

ATEbank Group - Q1 2010 Financial Results

27th of May 2010

Further strengthening of the balance sheet on the back of improved core business results

- ▶ Significant increase of core pre provisions profit: €79 mn (+64% y-o-y and +18% q-o-q).
- ▶ Prudential increase in provisioning (€96 mn compared to €57 mn in Q1 2009) – Coverage ratio one of the highest in the market, at 70.4%.
- ▶ Successful cost containment efforts, with expenses up by 2.2% y-o-y and -14.9% q-o-q. Improvement of the cost/assets ratio to 1.8% from 2.1% on March 2009.
- ▶ Market share gains thanks to higher-than-market credit expansion (by 17.6%, or 6.1% on an adjusted basis).
- ▶ Increase in deposits by 6.2% supports comfortable liquidity position and improves loans to deposits ratio to 94.5% vs. 96.6% in Q1 2009.
- ▶ Slowdown in new NPL creation, with NPL ratio at 7.8%, slightly below market average.

Selected Group Figures

	Q1 2010	Q1 2009	% y-o-y
Total Assets	€33.7 bn	€27.3 bn	23.3%
Total Loans (before provisions)	€24.4 bn	€20.7 bn	17.6%
Total Deposits	€21.9 bn	€20.6 bn	6.2%
Total Operating Income	€195.5 mn	€251.7 mn	(22.3%)
Total Operating Expenses	€148.1 mn	€144.9 mn	2.2%
Pre Provisions Profit	€95.9 mn	€56.8 mn	69.1%
Net Profit/(Loss) after minority	€(37.4) mn	€37.3 mn	nm
Loans (adj.) to deposits ratio	94.5%	96.6%	
Cost to assets ratio	1.8%	2.1%	

During the first quarter of 2010, the continuing deterioration of the Greek economy intensified the sentiment of uncertainty and financial insecurity already weighing on households and businesses. In this increasingly negative environment, ATEbank continued to preserve sufficient liquidity while prioritizing the safeguarding of the quality of its balance sheet and more efficient risk management.

Despite the slowdown observed in the rate of increase of NPLs during the first quarter of 2010, the Group maintained high provisioning levels in order to defend the quality of its loan portfolio against potential losses. At the same time, ATEbank continued to register satisfactory rates of business growth and managed to deliver a good set of results in terms of pre-provision profitability.

In the new environment being created for the Greek economy following the EU/IMF agreement on its financial support, ATEbank will continue to focus on preserving an adequate capital base and sufficient liquidity, efficient risk control, operational cost containment and the completion of on-going organizational and operational improvements. This way, ATEbank will be better placed to support the real economy and contribute to its return to sustainable growth.

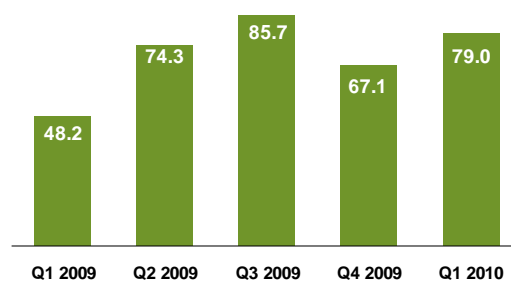
Theodoros Pantalakis, Chairman ATEbankNet

Income Statement

In an increasingly adverse economic environment, ATEbank Group focuses on the strengthening of its balance sheet and achieving positive core business results.

Core pre-provision profitability increased by 63.7% to €79.0 mn compared to €48.2 mn in Q1 2009 while loan and deposit books grew faster than the market rate. Bolstering the Group's asset quality remained a basic priority. Thus, given the worsening economic prospects, provisions were increased to €95.9 mn resulting in a €-37.4 mn loss in Q1 2010 compared to a €37.3 mn profit in Q1 2009.

Core Pre Provision Profit (€ mn)



Net interest income increased by 25.5% to € 198.1 mn compared to € 157.8 mn in Q1 2009. The key drivers of this improvement were a marked drop in funding costs (-34.6%) and higher interest income from loans (+2.0% q-o-q, +0.5% y-o-y), despite the slow-down in credit expansion.

Net Interest Margin in the first quarter of 2010 stood at 2.7% from 2.6% in Q1 2009.

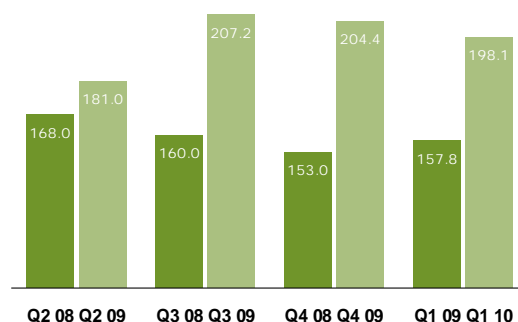
Net fees & commissions income decreased by 5.7% y-o-y to € 16.5 mn, as a result of the slowdown in business activity due to the adverse economic environment.

Other operating income (i.e. excluding net interest and fees & commissions income) stood at € -19.1 mn compared to € 76.4 mn in Q4 2009, mainly due to the negative valuation of the Greek Government Bonds.

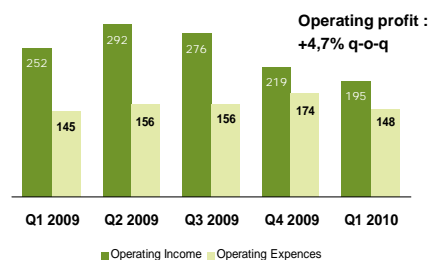
Operating expenses increased by 2.2% y-o-y to €148.1 mn, but showed a significant decrease of -14.9% q-o-q as a result of management efforts to control operating costs.

As a result of the good performance of operating expenses, the cost to asset ratio improved to 1.8% compared to 2.1% in the respective period last year.

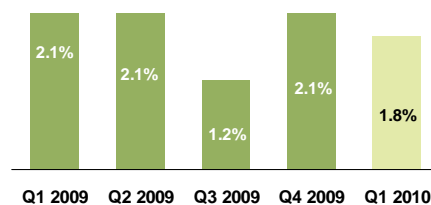
Net interest income (€ mn)



Operating income and expenses (€ mn)



Cost / Average Assets ratio



Loans

Total loans before provisions reached € 24.4 bn, an increase of 17.6% on a yearly basis. However, when adjusted for the seasonal € 2.4 bn public sector loan, outstanding balances rose by 6.1% vs 3.5% for the Greek banking sector.

Loans to households increased by 10.6%, well above the market rate of 2.7%, reaching € 8.9 bn in Q1 2010 compared to € 8 bn in Q1 2009. The mortgage portfolio increased by 8.8% to € 6.8 bn, while consumer credit expansion continued to decelerate with the corresponding balance reaching € 2 bn.

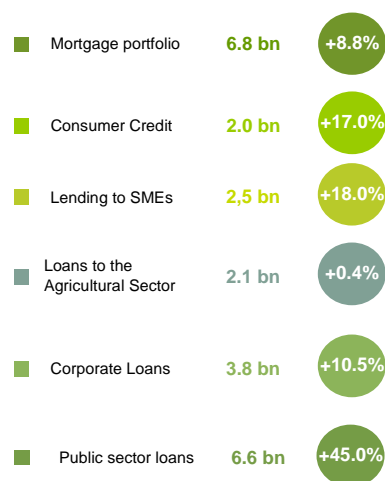
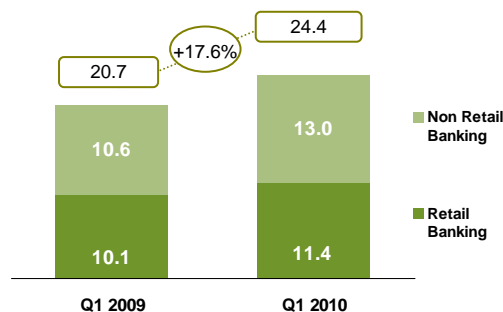
Credit to SMEs rose by 18.0% y-o-y to € 2.5 bn while corporate lending growth rate accelerated by 10.5% y-o-y reaching € 3.8 bn. Lending to the public sector, as mentioned, due to the seasonal lending for the distribution of the agricultural subsidies, marked a significant increase of 45% y-o-y, reaching 6.6 bn.

The NPL ratio rose moderately to 7.8%, but the rate of NPL creation slowed-down significantly in Q1 2010 compared to previous quarters.

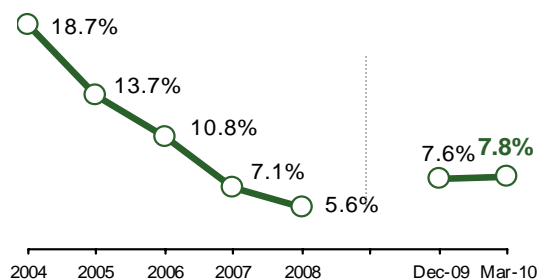
Continuing its cautious provisioning policy, the Group increased loan provisions to € 95.9 mn in Q1 2010 vs. € 56.8 mn in Q1 2009.

As a result of this prudent approach, the coverage of non performing loans by provisions rose to the very satisfactory level of 70.4% compared to 60.1% in Q1 2009, being one of the highest in the market.

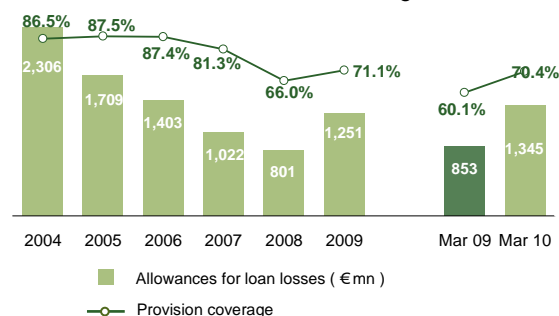
Loans before provisions (€ bn)



NPL ratio



Loan Provision coverage



Deposits

Total customer deposits increased by 6.2% in Q1 2010 reaching €21.9 bn, against a declining market (down by 1.3% y-o-y).

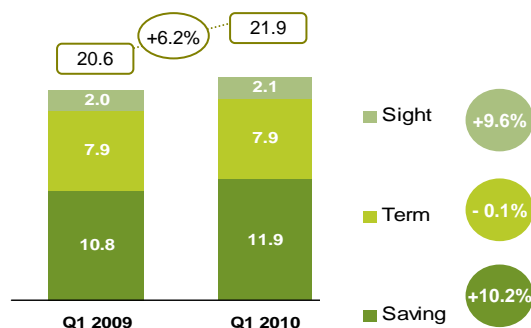
Low-cost sight and saving deposits increased y-o-y by a very satisfactory rate of 10.2% and 9.6% respectively, while term deposits remained practically unchanged.

As a result of the above, the deposits mix showed further improvement with term deposits representing only 36% of the total providing a stable funding pool in a period of scarce liquidity.

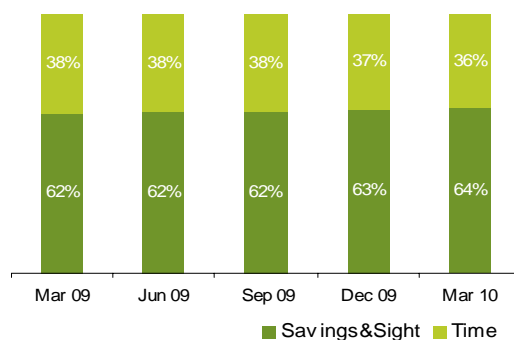
On an adjusted basis, the loans to deposits ratio showed further improvement dropping to 94.5% vs 96.6% in Q1 2009. It remains one of the lowest in the market and is indicative of the Group's comfortable liquidity position.

The capital adequacy ratio, affected by recent quarterly losses and AFS markdowns of Greek Government Bonds, is estimated at 8.6%, which is above the minimum Basel II level, while Tier I ratio is estimated at 7.7%.

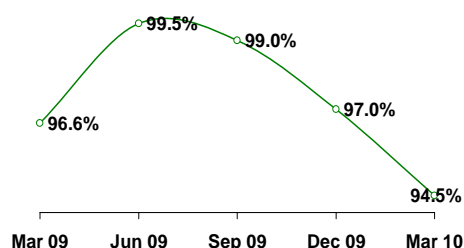
Deposits from customers (€ bn)



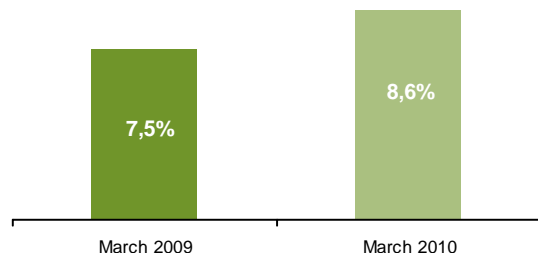
Deposits by type



Loans to deposits ratio



Total Capital Ratio



Athens , 27th of May 2010

Annex

Income Statement			
in € mn	Group		
	Q1 2010	Q1 2009	% y-o-y
Net interest income	198.1	157.8	25.5%
Net fee and commission income	16.5	17.5	(5.7)%
Gains & losses from financial transactions	(31.6)	60.7	nm
Other income	12.4	15.7	(20.8)%
Operating income	195.5	251.7	(22.3)%
Operating expenses	(148.1)	(144.9)	2.2%
Impairment of loans	(95.9)	(56.8)	69.1%
Impairment of assets	3.1	1.0	210.1%
Income from associates	(45.5)	51.0	nm
Profit / (Loss) before tax	7.9	(15.3)	nm
Profit / (Loss) after tax before minority	(37.6)	35.8	nm

Assets			
in € mn	Group		
	Q1 2010	Q1 2009	% y-o-y
Cash & balances with central bank	509.9	536.4	(4.9)%
Due from other banks	2,350.1	1,193.1	97.0%
Securities portfolio	5,199.6	3,187.7	63.1%
Derivatives	22.5	27.5	(18.4)%
Loans and advances to customers after provisions	23,063.5	19,895.8	15.9%
Investments in associates	185.8	198.3	(6.3)%
Other assets	2,371.4	2,289.1	3.6%
Total assets	33,702.7	27,327.9	23.3%

Total liabilities & shareholders' equity			
in € mn	Group		
	Q1 2010	Q1 2009	% y-o-y
Due to banks	8,233.2	4,167.7	97.6%
Due to customers	21,873.6	20,597.8	6.2%
Other liabilities	2,108.3	1,184.9	77.9%
Subordinated loans	248.9	444.2	(44.0)%
Liabilities	32,463.9	26,394.7	23.0%
Share Capital	1,326.9	651.9	103.5%
Treasury shares	(8.3)	(8.3)	0.0%
Share premium	92.7	93.0	(0.3)%
Reserves	(168.7)	(283.7)	(40.5)%
Accumulated surplus/shortfall	(59.3)	419.2	nm
Minority interest	55.7	61.1	(9.0)%
Total shareholders' equity	1,238.9	933.2	32.8%
Total liabilities & shareholders' equity	33,702.7	27,327.9	23.3%

Notes:

1. These figures have not been audited by the auditors of the Bank.
2. The financial statements will be published in the press on the 28th of May 2010.