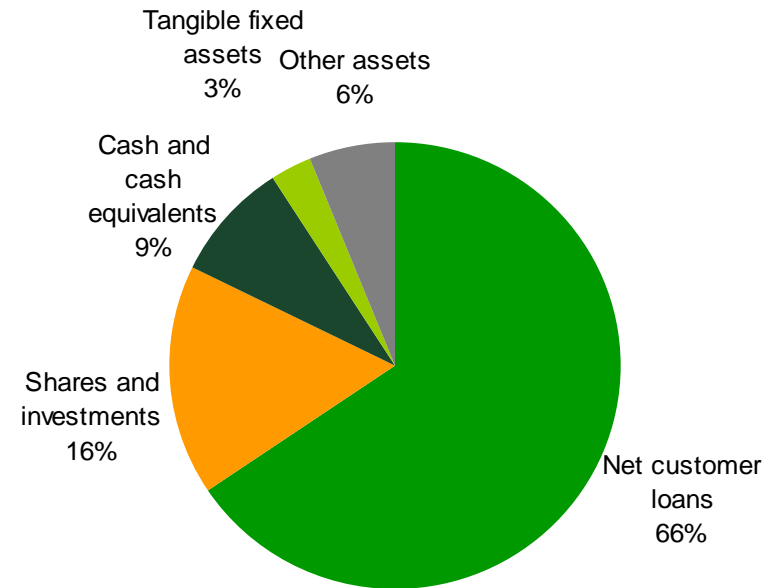
Asset base

Robust asset base

Total Assets



Asset mix

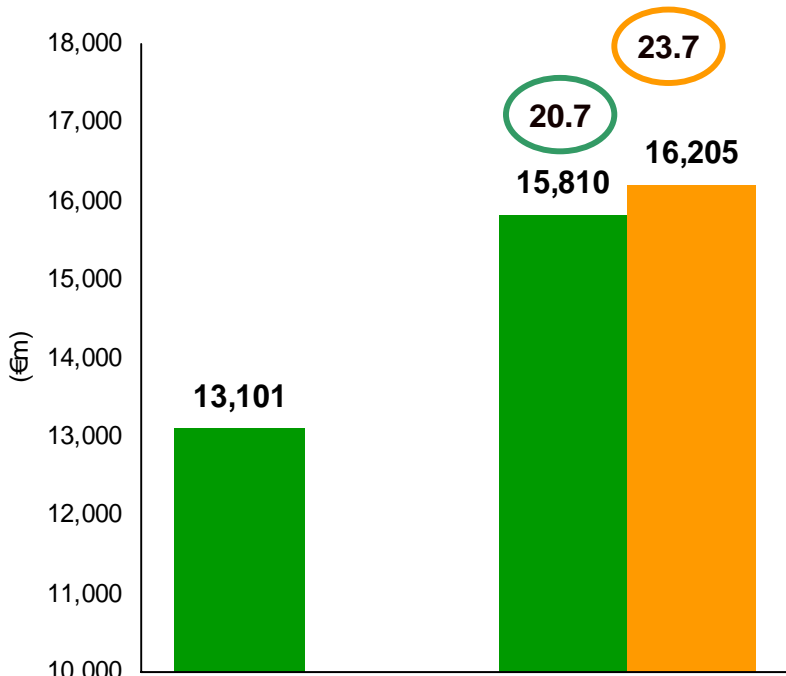


○ Growth 30 Jun 2006– 30 Jun 2007 (%)

Customer lending

Household lending now represents the biggest loan segment (34%)

Customer loans



30-Jun-2006 30-Jun-2007

■ Gross ■ Gross adjusted for write-offs¹



○ Growth 30 Jun 2006–30 Jun 2007 (%)

○ Growth 30 Jun 2006–30 Jun 2007 (%) adjusted for write-offs

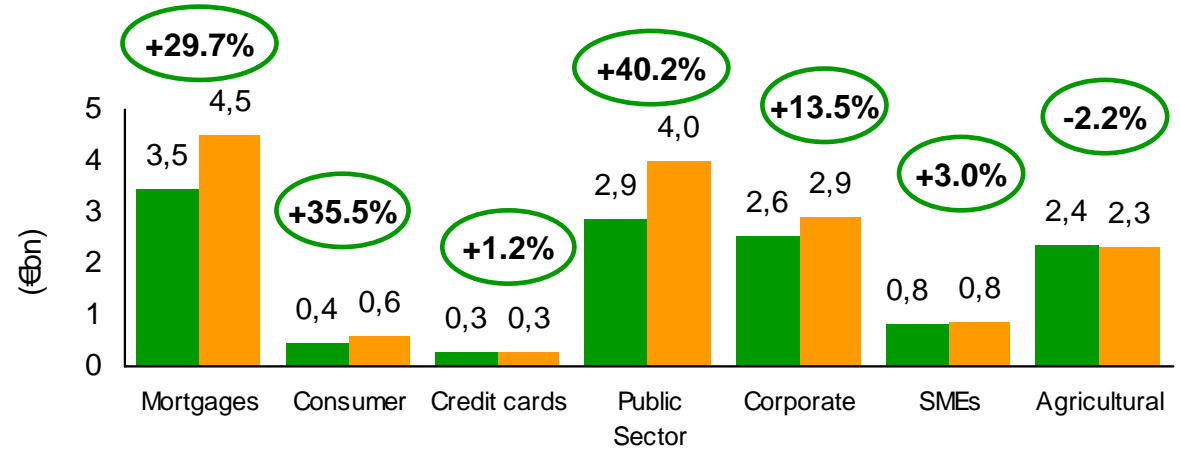
Notes:

1 Adjusted for €395 million write-offs in the period 01.07.06-30.06.07

2 Bank only figures



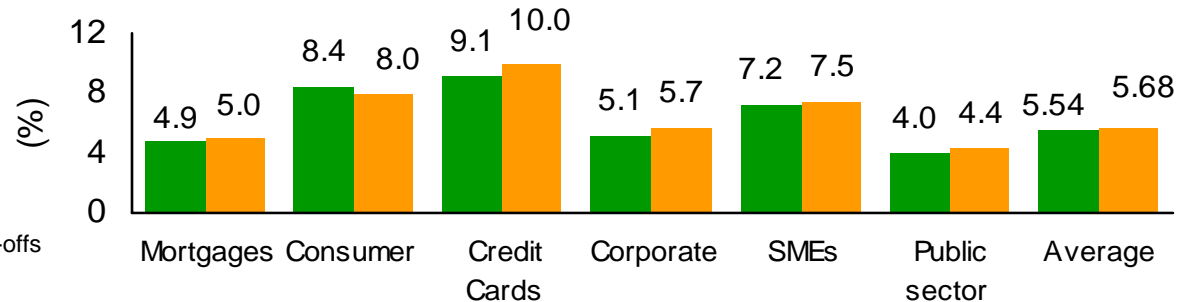
Loan Breakdown



■ 30-Jun-06 ■ 30-Jun-07

○ Growth 30 Jun 2006–30 Jun 2007 (%)

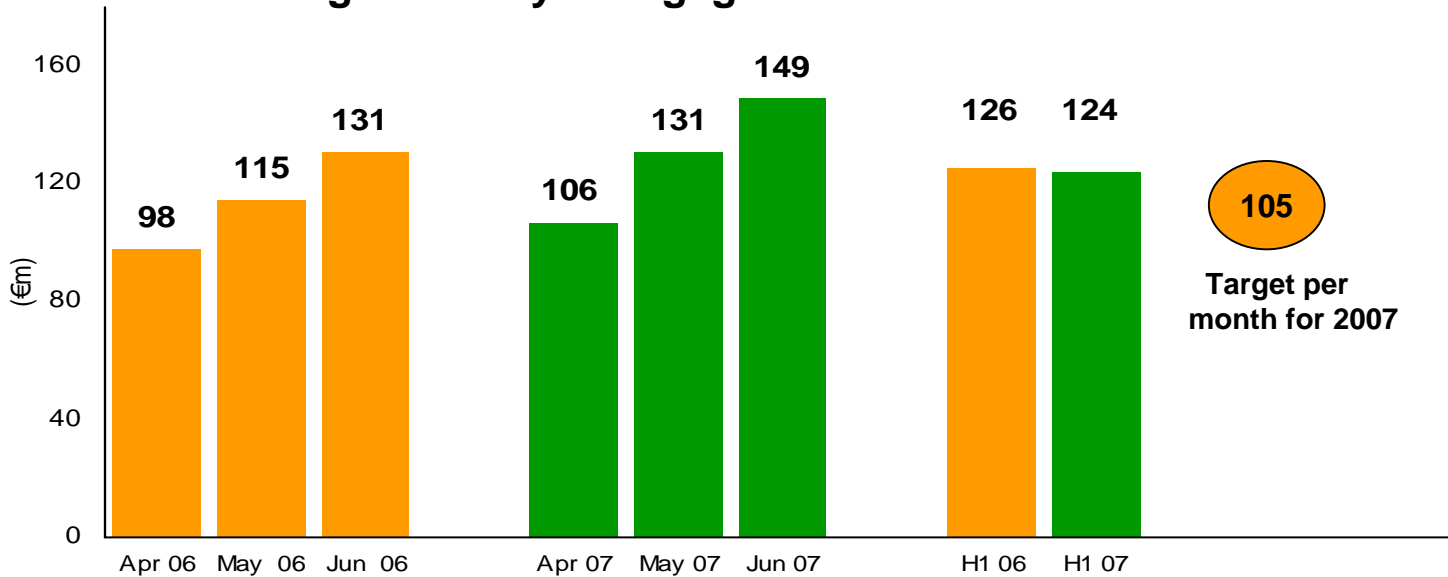
Nominal interest rates on loans² (end of period)



■ 30-Jun-06 ■ 30-Jun-07

Household Lending

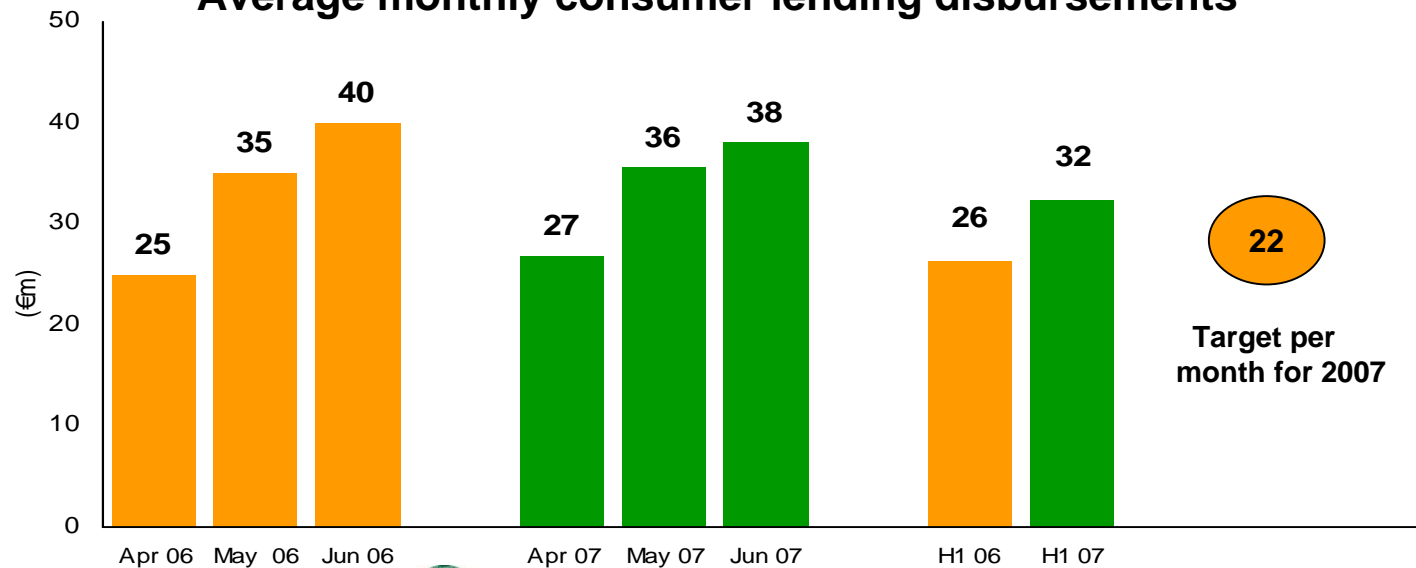
Average monthly mortgage disbursements



Mortgage lending continues to grow at very high rates

The Average monthly Q2 07 mortgage disbursements are up by 12.3% compared to Q2 06

Average monthly consumer lending disbursements



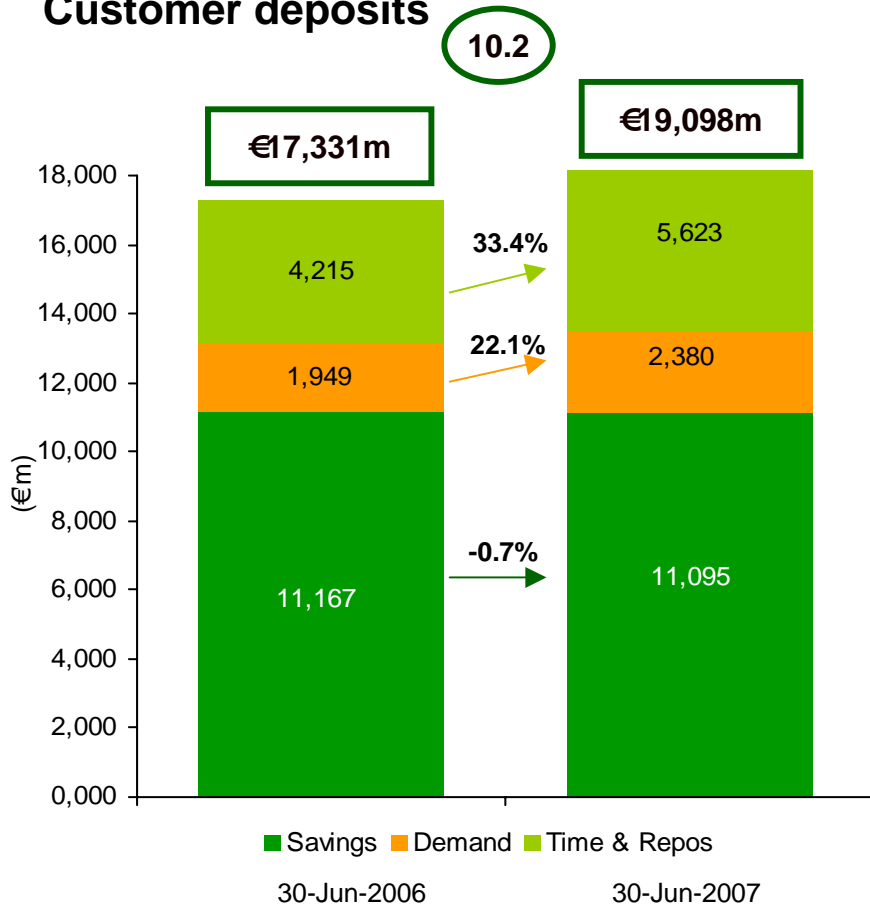
Consumer lending growth accelerates

H1 07 consumer lending disbursements are up by 23.3% compared to H1 06

Customer deposits

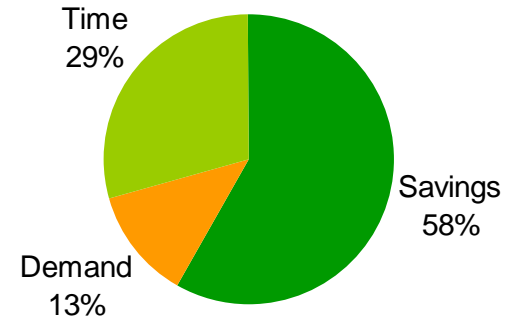
Funding cost still one of the lowest in Greece despite heavy competition

Customer deposits

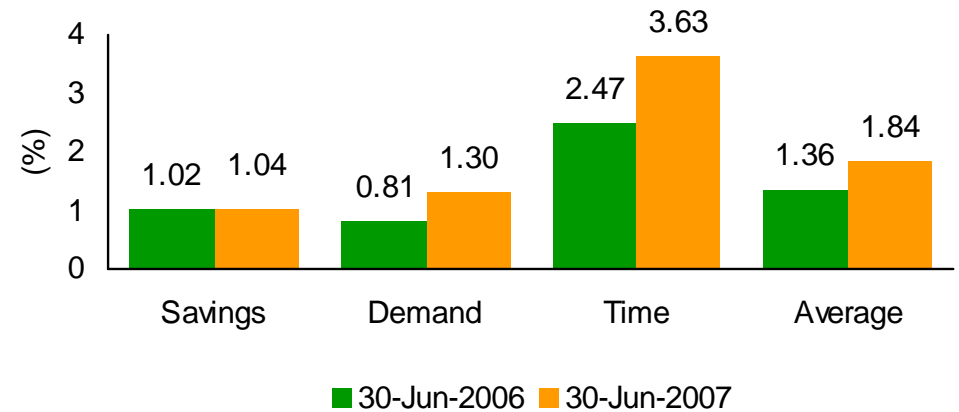


○ Growth 30 Jun 2006–30 Jun 2007 (%)

Deposit mix



Interest rates on deposits (end of 6 month period)

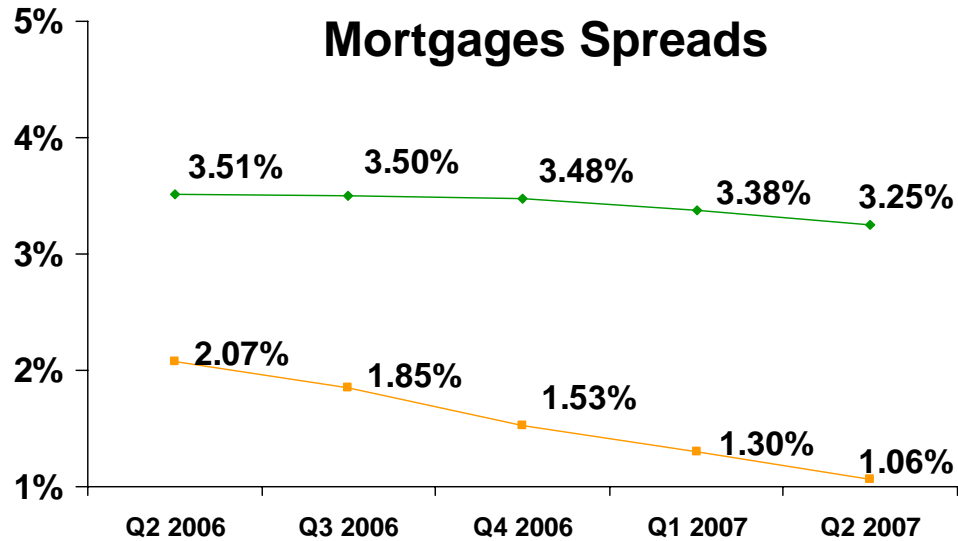


■ 30-Jun-2006 ■ 30-Jun-2007

Spreads

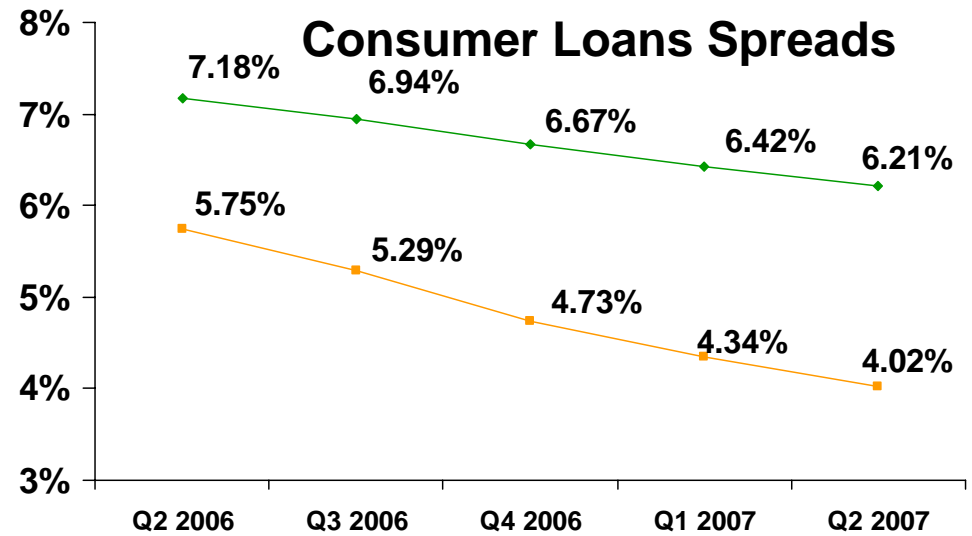
Loan spreads still under pressure, but ATEbank is in a better position than the market due to its low cost of funding

Mortgages Spreads



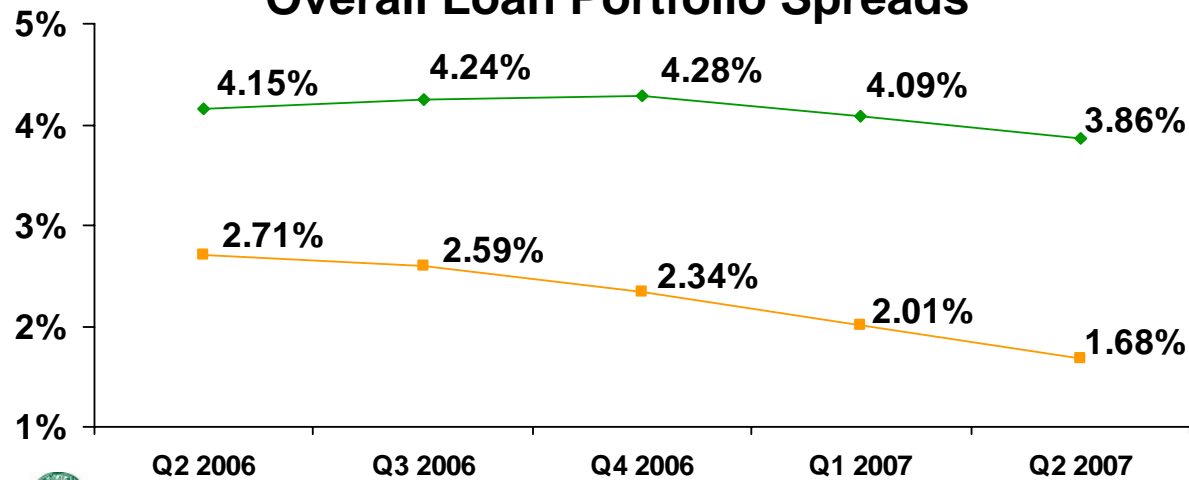
◆ Spread over ATEbank's deposits cost ■ Spread over Average 1M Euribor

Consumer Loans Spreads



◆ Spread over ATEbank's deposits cost ■ Spread over Average 1M Euribor

Overall Loan Portfolio Spreads

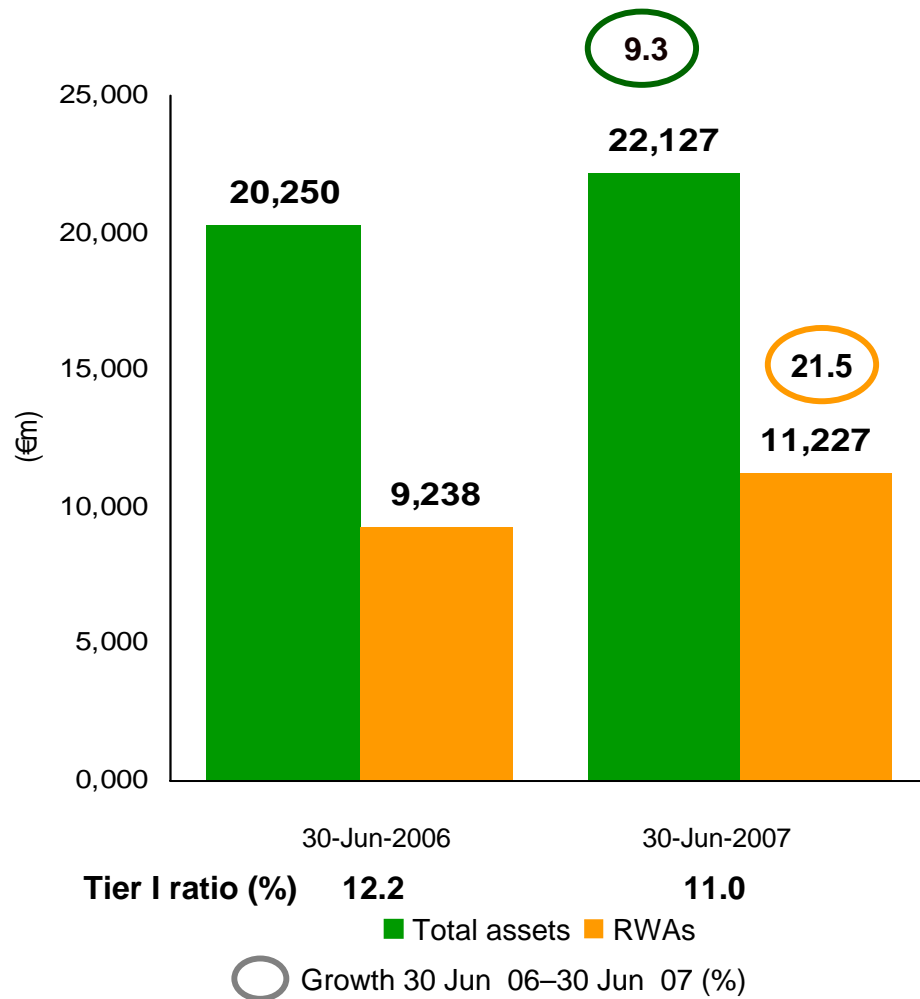


◆ Spread over ATEbank's deposits cost ■ Spread over Average 1M Euribor

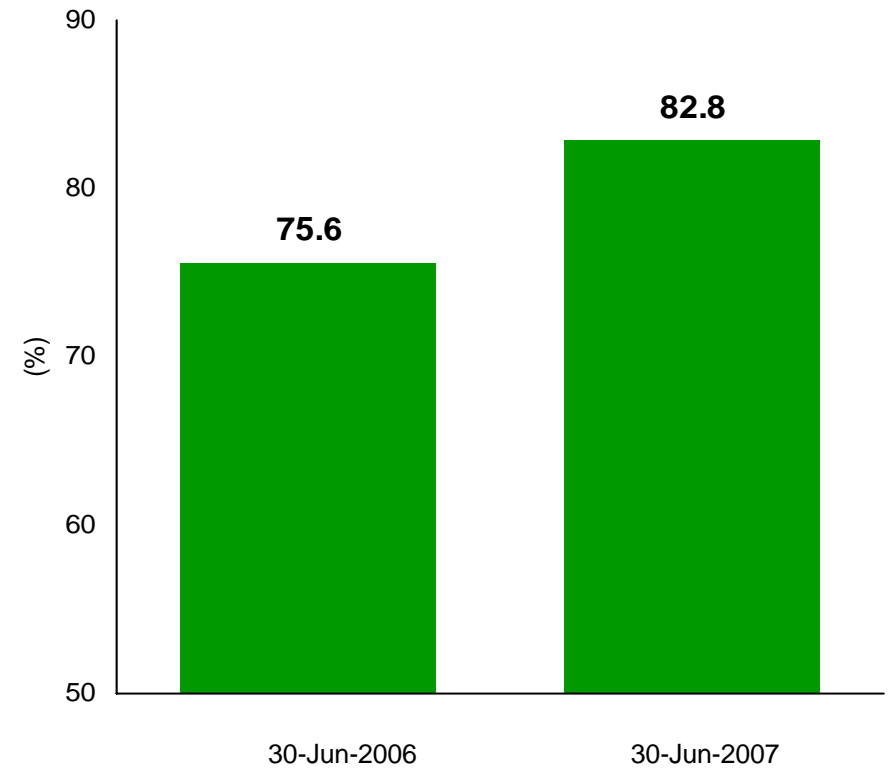
Capital position

Loans / Deposit ratio still at low levels

Risk weighted assets



Loans/deposits ratio ¹



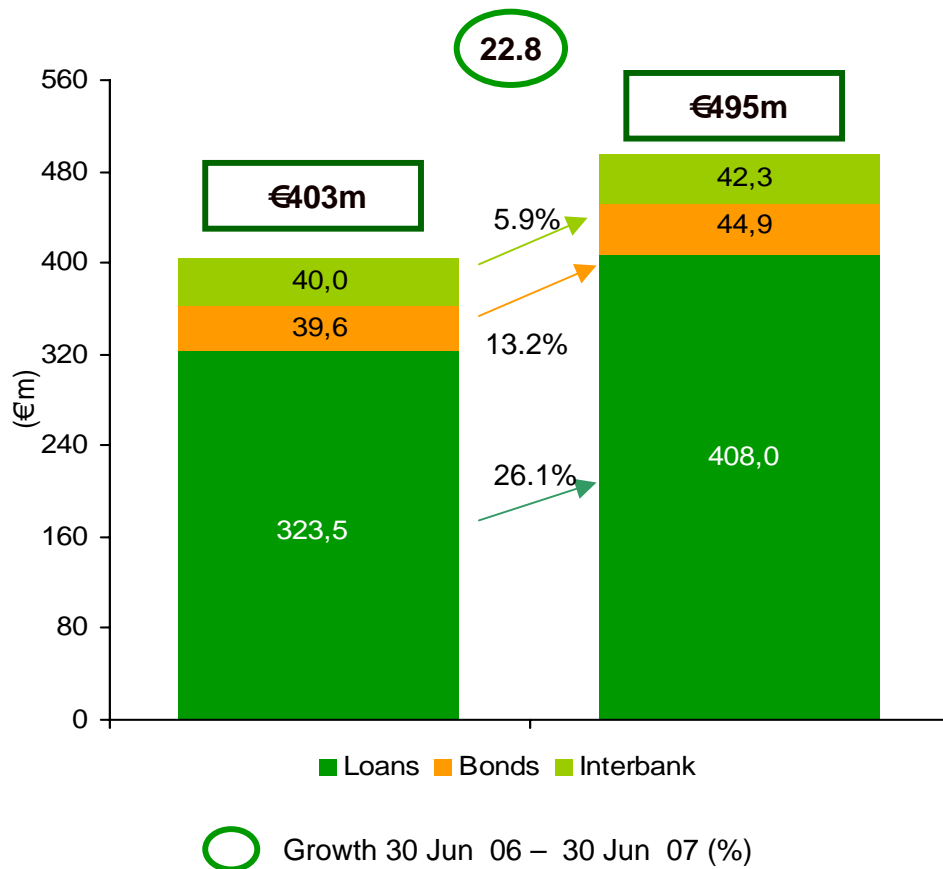
Note:

1 Gross customer loans over customer deposits

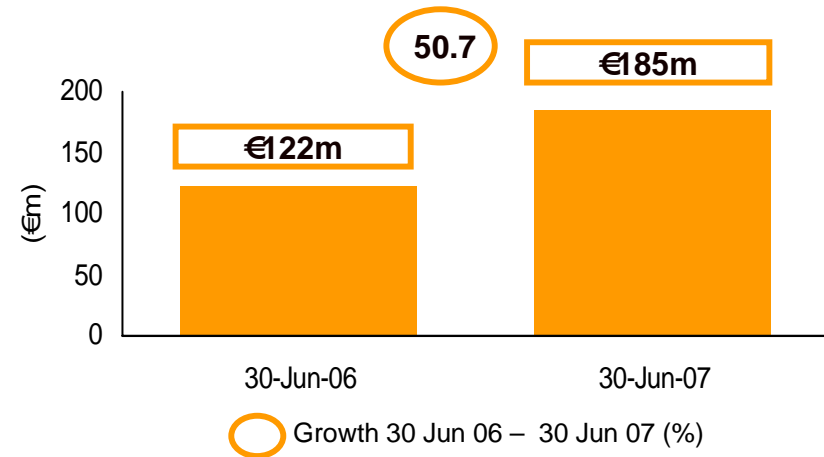
Net interest income

NIM at satisfactory levels

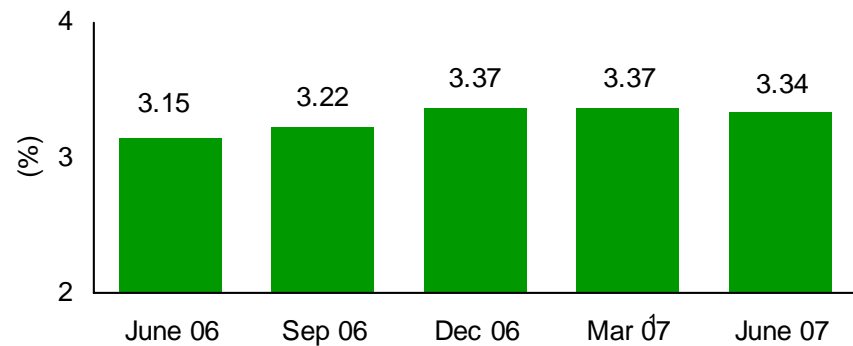
Interest income



Interest expense



Net interest margin¹



Note:

1 Net interest income over average interest earning assets (calculated on quarterly basis)

Non-interest income

Non-interest income items represent 35% of total operating income

	(€m)		Comment
	30 Jun 2007	30 Jun 2006	
Net fee and commission income	43.1	37.2	◆ Fee and commission income and expenses from banking and non-banking products
Net trading income	44.6	(5.2)	◆ Gains and losses from financial transactions
Income from investments	18.6 ¹	22.6 ²	◆ Gains and losses from disposal of financial assets available-for-sale
Dividend income	21.2	20.7	◆ Dividend income derived mostly from available-for-sale securities
Other operating income	42.3	48.4 ³	◆ Revenue from sale of goods, insurance contracts and other
Total non-interest income	169.8	123.7	(+ 37.2%)

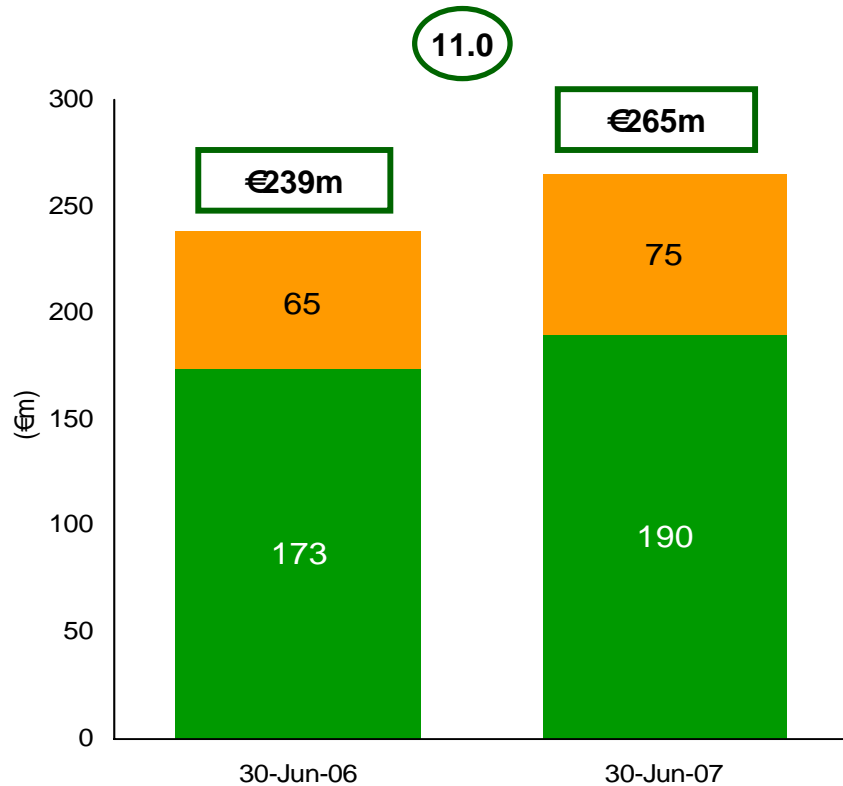
Notes:

- 1 It includes €18.5m derived from the sale of part of available for sale portfolio.
- 2 It includes €19.4m derived from the sale of part of available for sale portfolio.
- 3 It includes €5.1m derived from a reversal of provision for contingent liability

Operating expenses

Cost/Income ratio continuously improves

Operating expenses

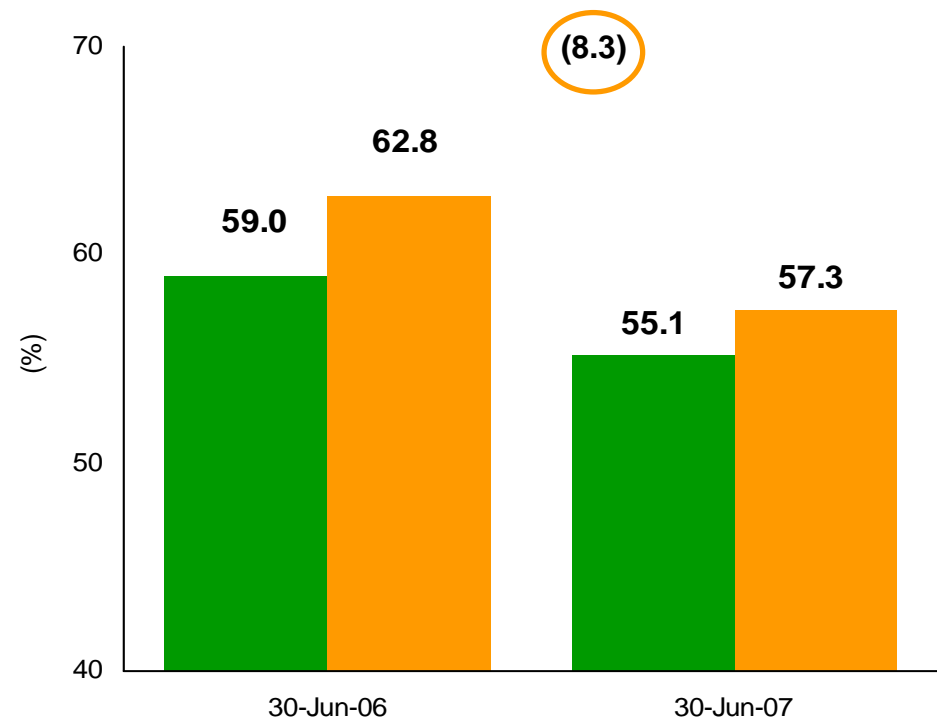


■ Personnel expenses ■ Other operating expenses

Employees¹ 10,141 (6,217 Bank) 9,317 (6,220 Bank)

○ Growth 30 Jun 06 – 30 Jun 07 (%)

Cost income ratio²



■ Reported ■ Adjusted

○ Growth 30 Jun 06- 30 Jun 07 (%)
on recurrent basis

Notes:

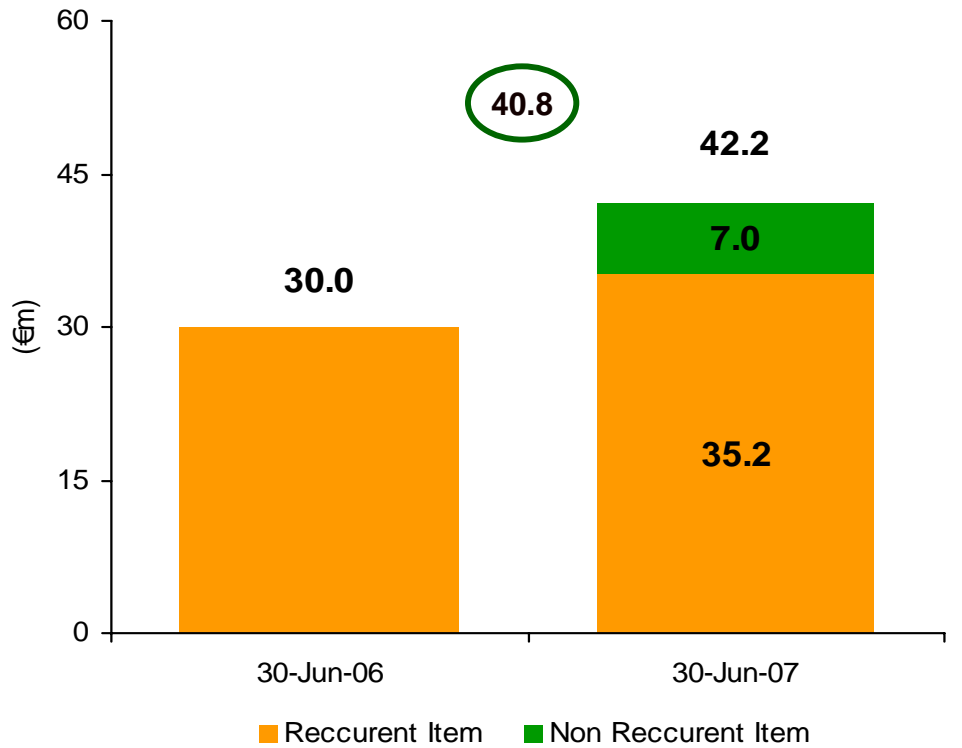
1 Number of employees at the end of the period (excluding employees of FBB, AIK Banka & SEKAP which are not fully consolidated)

2 Operating expenses over operating income

Impairment losses on loans

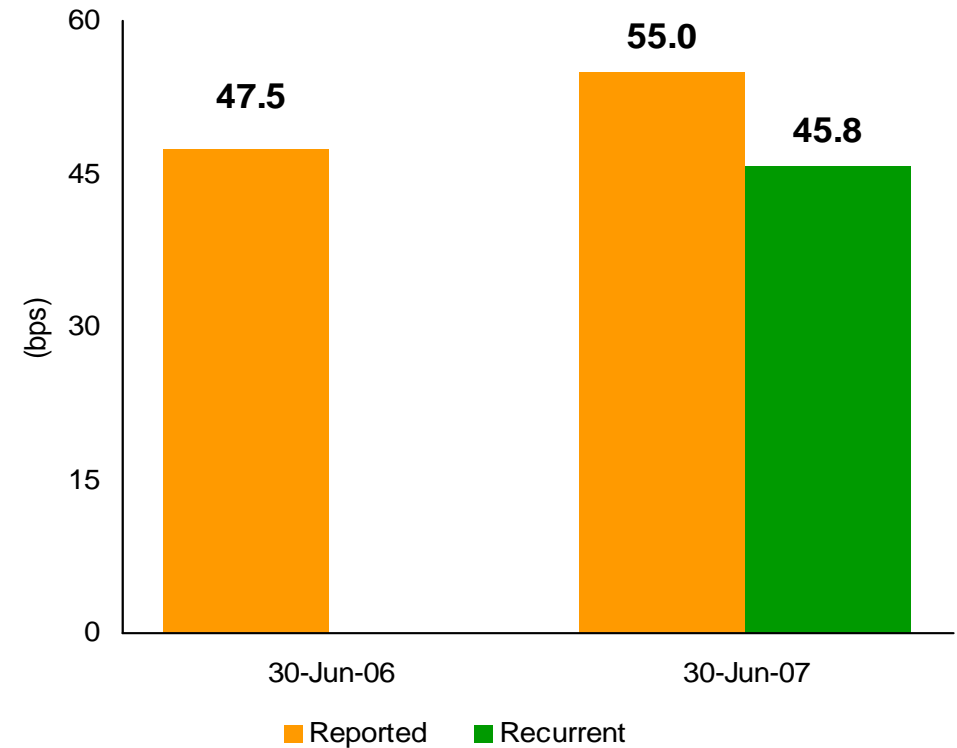
Provision charges within annual target on a recurrent basis

Impairment losses on loans



○ Growth on a recurrent basis 30 Jun 06 – 30 Jun 07 (%)

Cost of risk ¹



(without the provision for future securitisation of NPLs)

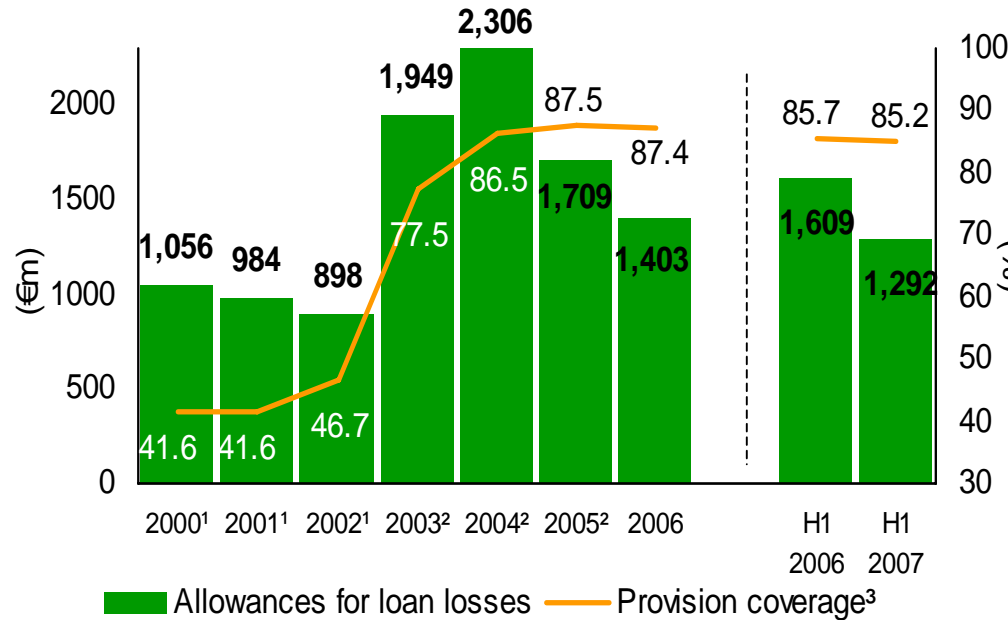
Notes:

1 Impairment losses on loans over average gross customer loans.

Provisions - NPLs

NPLs below 10% for the 1st time

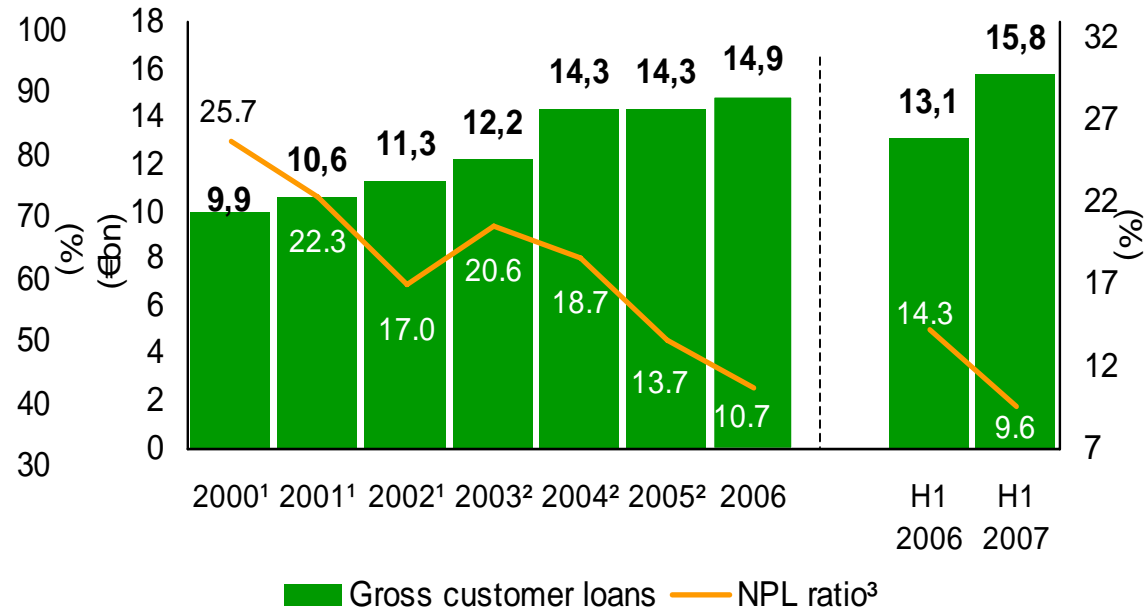
Provisioning level



Notes:

- 1 Greek GAAP
- 2 IFRS
- 3 Allowances for loan losses over non-performing loans

Non-performing loans



Notes:

- 1 Greek GAAP
- 2 IFRS
- 3 Defined as loans in arrears for over a period of 180 days over gross customer loans

H1 2007 NPLs: €1,516m

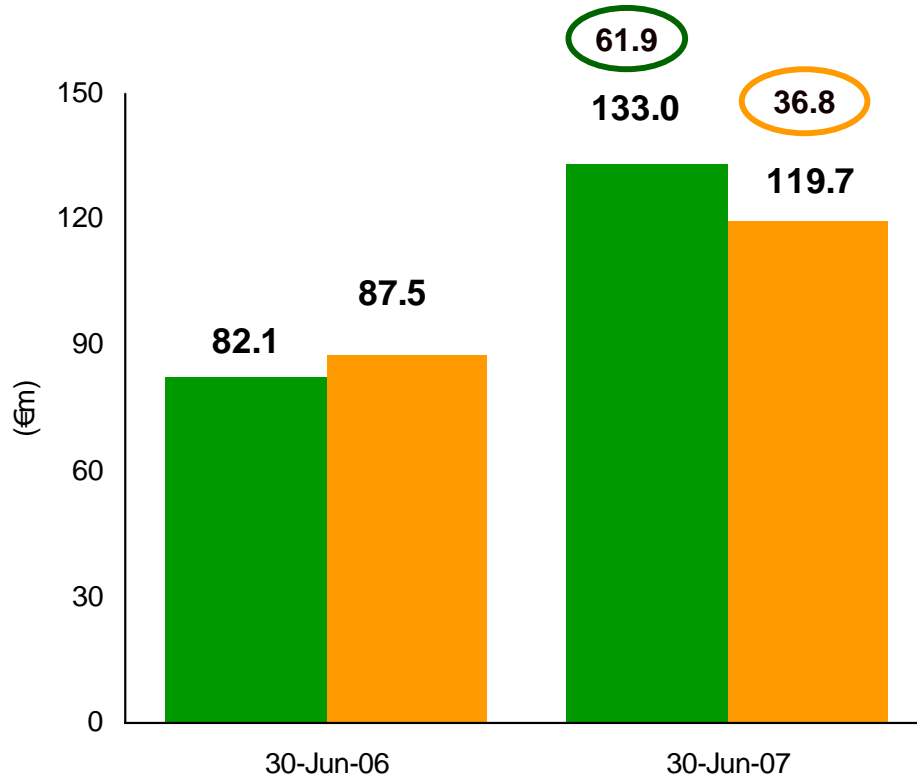
H1 2006 NPLs: €1,876m

◆ Further improvement in asset quality will continue due to loan restructurings and write-offs

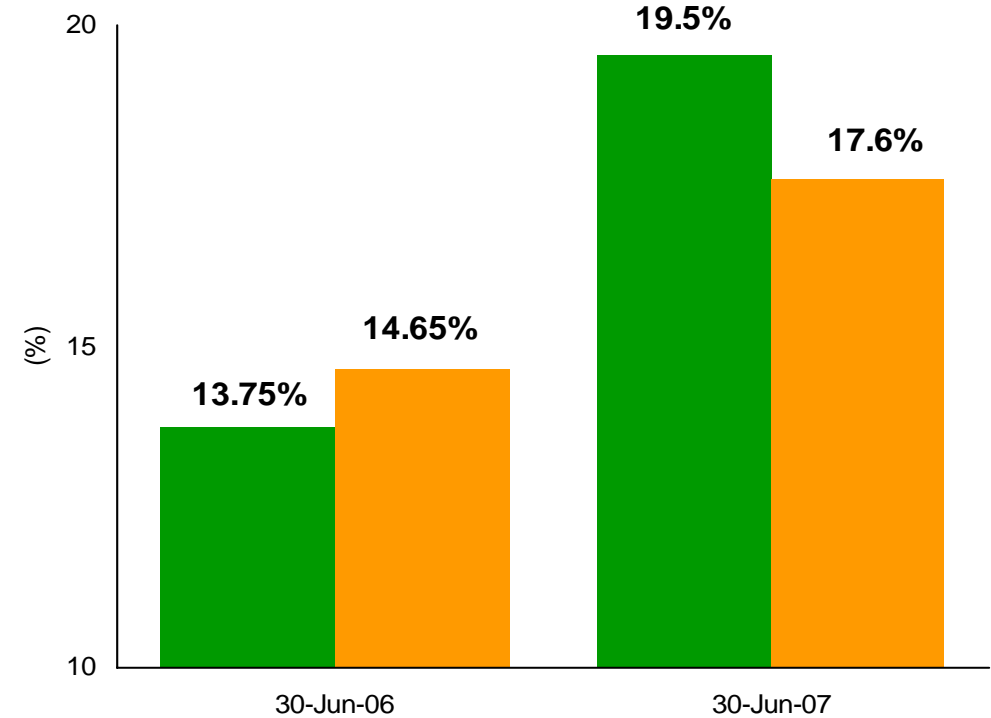
Profit of the period

Significant profit & ROE growth

Profit attributable to shareholders¹



Return on equity²



■ Reported ■ Adjusted for non-recurring items

○ Growth on reported basis 30 Jun 06 – 30 Jun 07 (%)

○ Growth on recurrent basis 30 Jun 06 – 30 Jun 07 (%)

■ Reported ■ Adjusted for non-recurring items

Notes:

1 Profit after tax and minorities

2 Net profit attributable to shareholders over average shareholders equity (calculated on quarterly basis)

Contribution by Consolidated Subsidiaries

ATEBANK Group €m, as of end of period ending 30 June 2007	Total assets	Gross operating result	Net income	Direct and indirect participation (%)
Agricultural Bank of Greece	21.263	421,4	122,9	n/a
ATE Insurance	688	27,5	5,2	84
ATE Leasing	336	4,6	2,1	100
ATE Cards	18	6,0	1,4	100
ATE Securities	39	3,9	1,9	95
ATE Aedak	8	2,0	0,7	93
ATE Real Estate and IT Development	8	4,1	0,1	91
ATEbank Romania	126	3,9	0,1	87
<i>Other non financial subsidiaries</i>	550	28,3	-2,0	n/a
ATEbank Group	22.127	480,4	134,9	n/a
First Business Bank *	1.258	9,8	2,0	49
AIKBANKA (Serbia) *	1.119	8,7	3,6	21
* Consolidated under equity method				
<i>Other non financial subsidiaries</i> €m, as of end of period ending 30 June 2007	Total assets	Gross operating result	Net income	Direct and indirect participation (%)
Hellenic Sugar Company	375	15,8	-4,4	82
Dodoni	106	3,6	1,4	68
Rodopi	8	0,5	0,1	75
Etanal	18	0,3	0,1	75
Elviz	26	0,9	-0,2	100
ATE Finance International	1	0,2	0,2	100
ATE RENT	8	0,3	0,2	99
ATE Advertising	7	5,0	0,3	65
Atexcelixi	1	1,7	0,3	99
Total - Other non financial subsidiaries	550	28,3	-2,0	n/a

Analysis of non-recurrent items

1/1- 30/06/2007 (€m)

Income statement item	Reported	Non-recurrent item	Adjusted	Comment
Income from investments	18.6	(18.5)	0.9	◆ Result from the sale of part of the available for sale portfolio
Impairment of loans	42.2	(7.0)	35.2	
Deferred Tax	(39.2)	(1.8)	(40.9)	
Net profit attributable to shareholders	133.0	(13.3)	119.7	

1/1- 30/06/2006 (€m)

Income statement item	Reported	Non-recurrent item	Adjusted	Comment
Income from investments	22.6	(19.5)	3.1	◆ Result from the sale of part of the available for sale portfolio
Other Operating Income	48.4	(5.1)	43.3	◆ Reversal of provision for contingent liability
Current Tax	(54.4)	30.0	24.4	◆ Dividend Tax
Net profit attributable to shareholders	82.1	5.4	87.5	

Income statement—Reported vs Adjusted for non recurrent items

%, for the 6 month period ending	<u>30 Jun 2007</u>	
	Reported	Adjusted
Net interest income growth y-o-y	10.7	10.7
Non-interest income growth y-o-y	37.2	52.6
Total operating income growth y-o-y	18.8	21.6
Net Profits growth y-o-y	61.9	36.8
Cost / Income	55.1	57.3
ROE	19.54	17.59
ROA	1.20	1.08

Contacts - Disclaimer

Contacts

Mr. Panos Varangis - Deputy Governor

Tel. + 30 210 3298734 / 3298735

E-mail pvarangis@ate.gr

Investor Relations

Mr. Panos Skoularikis

Tel. + 30 210 3298742 / 3298032

E-mail pskoularikis@ate.gr

investorrelations@ate.gr

www.atebank.gr

ATEbank

23 Panepistimiou str.

Athens, 105 64, Greece

Stock Symbols:

ASE: **ATE**,

Reuters: **AGBr.AT**

Bloomberg: **ATE GA**

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