

**ATEbank**



*AGRICULTURAL BANK OF GREECE*

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Full Year 2007 results presentation

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SECTION 1

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# Highlights of the period

# Highlights of 2007 Results

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- ◆ **Net Profits growth by 28.1% - ROE at 17.4%**
- ◆ **Loan growth of 19.1%, despite write-offs of €461m**
- ◆ **Household lending expands above market rate (+27.4%).**  
**Mortgage loans grow significantly (+26.0% ) while Consumer loans expansion (+45.9%) exceeds market growth**
- ◆ **Customer deposits growth of 14.1%, while deposit cost remains low at 2.04% at the end of 2007**
- ◆ **Loans / Deposits ratio is at comfortable levels (86.1%) – Adequate liquidity**
- ◆ **Total operating expenses grow at moderate rates (+6.6%)**
- ◆ **NPLs continue to decline (7.1% vs 10.8% in 2006)**
- ◆ **Dividend of €0.05 per share (in addition to €0.05 per share interim dividend distributed in Dec 2007)**

# Summary financials

## Balance sheet and regulatory capital

### Selected figures

€m, as of	31 Dec 2007	31 Dec 2006	Growth (%)
Total assets	24,273	21,414	13.4
Gross customer loans	17,764	14,915	19.1
Net customer loans	16,744	13,512	23.9
Customer deposits	20,630	18,089	14.1
Shareholders equity	1,460	1,332	9.6
Tier I capital (estimate)	1,078 <sup>1</sup>	1,170	(7.8)
Risk-weighted assets	11,590	10,261	12.9

### Selected ratios

%, as of	31 Dec 2007	31 Dec 2006
Gross customer loans / customer deposits	86.1	82.5
NPL ratio	7.1	10.8
Provision coverage	81.1	87.4
Tier I capital ratio	9.3	11.4

## Income statement

### Selected figures

€m, for 12 month period ending	31 Dec 2007	31 Dec 2006	Growth (%)
Total operating income	951	879	8.2
of which: Net interest income	615	601	2.3
of which: Non-interest income	336	278	20.7
Operating expenses	(568)	(533)	6.6
Impairment losses	(80)	(63)	27.6
Net profit attributable to shareholders	241	188	28.1

### Selected ratios – Reported basis

%, for 12month period ending	31 Dec 2007	31 Dec 2006
Net interest margin <sup>2</sup>	3.24	3.37
Cost/income ratio <sup>3</sup>	59.8	60.7
Return on equity <sup>4</sup>	17.4	15.5
Return on assets <sup>5</sup>	1.07	0.91

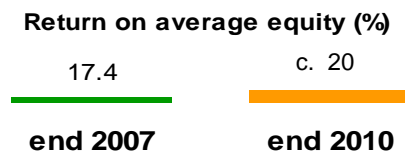
#### Notes:

- 1 Calculated according to the new directives of the Bank of Greece
- 2 Net interest income over average interest earning assets (calculated on monthly basis)
- 3 Operating expenses over operating income
- 4 Net profit attributable to shareholders over average shareholders equity (calculated on quarterly basis)
- 5 Net profit attributable to shareholders over average assets (calculated on quarterly basis)

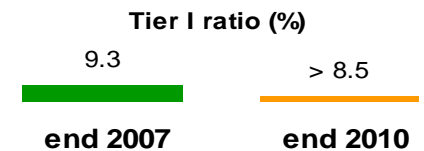
# Guidelines for 2010

- ◆ Total loan growth at least 10% CAGR (after write-offs)
- ◆ Deposits growth around 7% CAGR
- ◆ Net profits & EPS growth around 12% CAGR

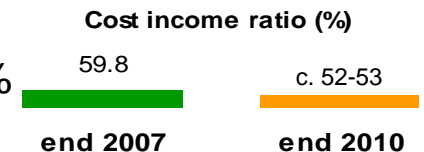
- ◆ Return on average equity around 20%



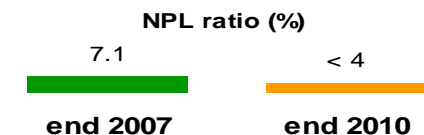
- ◆ Tier 1 ratio in excess of 8.5%



- ◆ Operating efficiency improvement - cost/income ratio around 52-53%



- ◆ Further decline of NPL ratio to below 4% - Cost of risk: 45-50bps



SECTION 2

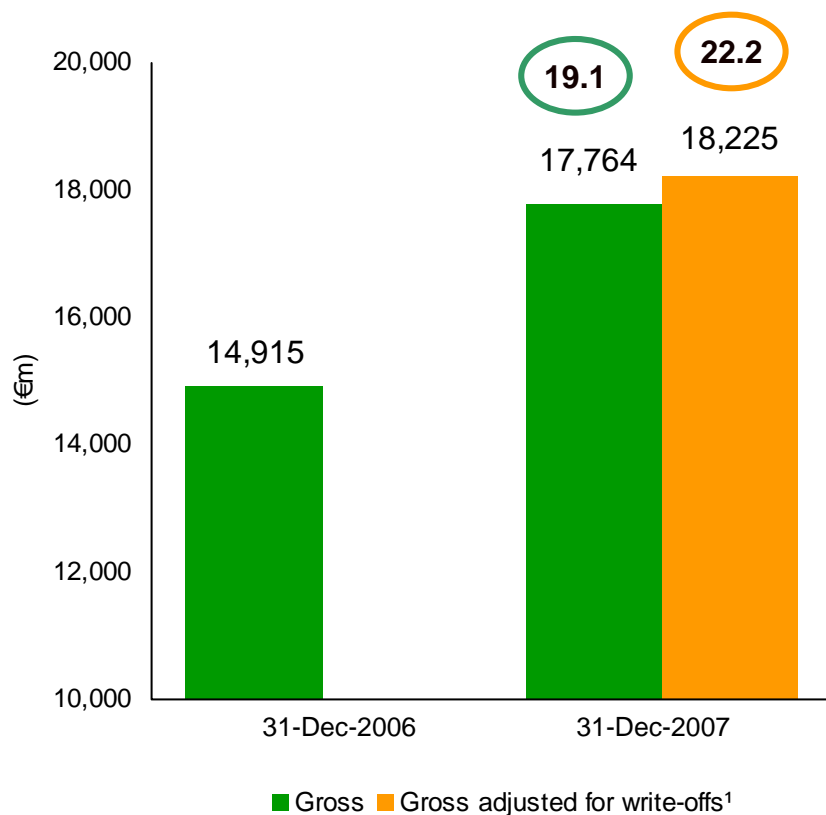
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# Financial review

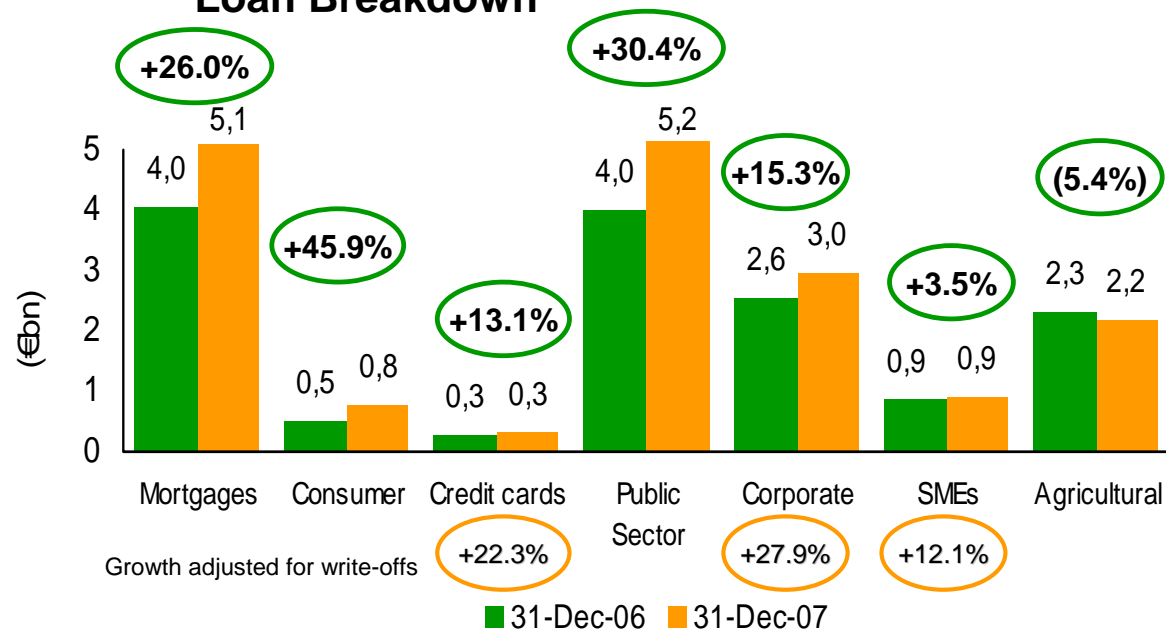
# Customer lending

## Household lending drives lending growth

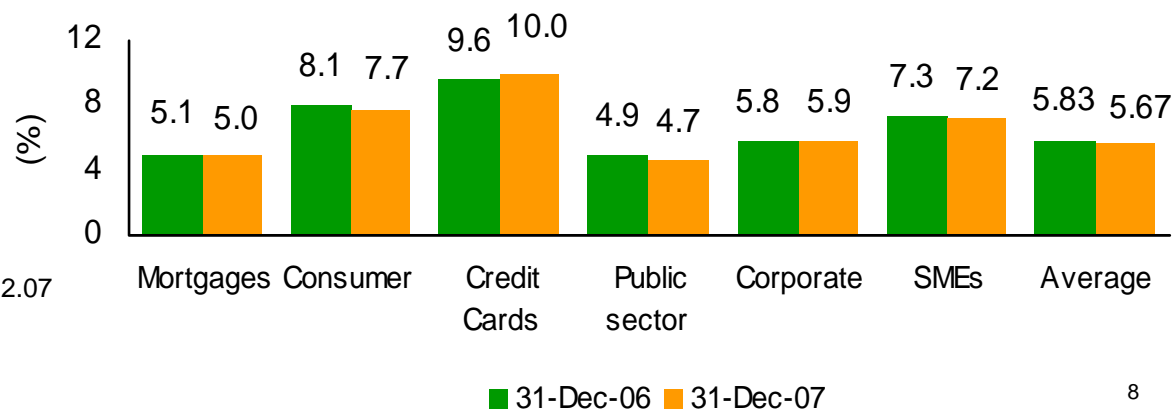
### Customer loans



### Loan Breakdown



### Nominal interest rates on loans<sup>2</sup> (end of period)



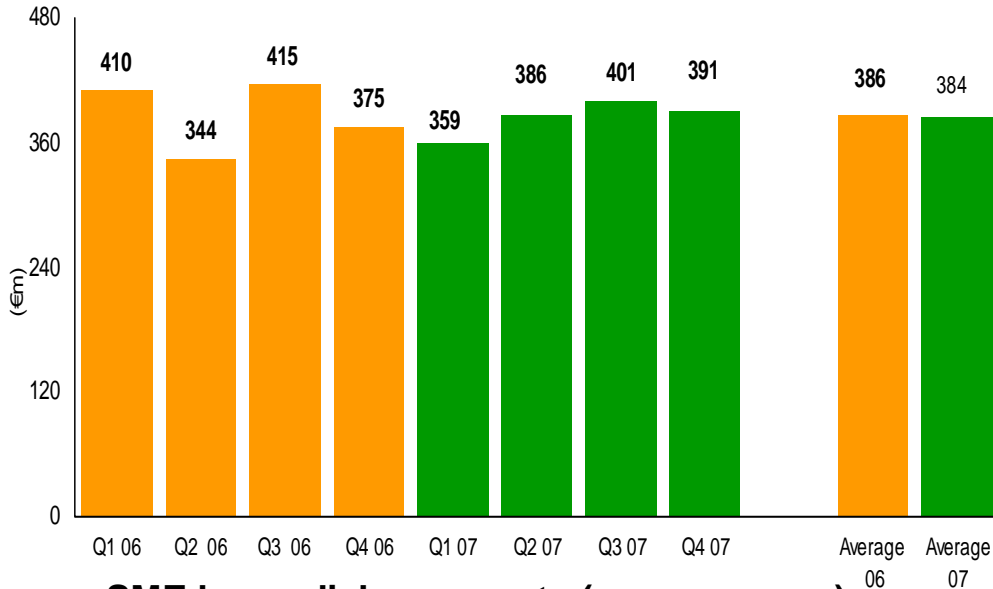
#### Notes:

1 Adjusted for €461 million write-offs in the period 01.01.07-31.12.07

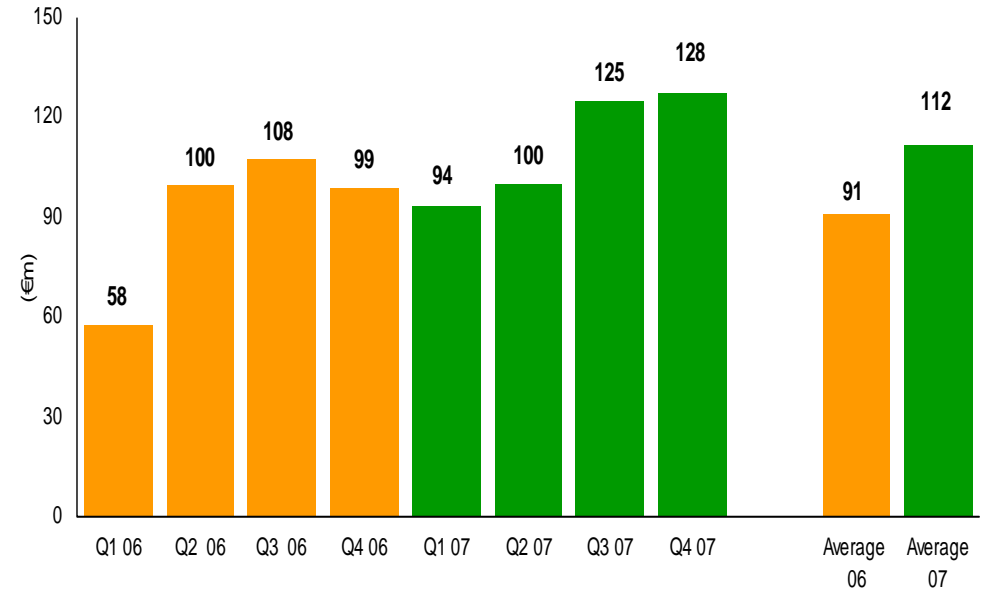
2 Bank only figures

# Household & SME Lending

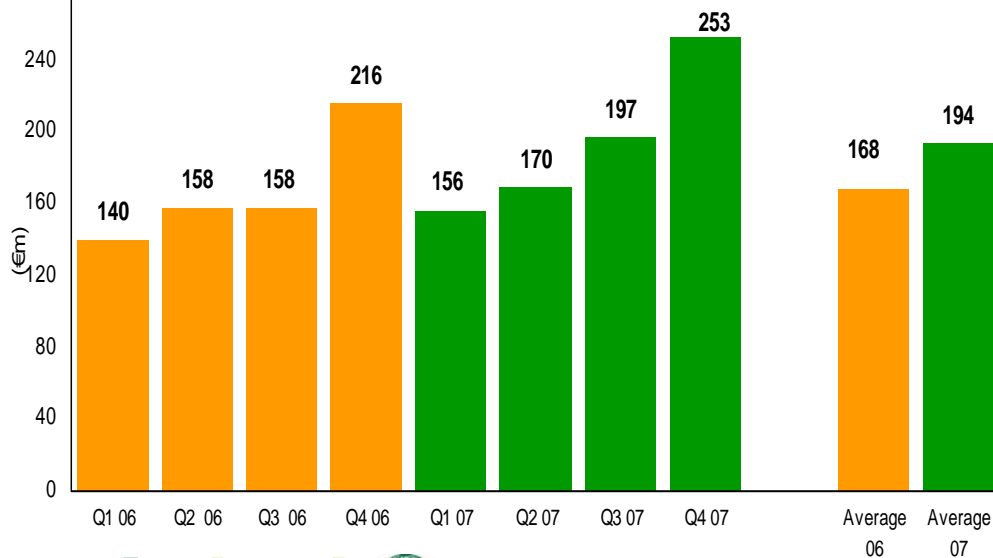
**Mortgage disbursements (average per q)**



**Consumer loans disbursements (average per q)**



**SME loans disbursements (average per q)**

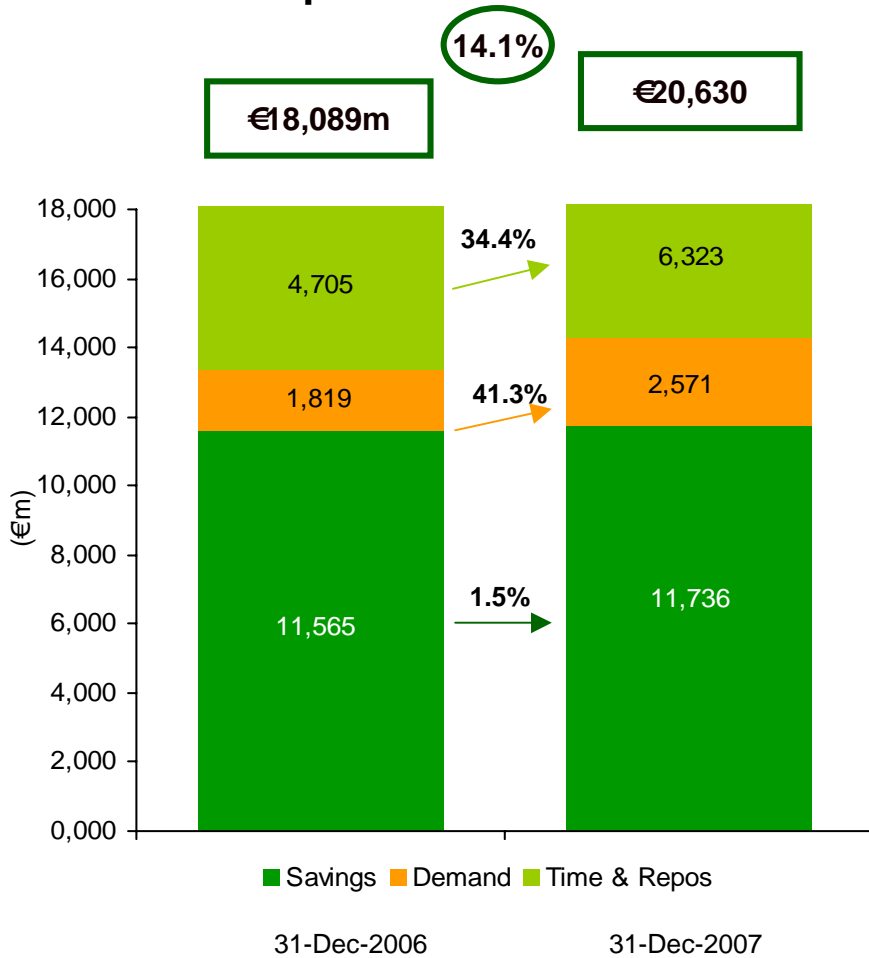


- Retail lending grows at high rates (above market), & represents 40% of total loans (from 38% in 2006)
- Consumer and SME loan disbursements accelerate at high rates whereas mortgage disbursements stabilize at satisfactory levels after 3 years of high growth
- Consumer and SME lending will be the main areas of growth in the following years. Retail loans should reach 50% of total loans by 2010

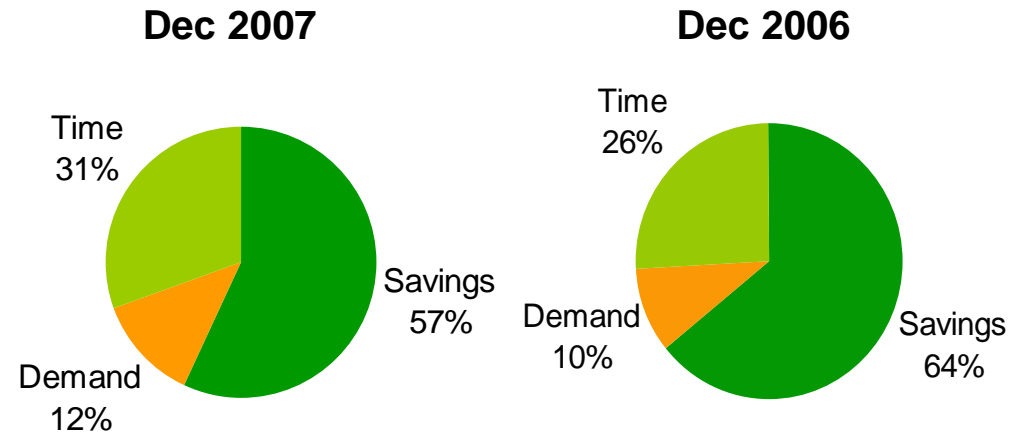
# Customer deposits

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

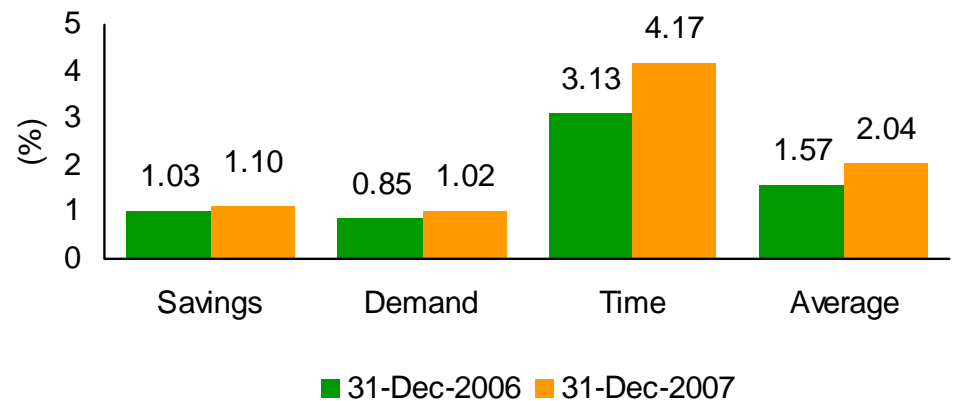
## Customer deposits



## Deposit mix



## Interest rates on deposits (end of 12 month period)



# Spreads

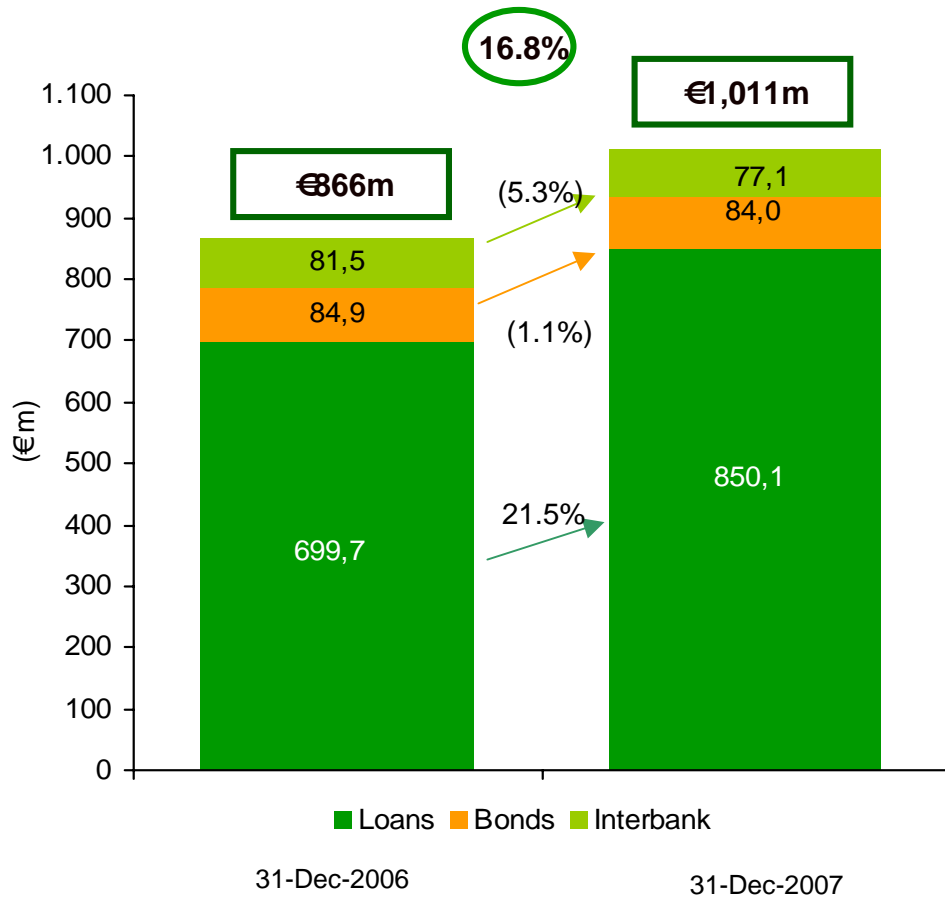
## Pressure on loan spreads continues, but at a slowing pace

<b>SPREADS</b>	<b>4Q 06</b>	<b>1Q 07</b>	<b>2Q 07</b>	<b>3Q 07</b>	<b>4Q 07</b>
<b>Average Loan Spread (over Av 1M Euribor)</b>	<b>2.34</b>	<b>2.01</b>	<b>1.68</b>	<b>1.51</b>	<b>1.40</b>
Mortgages	1.53	1.30	1.06	0.71	0.57
Consumer/Personal	4.73	4.34	4.02	3.56	3.35
Credit Cards	6.09	5.93	6.01	5.69	5.60
Corporate	2.23	1.98	1.69	1.48	1.51
SMEs	3.85	3.75	3.53	3.12	2.95
 Average Loan Spread (over cost of deposits)	 4.28	 4.09	 3.86	 3.85	 3.86
 <b>Average Deposit Spread (over Av 1M Eur)</b>	 <b>1.94</b>	 <b>2.08</b>	 <b>2.18</b>	 <b>2.35</b>	 <b>2.33</b>
Savings	2.44	2.67	2.93	3.21	3.27
Time-Repos	0.49	0.39	0.41	0.46	0.33
 Average 1M Euribor (per q)	 3.46	 3.70	 3.96	 4.28	 4.37
ECB rate (end of period)	3.50	3.75	4.00	4.00	4.00

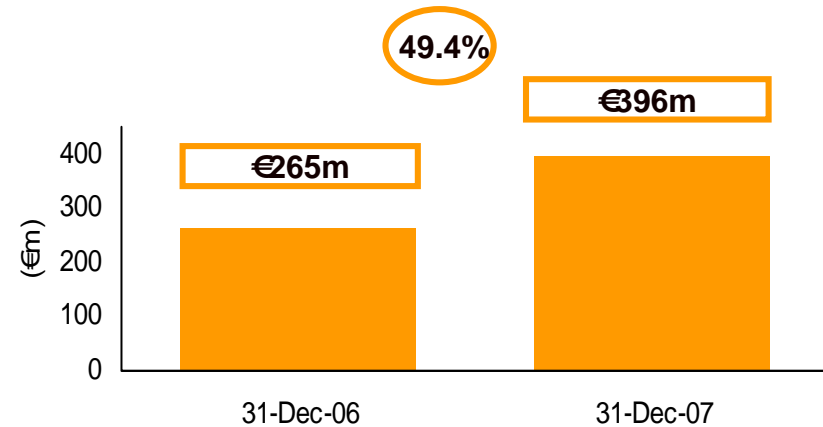
# Net interest income

## Shift to time deposits affects interest expense and NIM

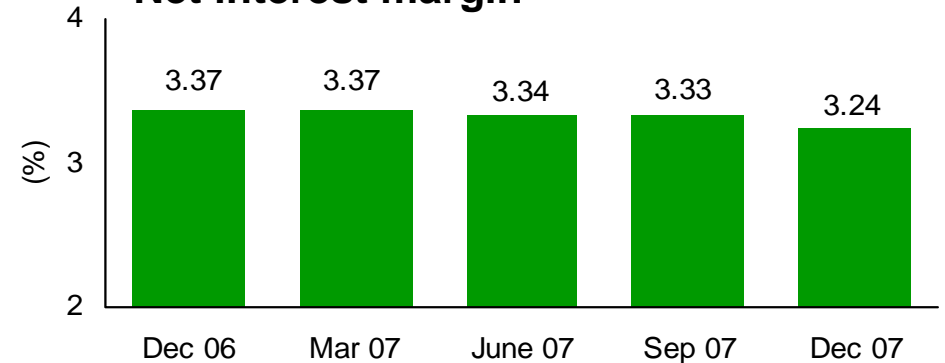
### Interest income



### Interest expense



### Net interest margin<sup>1</sup>



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)		
	31 Dec 2007	31 Dec 2006	Comment
Net fee and commission income	84.5	80.5	◆ Fee and commission income and expenses from banking and non-banking products
Net trading income	45.5	16.2	◆ Gains and losses from financial transactions
Income from investments	83.6 <sup>1</sup>	46.9 <sup>2</sup>	◆ Gains and losses from disposal of financial assets available-for-sale
Dividend income	26.9	25.8	◆ Dividend income derived mostly from available-for-sale securities
Other operating income	95.2	108.6 <sup>3</sup>	◆ Revenue from sale of goods, insurance contracts and other
<b>Total non-interest income</b>	<b>335.8</b>	<b>278.1</b>	+ 20.7%

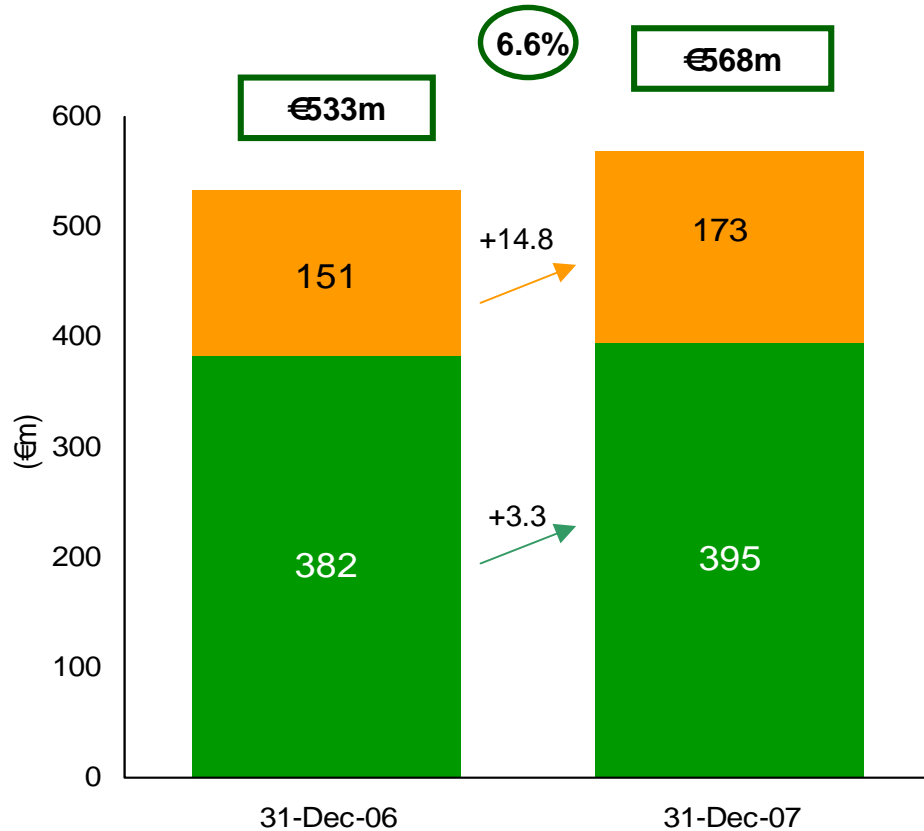
### Notes:

- 1 Includes €71.1m from the sale of part of available for sale portfolio.
- 2 Includes €46.3m from the sale of part of available for sale portfolio.
- 3 Includes €5.2m from a reversal of provision for contingent liability

# Operating expenses

## Operating expenses grow at reasonable rates

### Operating expenses



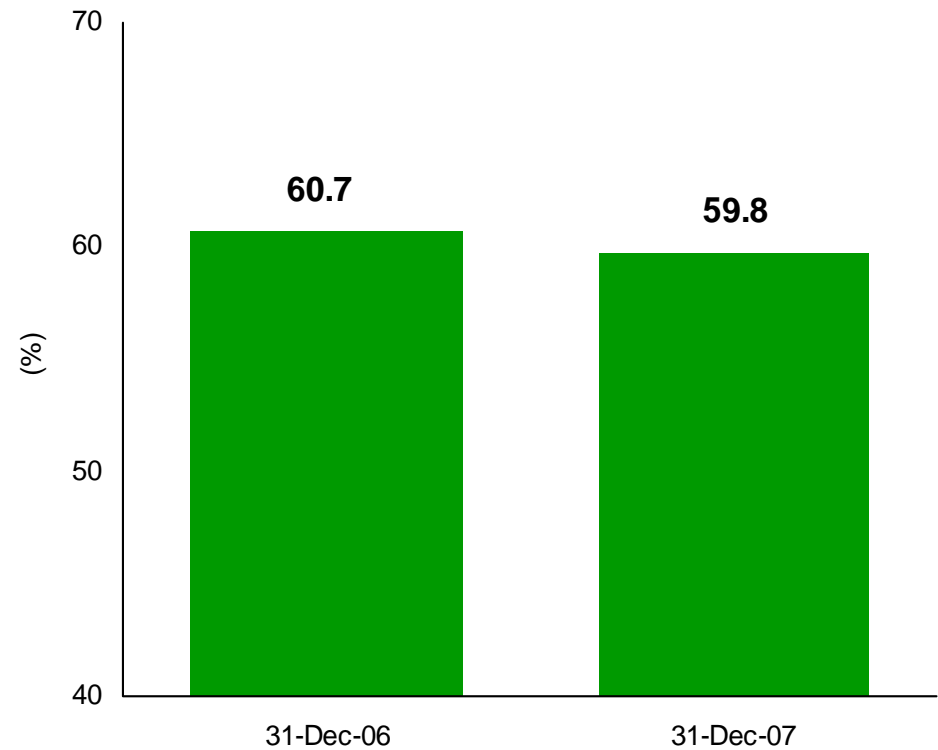
- Other operating expenses (€3m non-recurring expenses due to donations)
- Personnel expenses

Employees<sup>1</sup>      9,679 (6,157 Bank)      9,547 (6,368 Bank)

Notes:

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

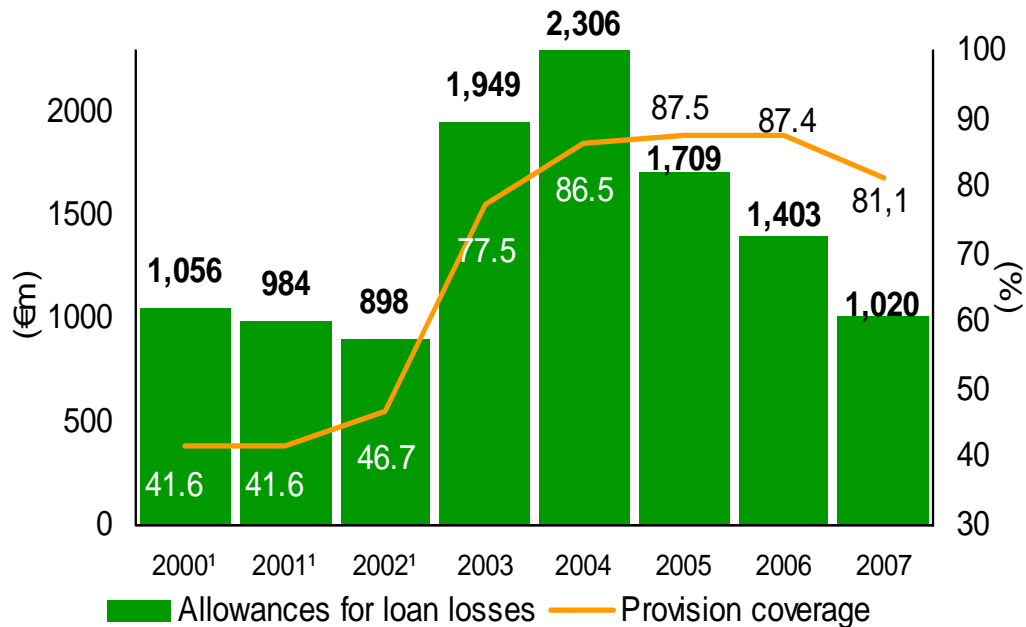
### Cost income ratio



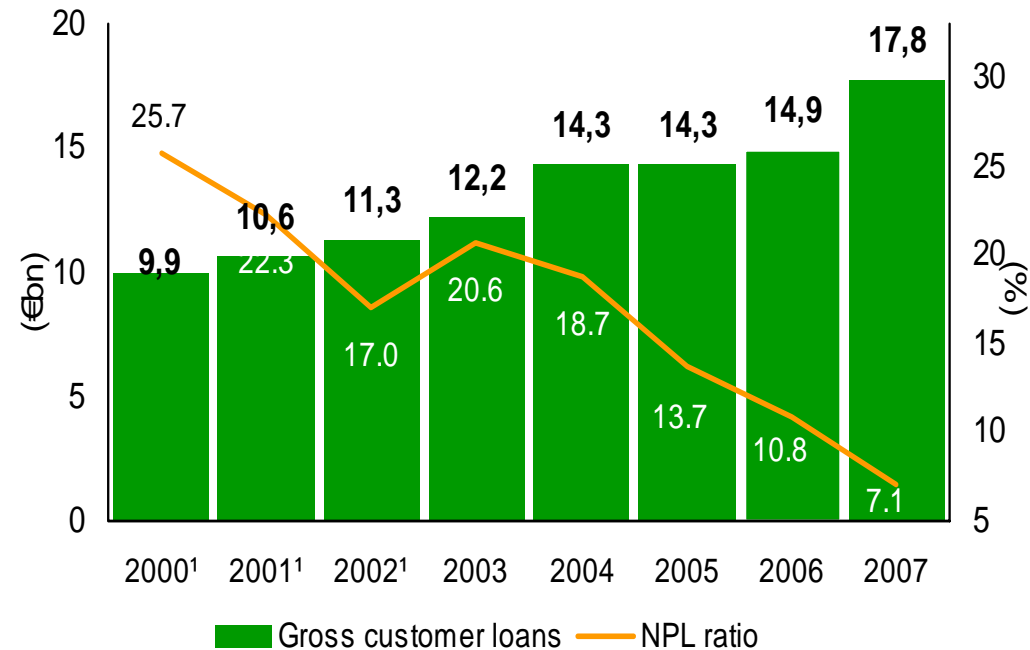
# Provisions - NPLs

## NPLs reduction continues - Provision coverage affected by write-offs

### Provisioning level



### Non-performing loans<sup>2</sup>



◆ Cost of Risk<sup>3</sup> : 2007 - 49bps

31-12-2007 NPLs: €1,258m  
31-12-2006 NPLs: €1,605m

#### Notes:

- 1 Greek GAAP
- 2 Loans in arrears for over a period of 180 days over gross customer loans
- 3 Annual provisions over average gross loans

# Contribution of Consolidated Subsidiaries

<b>ATEBANK Group</b> €m, as of end of period ending 31 Dec 2007	<b>Total assets</b>	<b>Gross operating result</b>	<b>Net income</b>	<b>Direct and indirect participation (%)</b>
Agricultural Bank of Greece	23.399	824,1	211,1	n/a
ATE Insurance	702	56,3	13,7	84
ATE Leasing	384	8,8	3,2	100
ATE Cards	14	10,7	2,1	100
ATE Securities	35	8,2	3,2	95
ATE Aedak	8	3,8	1,3	93
ATE Real Estate and IT Development	8	7,5	0,1	91
ATEbank Romania	167	9,9	3,7	87
Other non financial subsidiaries	557	63,8	-4,0	n/a
<b>ATEbank Group (before minorities)</b>	<b>24.273</b>	<b>950,7</b>	<b>245,9</b>	<b>n/a</b>
First Business Bank *	1.464	18,5	3,1	49
AIKBANKA (Serbia) *	990	20,7	10,9	21
* Consolidated under equity method				
<b>Other non financial subsidiaries</b> €m, as of end of period ending 31 Dec 2007	<b>Total assets</b>	<b>Gross operating result</b>	<b>Net income</b>	<b>Direct and indirect participation (%)</b>
Hellenic Sugar Company	390	40,4	-6,8	82
Dodoni	91	4,8	1,0	68
Rodopi	9	0,1	-0,1	75
Etanal	18	0,6	0,0	75
Elviz	29	1,9	0,0	100
ATE Finance International	2	0,6	0,4	100
ATE RENT	9	0,5	0,3	99
ATE Advertising	8	12,0	1,0	65
Atexcelixi	1	2,9	0,2	99
<b>Total - Other non financial subsidiaries</b>	<b>557</b>	<b>63,8</b>	<b>-4,0</b>	<b>n/a</b>

# Analysis of non-recurring items

Income statement item	<u>1/1 - 31/12/2007 (€m)</u>			Comment
	Reported	Non-recurrent item	Adjusted	
Income from investments	83.6	(71.1)	12.5	◆ Result from the sale of part of the available for sale portfolio
Other expenses	(137.8)	3.0	(134.8)	◆ Donations to last summer's wildfire victims in Greece
Income tax	(70.7)	(0.8)	(71.5)	◆ 25% on other expenses and impairment of loans
Net profit attributable to shareholders	241.4	(68.8)	172.6	

Income statement item	<u>1/1 - 31/12/2006 (€m)</u>			Comment
	Reported	Non-recurrent item	Adjusted	
Income from investments	46.9	(46.3)	0.6	◆ Result from the sale of part of the available for sale portfolio
Other operating income	108.6	(5.1)	103.5	◆ Reversal of provision for contingent liability
Income tax	(95.6)	38.9	(56.7)	◆ Dividend Tax
Net profit attributable to shareholders	188.4	(12.5)	175.9	

## Income statement—Reported vs Adjusted for non recurring items

%, for the 12 month period ending	<u>31 Dec 2007</u>	
	Reported	Adjusted
Net interest income growth y-o-y	2.3	2.3
Non-interest income growth y-o-y	20.7	16.7
Total operating income growth y-o-y	8.2	6.3
Net profits growth y-o-y	28.1	(1.9)
Cost / Income	59.8	64.2
ROE	17.4	12.4
ROA	1.07	0.76

# Contacts - Disclaimer

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ASE: **ATE**,

Reuters: **AGBr.AT**

Bloomberg: **ATE GA**

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