



# Nine Month 2010 Financial Results Presentation

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# SECTION 1 : Economy & Banking Developments During Q3 2010.



# Economy & Banking Developments in Q3 2010

## Greek Budget Execution

- ▶ Budget deficit down 30.9% (y-o-y) in 9M 2010, against a targeted 29% y-o-y reduction for the same period and a budgeted 36.9% y-o-y reduction for FY 2010.
- ▶ Budget net revenues grew slower than targeted (+3.6% increase (y-o-y) during 9M 2010 vs FY '10 target of 8.7%).
- ▶ Budget primary expenses dropped faster than targeted (-11.6% y-o-y in 9M 2010 versus a FY '10 targeted 9.2% drop).
- ▶ However, the review of the budget deficit and public debt by Eurostat creates the need for additional fiscal measures to be taken in 2011.

## European Economy Developments

- ▶ EU periphery countries facing sovereign debt & solvency problems.
- ▶ EU wide ongoing discussion for a sovereign support mechanism after 2013.
- ▶ Recovery in eurozone remains on track, albeit with different rates among countries.
- ▶ ECB monetary policy unchanged, while non standard measures were also taken. Uncertainty over continuation of such policies from early 2011 and on.
- ▶ BIS final announced proposals for Basel III framework, create additional Tier I requirements for banks in the medium term.

## Greek Economic Environment

- ▶ Further deterioration of major macroeconomic indicators:
  - i) GDP (-4.5% y-o-y in Q3 2010 vs -4% y-o-y in Q2 2010)
  - ii) Inflation (5.6% y-o-y in Sept '10 vs 0.7% y-o-y in Sept '09)
  - iii) Unemployment (12.2% in Aug '10 vs 11.6% in June '10)
  - iii) Industrial production (-7.1% yoy in Sept vs -4.5% yoy in June)
- ▶ Athens Stock Exchange General Index drop was contained in Q3 2010 after a sharp decline in H1 2010 (-33% y-o-y).
- ▶ Greek GB spreads stabilized in Q3, albeit at high levels.
- ▶ Structural reforms implementation continues.

## Key Developments in the Greek Banking System

- ▶ Further asset quality deterioration and increase of NPLs.
- ▶ Deposit decline slowed down in August and September, after a sharp drop during the first 7 months of the year.
- ▶ Funding by the ECB marginally increased in Q3 2010 to €96 bn after a dramatic rise in H1 2010 (93.8 bn at 30/6 vs 49.4 at end 2009).
- ▶ Further deceleration of loan growth rate (+1.2% yoy).
- ▶ Several banks completed or are scheduling share capital increases to strengthen their capital position.

## SECTION 2 : Highlights of the Period & Areas of Future Focus.



# Highlights of the Period & Areas of Future Focus

## Strong Core Business Performance

- ▶ Positive pre-tax profit recorded in Q3, for the first time after a year.
- ▶ Remarkable increase in core pre-provision operating profit by 37.4% y-o-y and 4.4% q-o-q.
- ▶ Increased net interest income by 6.4% q-o-q and 12.4% y-o-y.
- ▶ Reduced operating expenses by 2.9% on a yearly basis .
- ▶ Improved loan to deposit spread q-o-q (+18bps).

## Tight Risk Management

- ▶ New NPLs formation deceleration q-o-q. (€183mn in Q3 '10 vs. €212mn in Q2 '10).
- ▶ High coverage ratio at 65.9% at the end of 9M 2010 vs 61.6% at the end of 9M 2009.
- ▶ Increased loan impairments by 17.2% y-o-y.

## Liquidity & Capital Position

- ▶ Satisfactory loan/deposit ratio at 102.5%.
- ▶ Adequate unutilized collaterals for additional ECB funding if needed
- ▶ Capital increase in the near future to improve capital adequacy ratios.

## Short-Medium Term Focus

- ▶ Further cost containment efforts.
- ▶ Continuous loans and deposits repricing.
- ▶ Focus on the success of the impending capital increase.
- ▶ Implementation of a bold restructuring plan.

# Summary Financials

## Balance Sheet

### Selected figures

€mn, as of	30 Sep 2010	30 Sep 2009	Growth (%)
✓ Total assets	31,887	29,334	8.7
✓ Gross customer loans	21,746	21,918	(0.8)
✓ Net customer loans	20,226	20,897	(3.2)
✓ Customer deposits	19,735	21,781	(9.4)
✓ Shareholders' equity	974	1,782	(45.4)
✓ Tier I capital	1,121	1,721	(34.9)
✓ Risk-weighted assets	15,753	15,263	3.2

### Selected ratios

%, as of	30 Sep 2010	30 Sep 2009
✓ Net customer loans / customer deposits	102.5	95.9
✓ NPL ratio	10.6	7.6
✓ Provisioning coverage	65.9	61.6
✓ Total capital ratio	8.3	12.0

## Income Statement

### Selected figures

€mn, for 9 month period ending	30 Sep 2010	30 Sep 2009	Growth (%)
✓ Total operating income	598.8	820.3	(27.0)
✓ of which: Net interest income	613.4	545.9	12.4
✓ of which: Non-interest income	(14.6)	274.3	nm
✓ Operating expenses	(443.8)	(457.1)	(2.9)
✓ Core Pre Provision Profit	286.1	208.2	37.4
✓ Impairment losses	(287.2)	(240.8)	19.3
✓ Net profit attributable to shareholders	(117.2)	82.4	nm

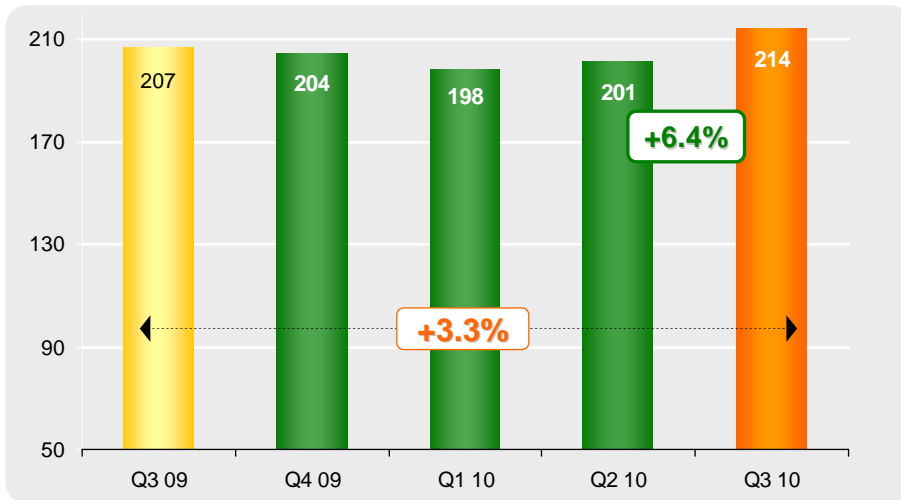
### Selected ratios

%, as of	30 Sep 2010	30 Sep 2009
✓ Net interest margin	2.76	2.86
✓ Cost / core income ratio	60.8	68.7
✓ Cost / av. assets	1.8	2.1
✓ Loan Impairments / RWAs	9.6	6.7

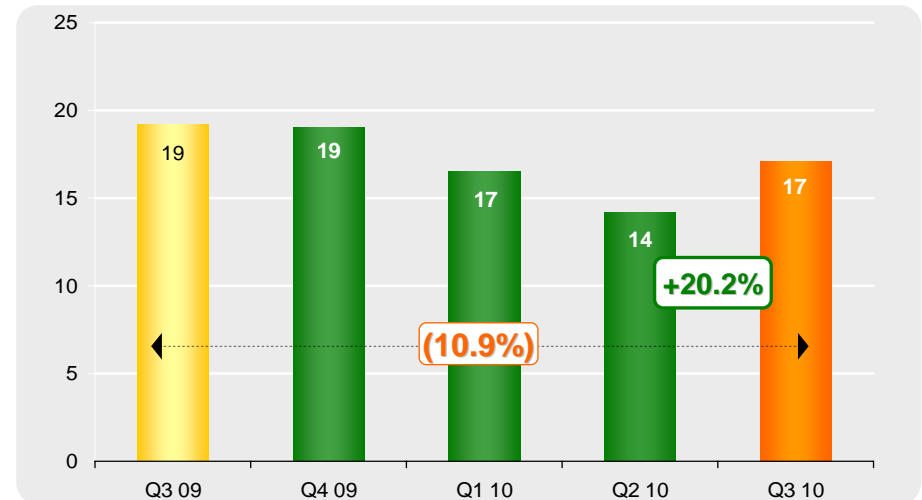
# Core Operating Performance

(amounts in mn €)

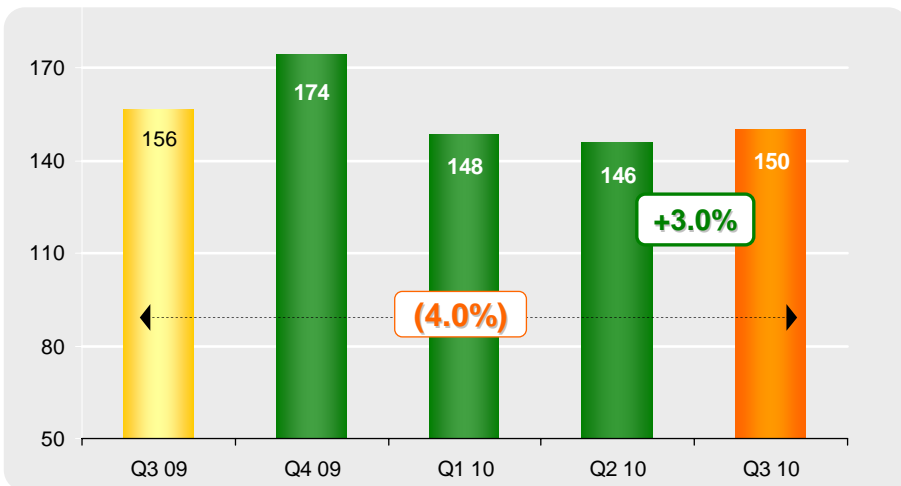
### Net Interest Income



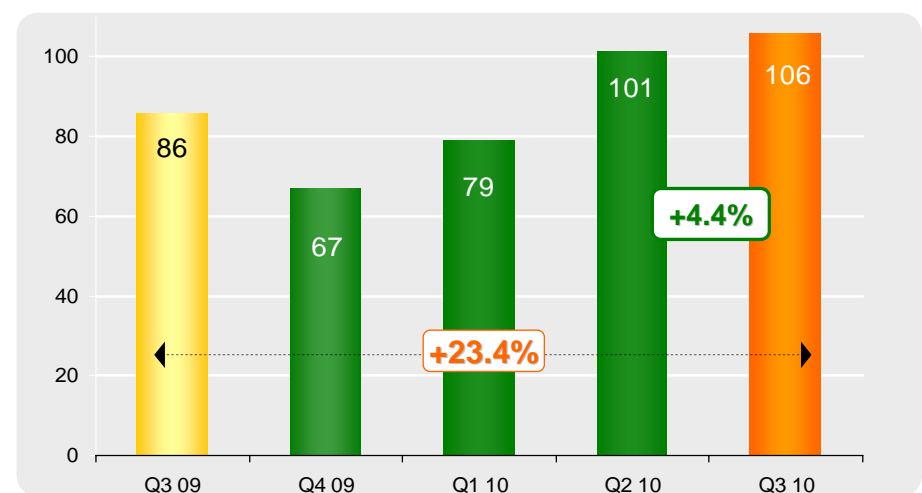
### Net Fee & Commission Income



### Total Operating Expenses



### Core Profit before Provisions



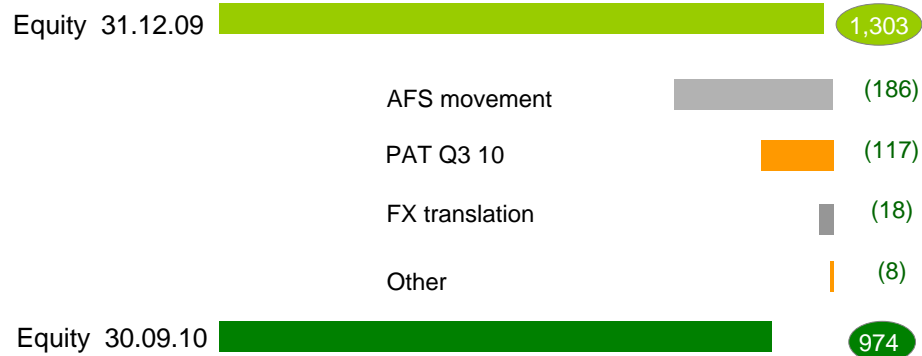
## SECTION 3 : Financial Review.



# Capital

## Impending Capital Increase to Improve Capital Adequacy

### Shareholders Equity Evolution (€ mn)

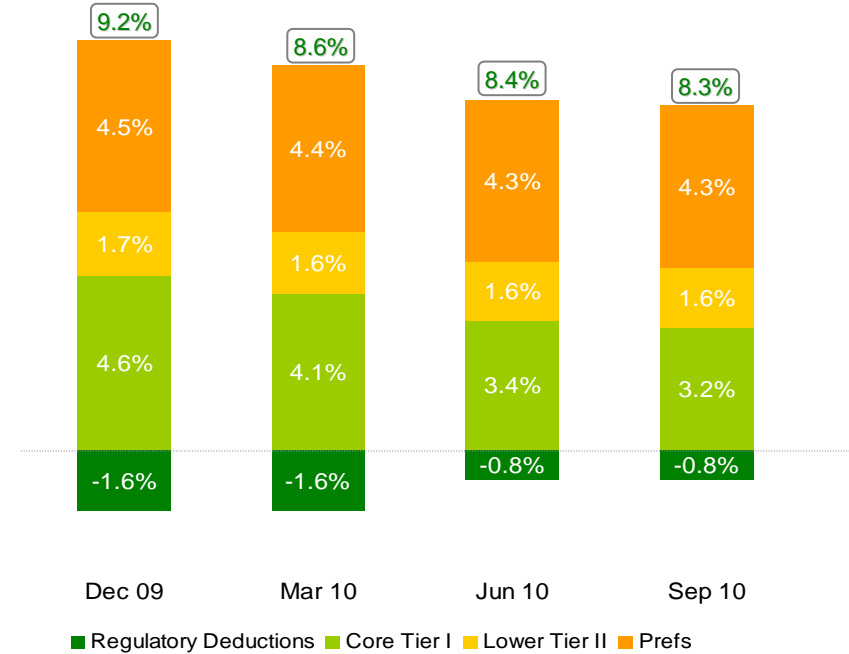


### Regulatory Capital (€ mn)

Sep 2010 (est.)

Core Tier I	509
Tier I	1,121
<b>Total Regulatory Capital</b>	<b>1,306</b>

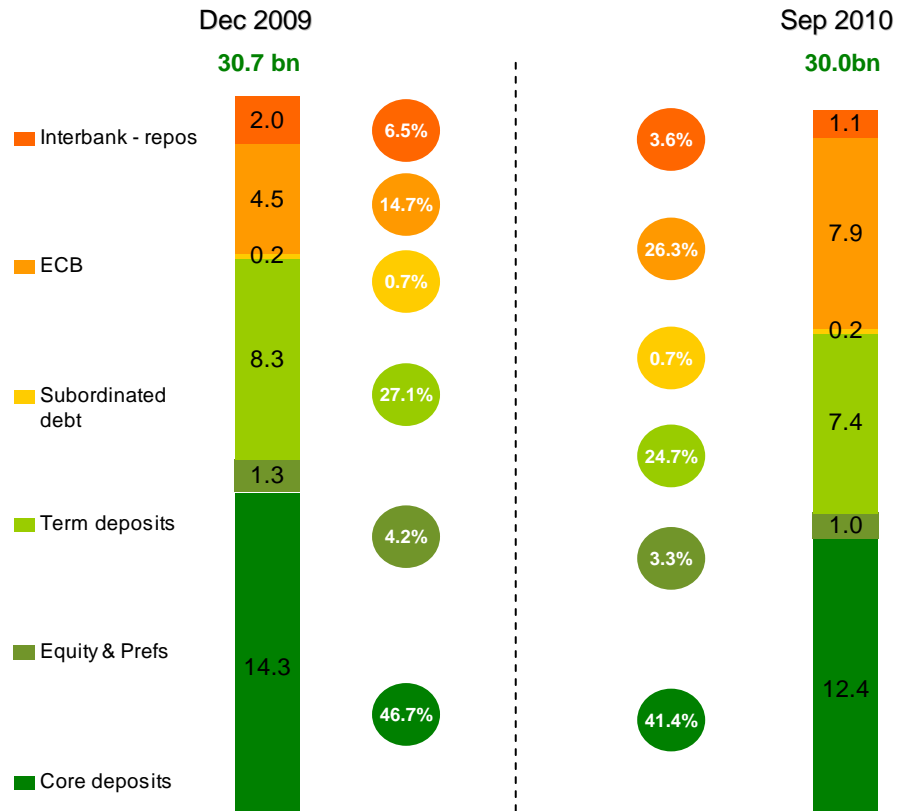
### Capital Adequacy



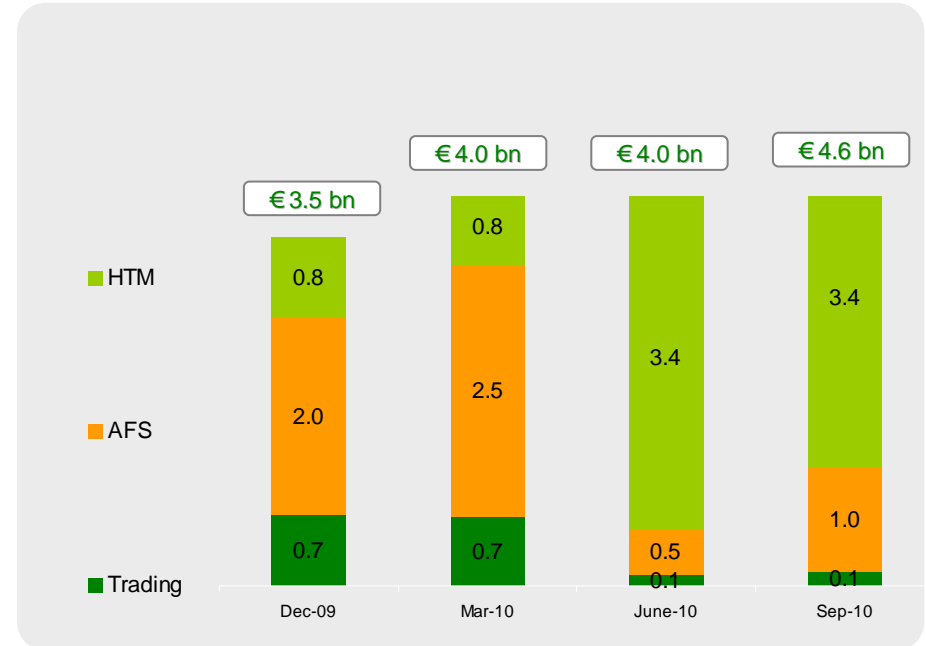
# Liquidity

## Sufficient Liquidity Mainly Based on Core Deposits

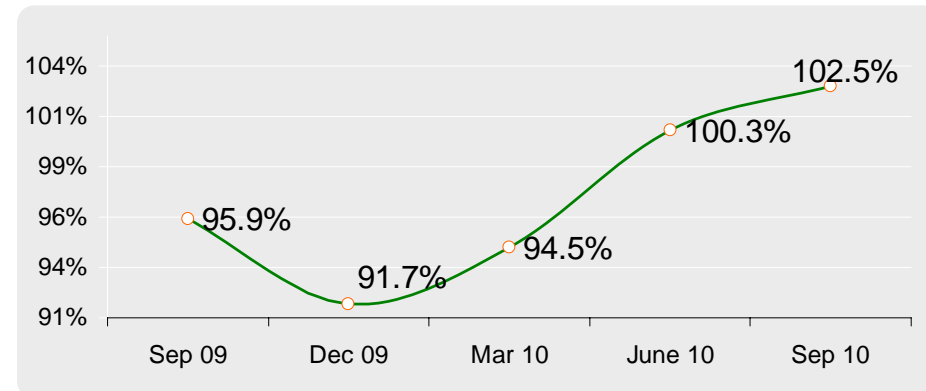
### Funding Structure



### Greek Government Bond Portfolio Breakdown (€ bn)



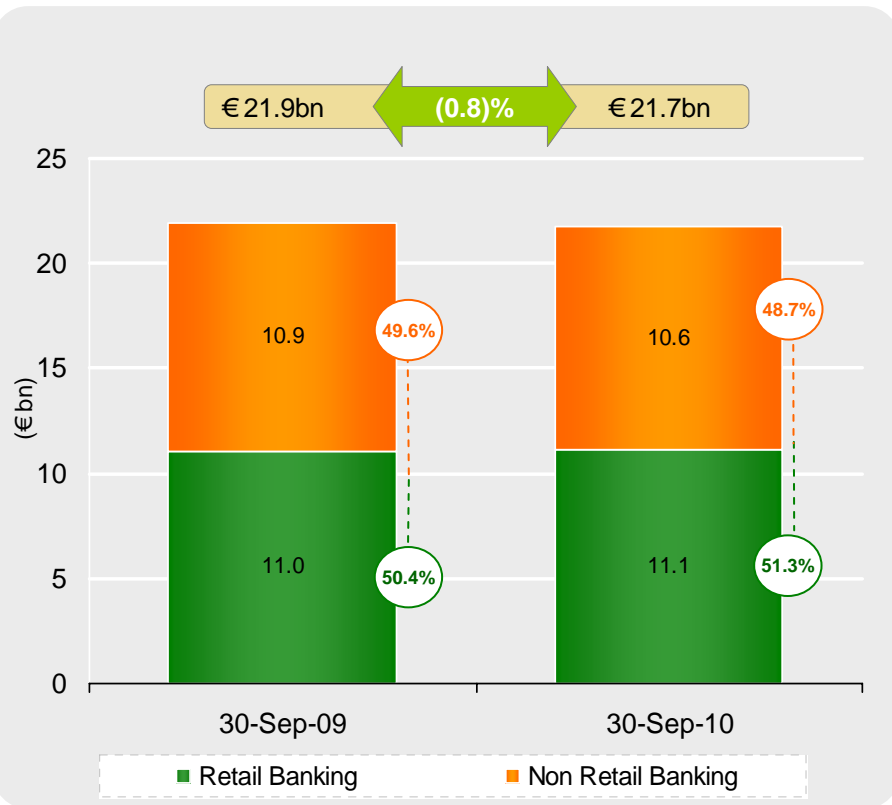
### Net Loans / Deposits



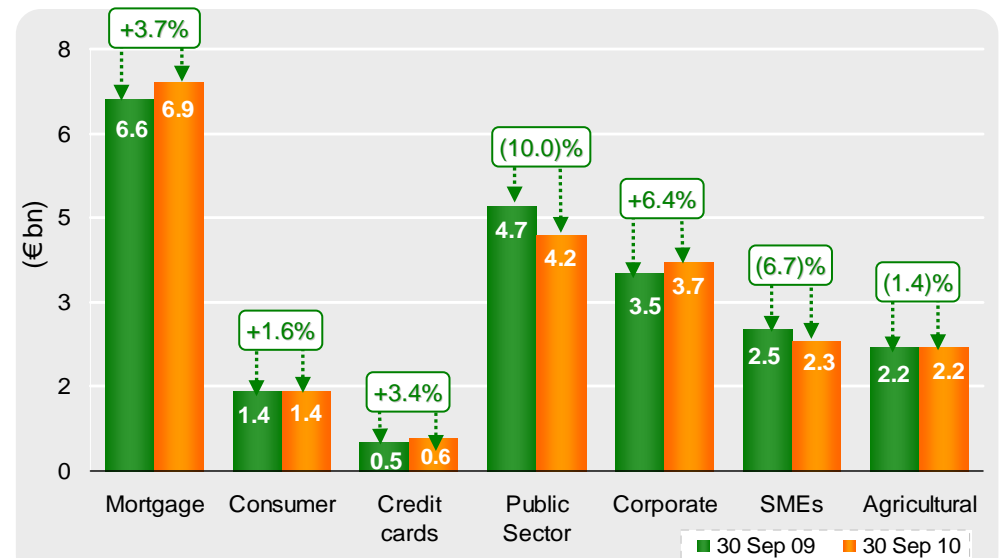
# Customer Lending

## Slight Decrease of Loan Growth Mainly Due to Lower Public Sector Lending

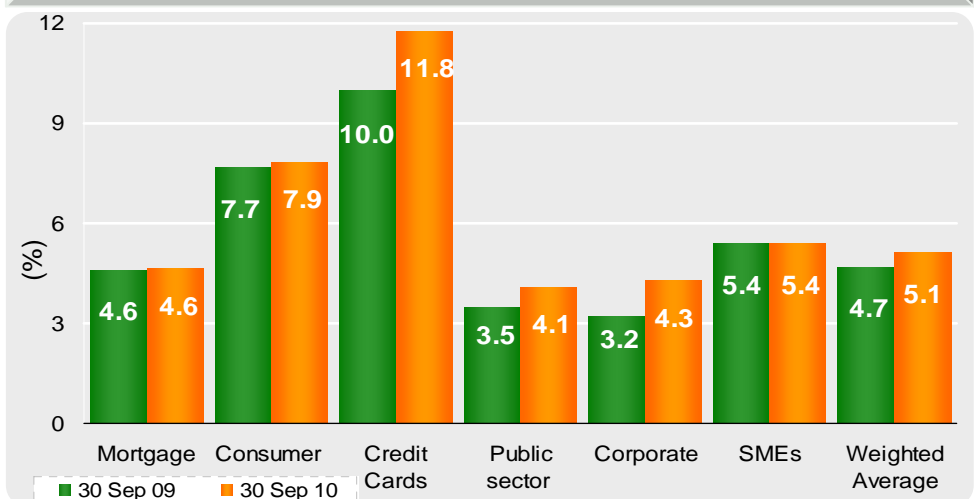
Gross Customer Loans (Growth & Composition)



Loan Breakdown



Nominal Interest Rates on Loans (end of 9month period)

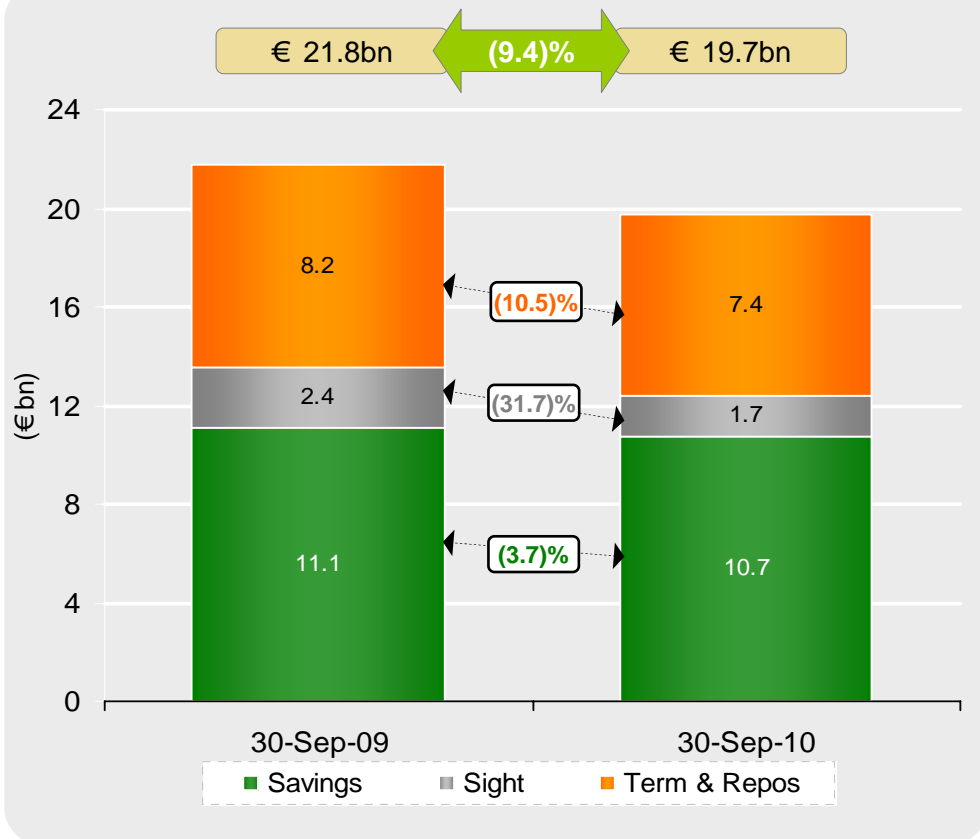


- ➡ Successful repricing of loans.
- ➡ Increasing focus on safer market segments.
- ➡ Balance loan mix between retail and non-retail portfolios.

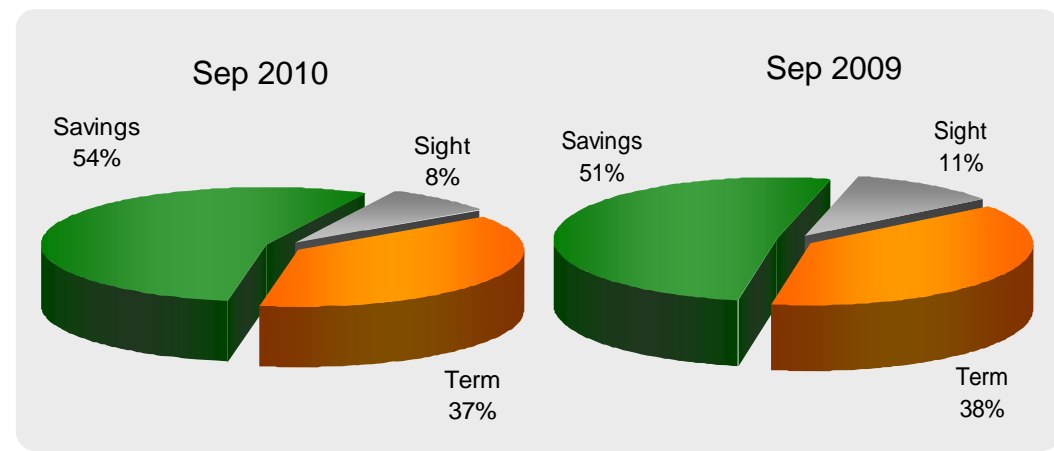
# Customer deposits

## Deposits Reduction due to the Unfavorable Market Conditions

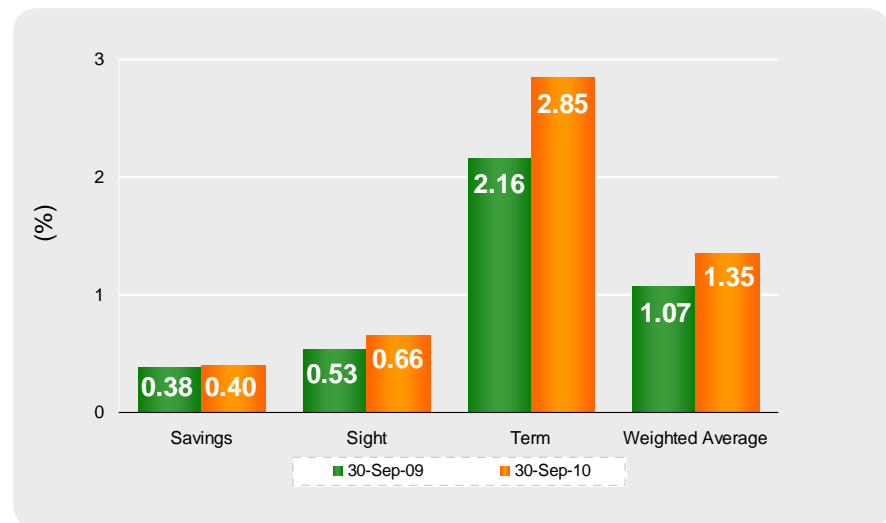
Customer Deposits



Deposit Mix






Nominal Interest Rates on Deposits (end of 9month period)



- ➔ Lower compared to market savings deposits decline.
- ➔ Reduction of sight deposits due to seasonality q-o-q.
- ➔ Superior deposit mix.

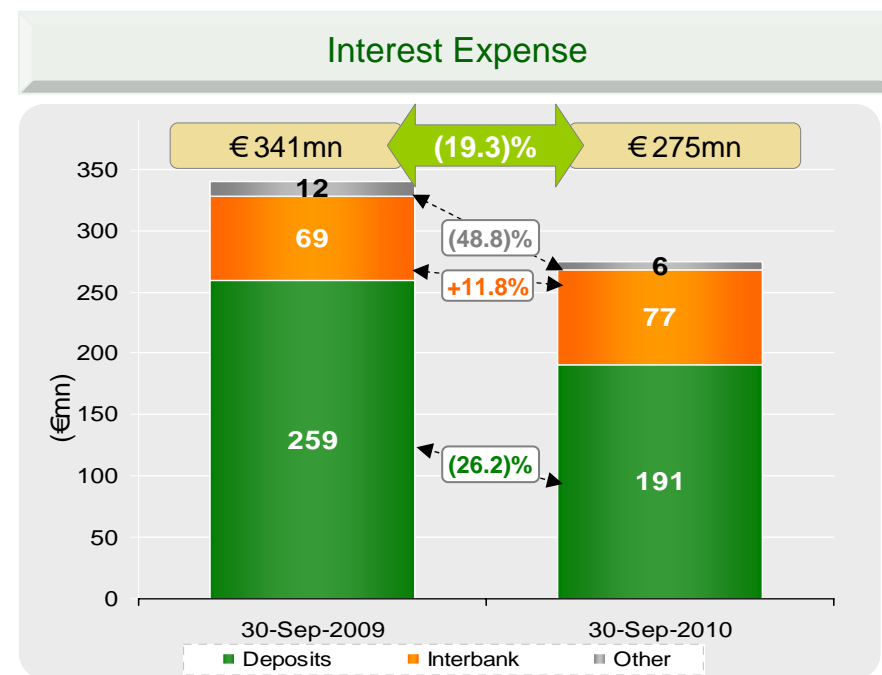
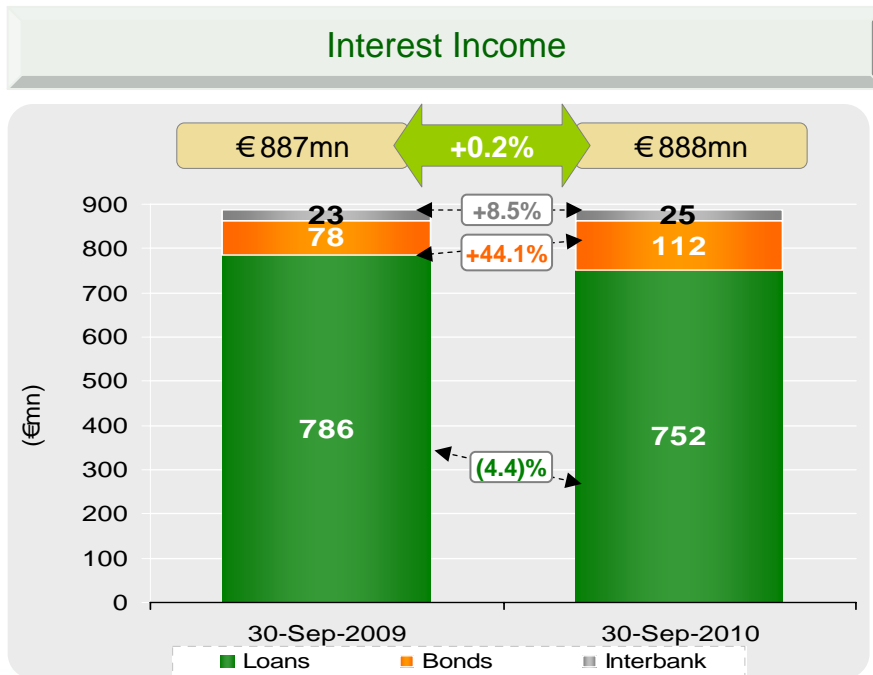
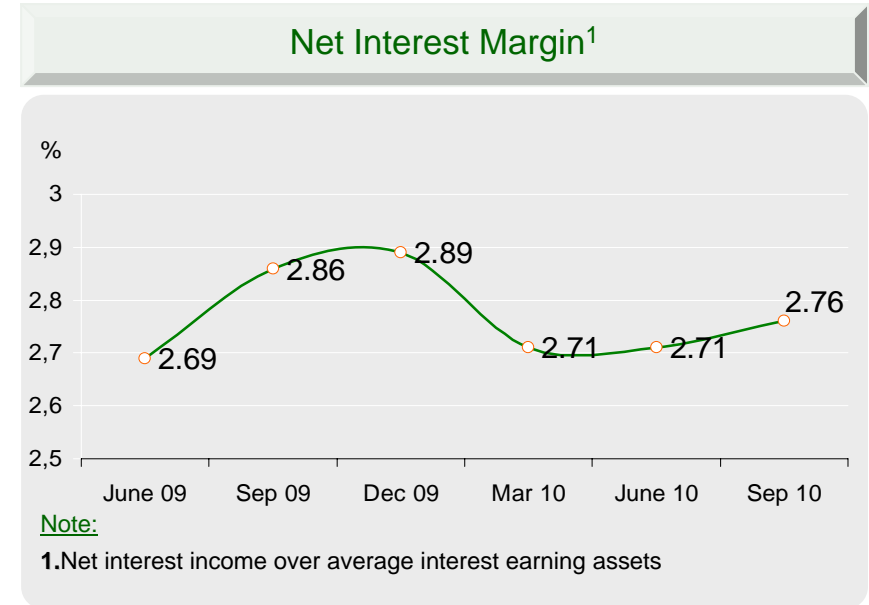
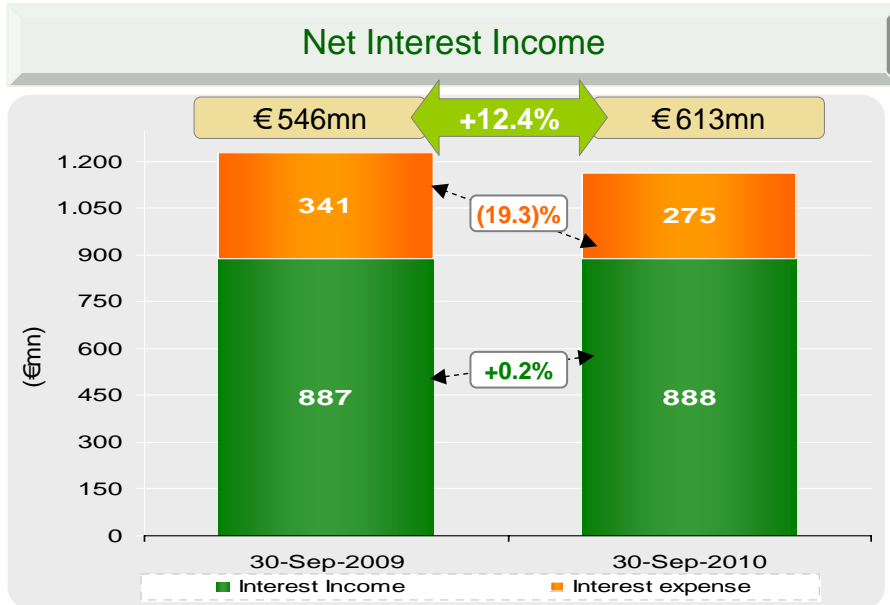
# Spreads

## Improved Loan-Deposit Spread as a Result of Successful Loan Repricing Efforts

	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	q-o-q
 <b>Average Loan Spread ( over Av 3M Euribor ) %</b>	3.96	3.91	3.86	4.00	4.19	+19bps
Mortgages	3.75	3.82	3.81	3.87	3.77	-10bps
Consumer	6.76	6.98	7.06	7.12	6.96	-16bps
Credit Cards	9.10	9.25	9.31	9.28	10.49	+121bps
Corporate	2.67	2.57	2.67	2.77	3.22	+45bps
SMEs	4.62	4.39	4.29	4.45	4.51	+6bps
Public Sector	2.85	2.70	2.31	2.49	3.09	+60bps
 <b>Average Deposit Spread ( over Av 3M Euribor ) %</b>	(0.39)	(0.32)	(0.34)	(0.38)	(0.40)	-2bps
Savings	0.48	0.34	0.26	0.28	0.47	+19bps
Term	(1.77)	(1.37)	(1.36)	(1.51)	(1.83)	-32bps
 <b>Average Overall Loan - Deposit Spread %</b>	3.57	3.59	3.52	3.62	3.80	+18bps
Average 3M Euribor ( per q )	0.87	0.72	0.66	0.69	0.88	+19bps
E.C.B. rate ( end of period )	1.00	1.00	1.00	1.00	1.00	

# Net Interest Income

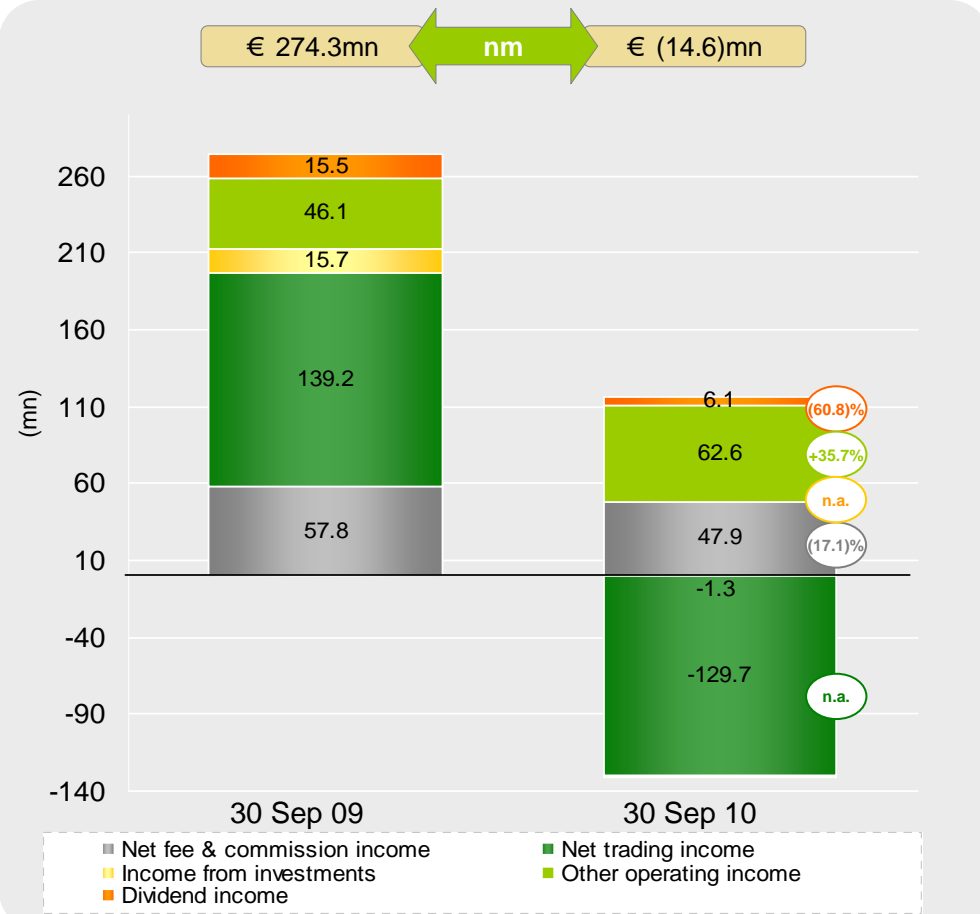
Significant NII Growth, by 12.4% y-o-y, mainly as a Result of Interest Expenses Decline



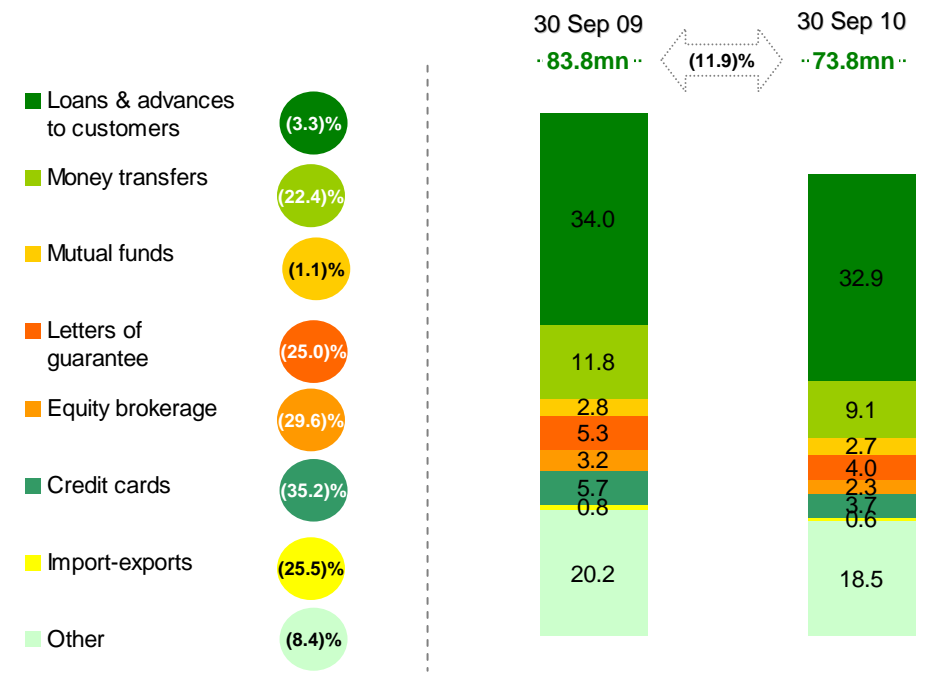
# Non-Interest Income

Negative Trading Result in First Half of 2010 Affects Other Operating Income.

## Non-Interest Income



## Fee & Commission Income

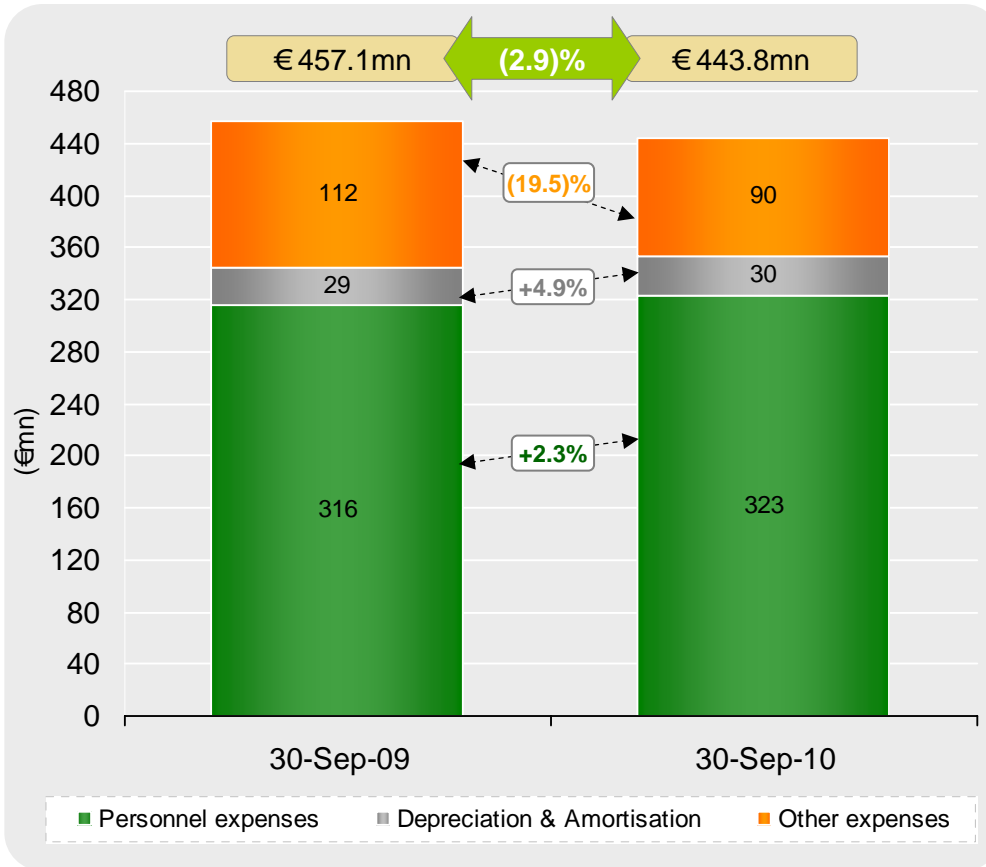


- ➔ Fee and commission income decrease due to economic slowdown & legislative restrictions in commissions charges.
- ➔ Subsidiaries improved performance boost other operating income.
- ➔ Trading result affected by bond market conditions.

# Operating Expenses

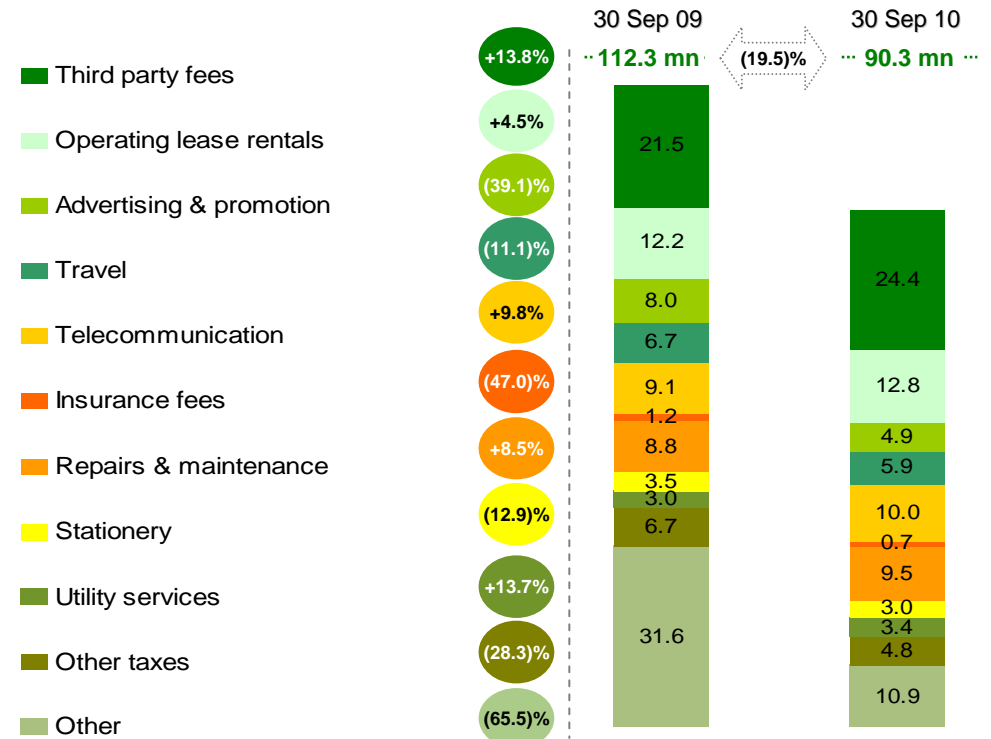
## Further operating expenses decline

### Operating Expenses

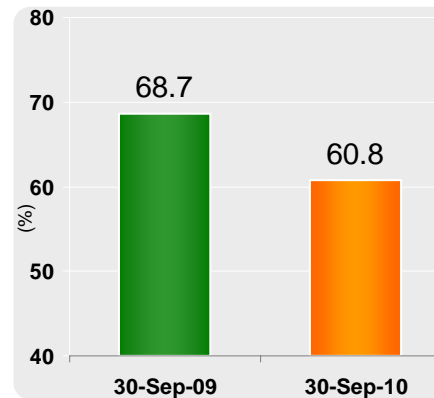


- ➔ Significant decrease in non-personnel expenses.
- ➔ Cost containment efforts to be reinforced in the future.

### Other Expenses (€ mn)



### Cost to Core Income Ratio



### Nb of Employees<sup>1</sup>

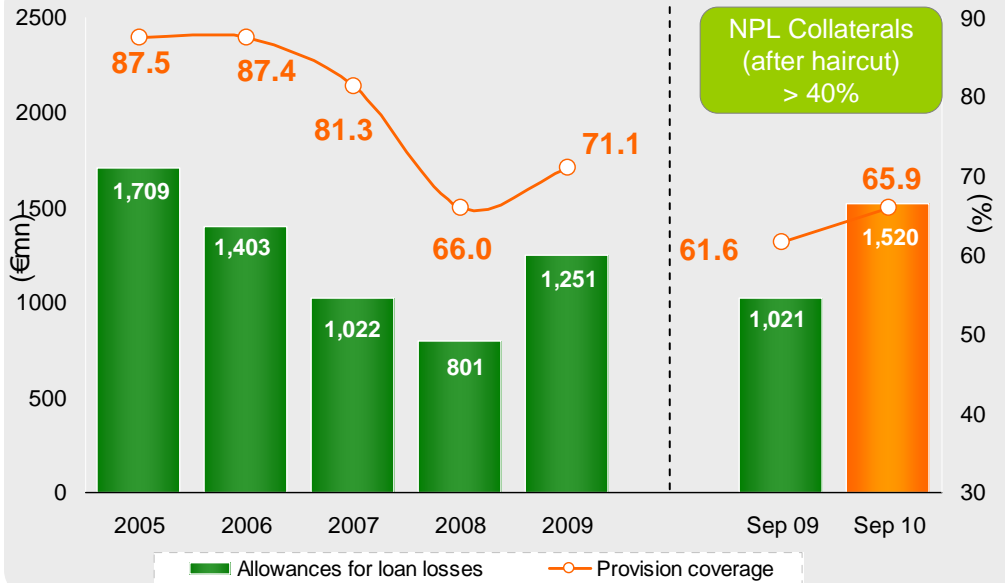
	30-Sep-09	30-Sep-10
Group	10,640	10,215
Bank	6,550	6,403

*Note 1<sup>1</sup> : Number of employees at the end of the period (excluding employees of FBB & AIK Banka which are not fully consolidated).*

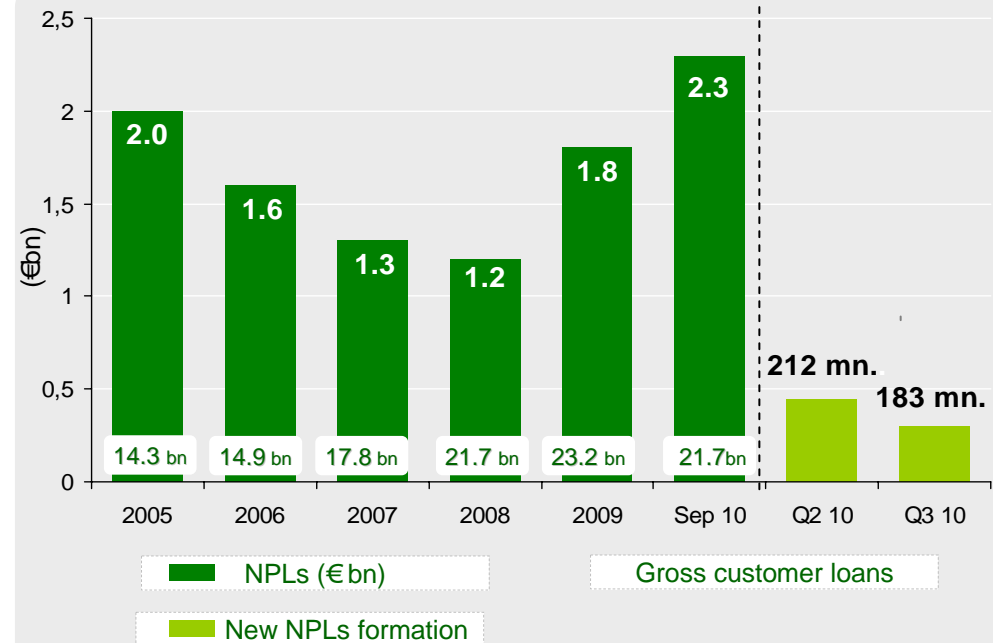
# Provisions - NPLs

## High Provision Coverage Ratio Safeguards Loan Quality in a Deteriorating Environment

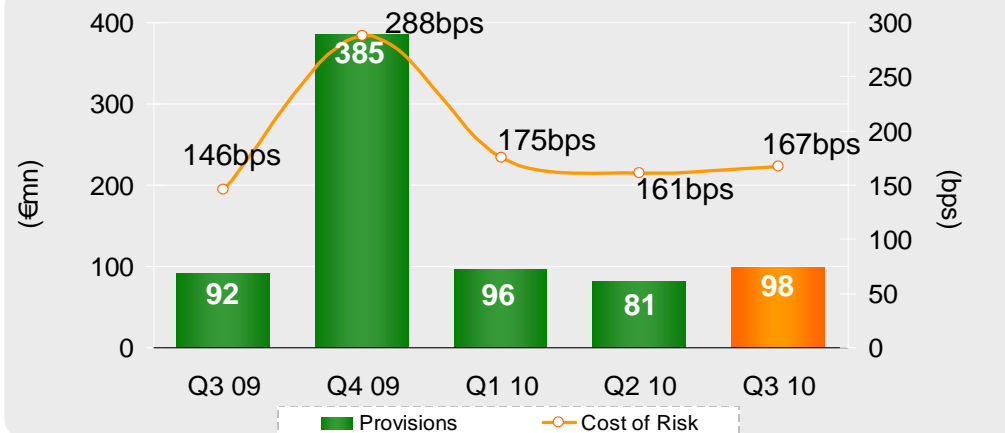
Provisioning Level



NPLs<sup>1</sup>



Quarterly Provisions - Cost of Risk<sup>2</sup>



- NPLs increase in line with market trends.
- New NPL formation decelerated in Q3 2010.
- Provisions + NPL Collaterals (after haircut) ensure 100% coverage.

**Notes**

1: Loans in arrears for over a period of 90 days over gross customer loans except for mortgages which represent loans in arrears for over a period of 180 days.

2: Provisions over average gross adjusted loans (bps annualized).

# Contacts - Disclaimer

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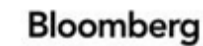
## Stock Symbols:



**A.S.E. : ATE**



**: AGBr.AT**



**: ATE GA**

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