

**ATEbank**



*AGRICULTURAL BANK OF GREECE*

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Nine Month 2008 results presentation

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SECTION 1

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# Highlights of the period

# Highlights of period

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- ◆ Resilient core business performance despite unstable global economic environment
- ◆ Net Profits stood at €3.8m
- ◆ Customer Loans grew by 21.3% (despite write-offs of €469m)  
Household lending expanded above market rate (+28.5%) and SME portfolio accelerated further (+61.6%)
- ◆ Deposits grew moderately (+3.1%, with total cost at 2.35%), due to the slowdown in attracting term deposits
- ◆ Loans/ Deposits ratio (at 95.2%) still leaves some room to fund growth from low cost resources
- ◆ Total operating expenses grow at moderate rates (+6.9%, now including 2008 salary increases)
- ◆ NPLs continued to decline reaching 6.9% in 9M 08 vs 10.6% in 9M 07
- ◆ Total Capital Adequacy ratio above minimum regulatory level (at 8.9%)
- ◆ Negotiations of ATE Insurance's sale still under way

# Summary financials

## Balance sheet and regulatory capital

### Selected figures

€m, as of	30 Sep 2008	30 Sep 2007	Growth (%)
Total assets	27,194	22,370	21.6
Gross customer loans <sup>1</sup>	18,834	15,523	21.3
Net customer loans	17,962	14,268	25.9
Customer deposits	19,792	19,194	3.1
Shareholders equity	1,136	1,409	(19.3)
Tier I capital (estimate)	1,055	1,061	(0.6)
Risk-weighted assets	14,806	11,299	31.0

### Selected ratios

%, as of	30 Sep 2008	30 Sep 2007
Gross customer loans / customer deposits	95.2	80.9
NPL ratio	6.9	10.6
Provision coverage	67.4	76.5
Tier I capital ratio	7.3	9.4
Total Cap. Adequacy ratio	8.9	10.1

## Income statement

### Selected figures

€m, for 9 month period ending	30 Sep 2008	30 Sep 2007	Growth (%)
Total operating income	571.0	706.5	(19.2)
of which: Net interest income	462.0	455.0	1.6
of which: Non-interest income	109.0	251.5	(56.7)
Operating expenses	(398.0)	(372.2)	6.9
Impairment losses on loans	(70.3)	(60.6)	16.0
Net profit attributable to shareholders	83.8	219.1	(61.7)

### Selected ratios

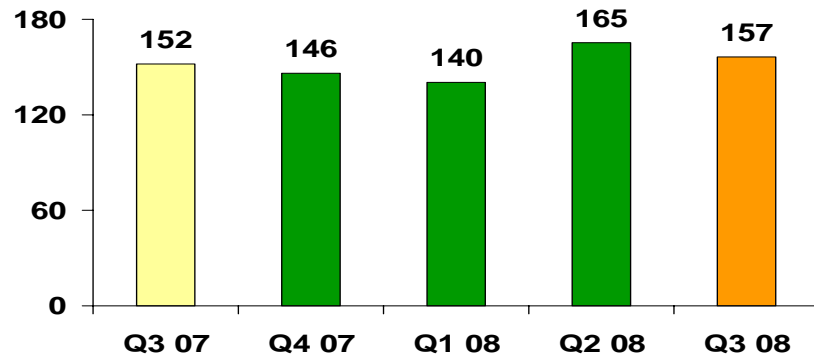
%, for	9M 2008	6M 2008	3M 2008
Net interest margin <sup>2</sup>	2.91	2.96	2.81
Cost/income ratio <sup>3</sup>	69.7	67.1	77.5
Return on equity <sup>4</sup>	8.8	10.6	8.8
Return on assets <sup>5</sup>	0.44	0.57	0.51

#### Notes:

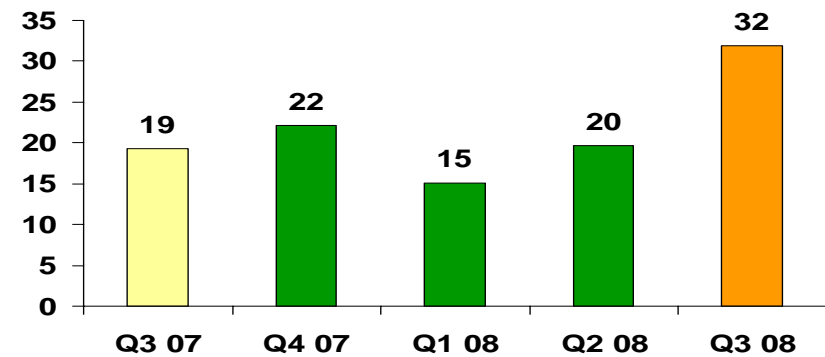
- 1 Gross and Net Customer Loans have been restructured and do not include ATE Insurance figures
- 2 Net interest income over average interest earning assets (calculated on monthly basis)
- 3 Operating expenses over operating income
- 4 Net profit attributable to shareholders over average shareholders equity (calculated on quarterly basis)
- 5 Net profit attributable to shareholders over average assets (calculated on quarterly basis)

# Core operating performance q-o-q

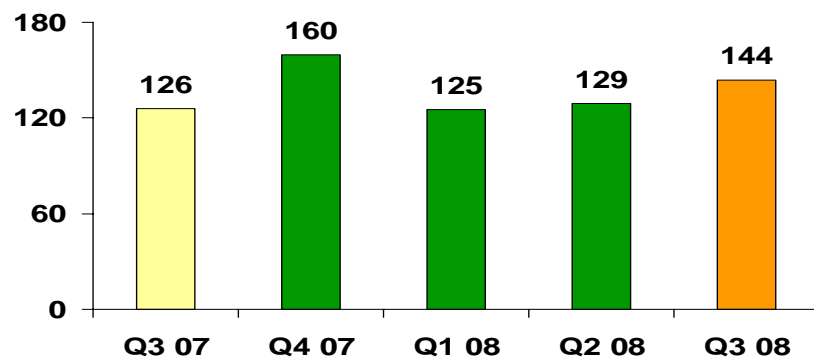
## Net Interest Income



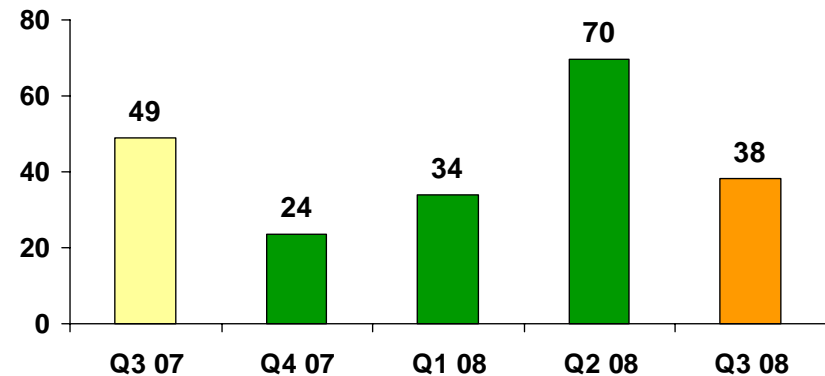
## Net Fee & Commission Income



## Total Operating Expenses



## Core Profit before Tax



SECTION 2

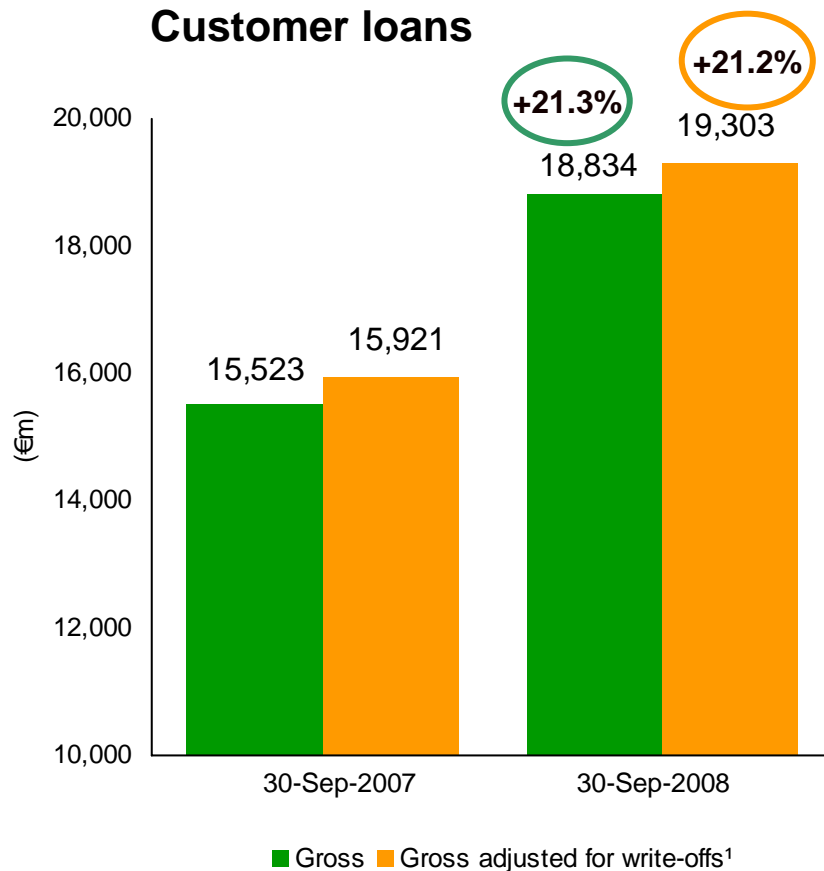
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# Financial review

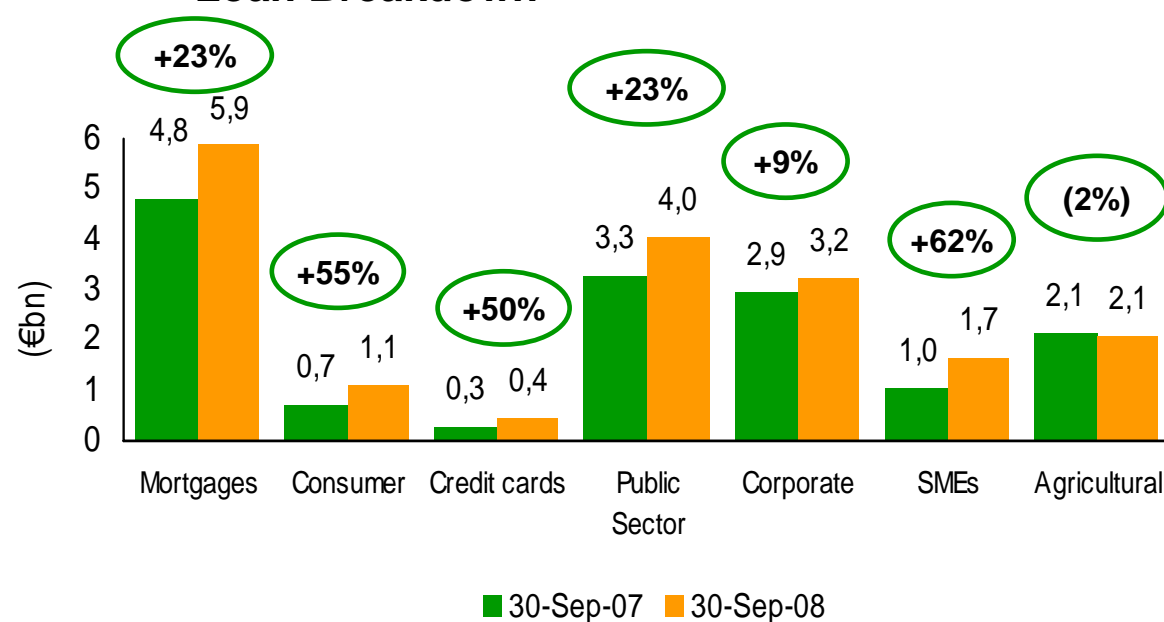
# Customer lending

## Retail lending growth still at high levels

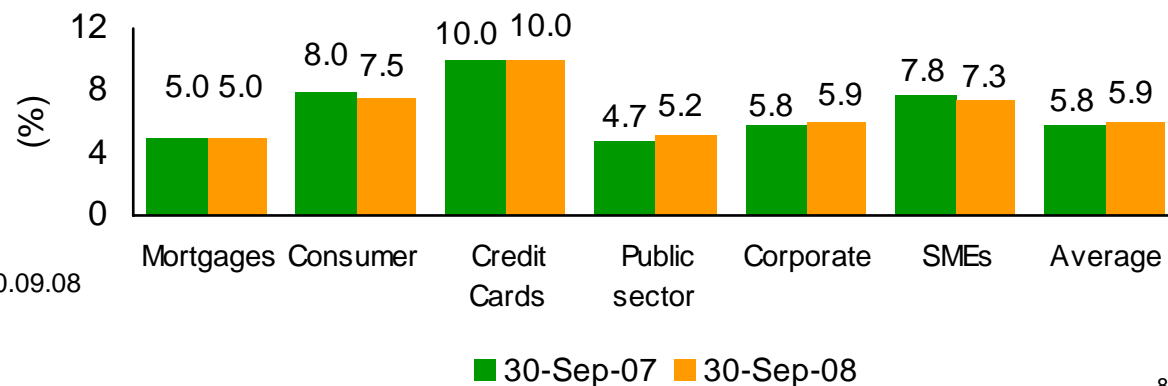
### Customer loans



### Loan Breakdown



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

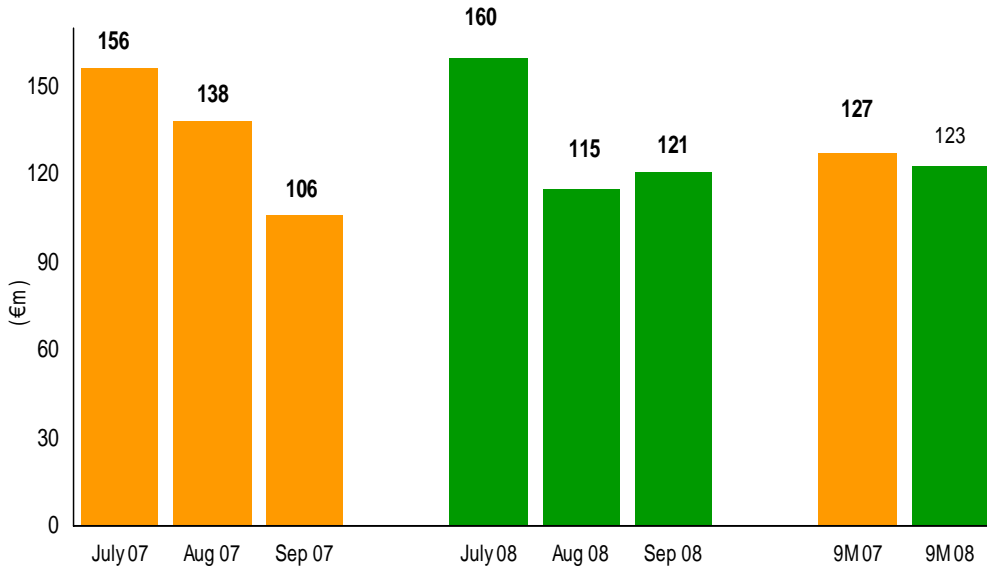


#### Notes:

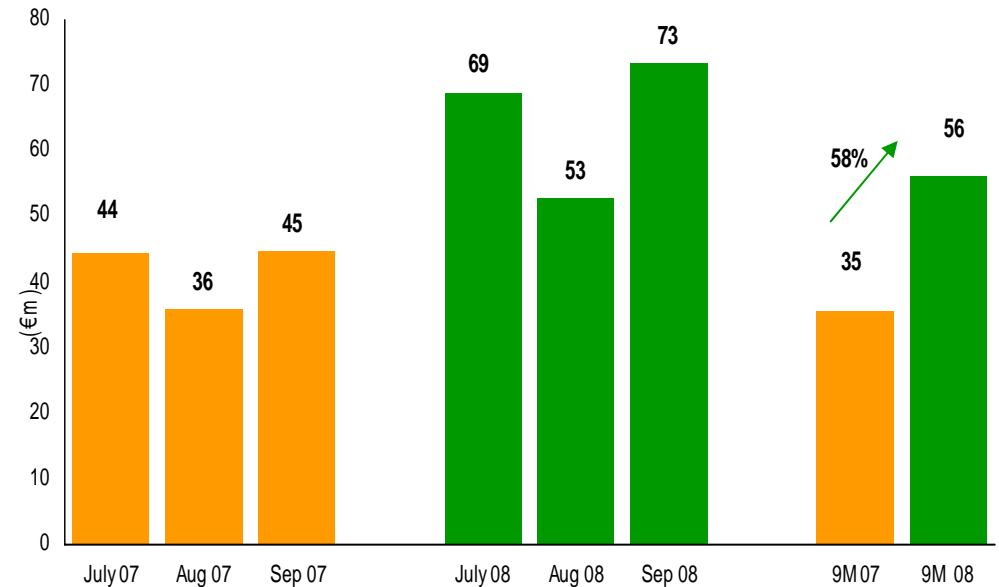
- Adjusted for €469 million write-offs in the period 01.10.07-30.09.08
- Bank only figures

# Household & SME Lending

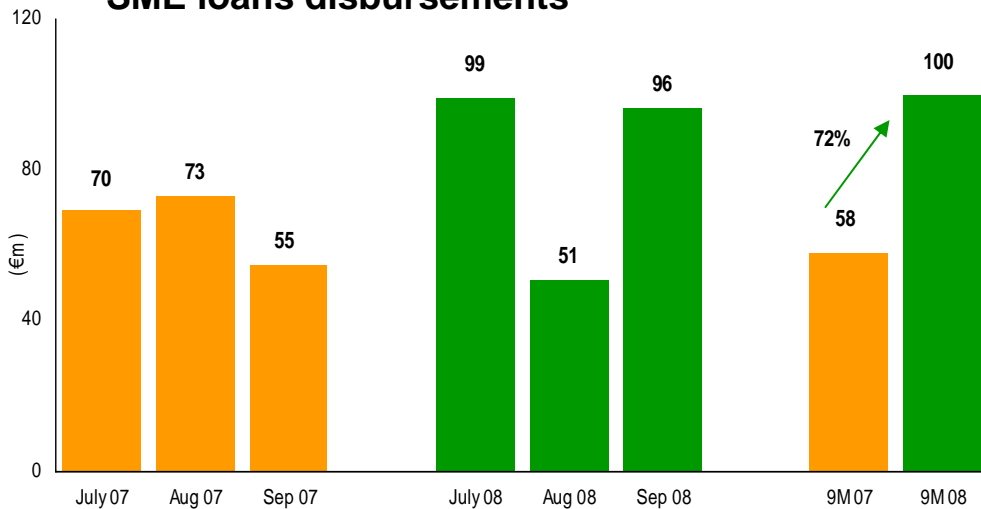
## Mortgage disbursements



## Consumer loans disbursements



## SME loans disbursements



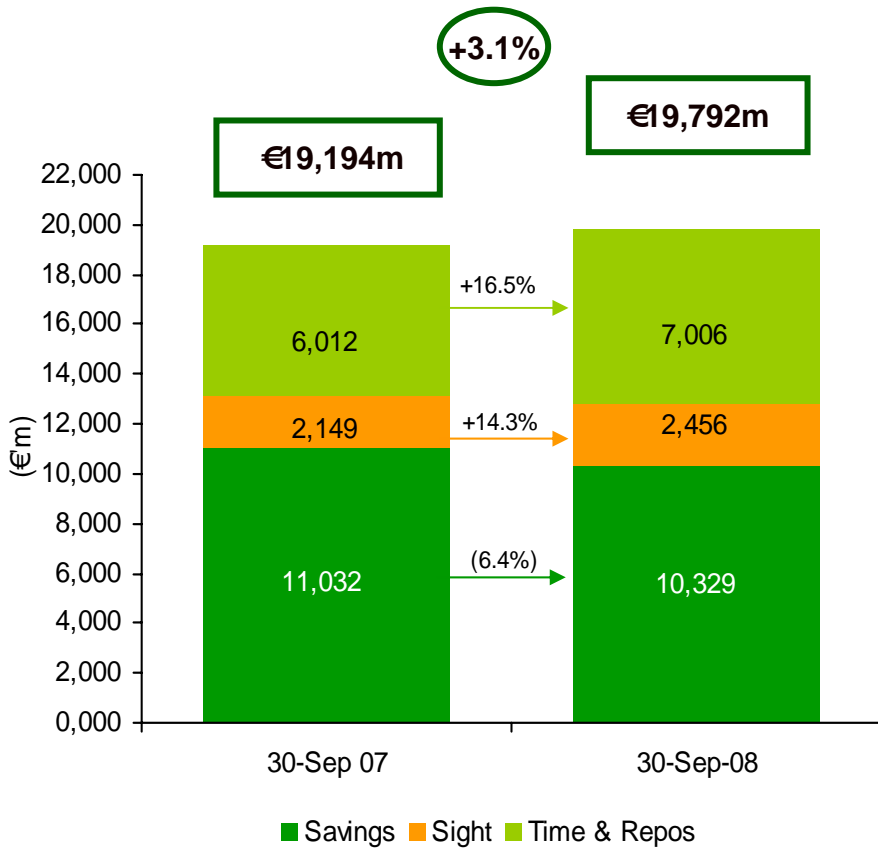
- Retail loans grow at high rates (above market), & represent 48% of total loans (from 44% in 9M 2007)

- Consumer and SME loan disbursements accelerate whereas mortgage disbursements stabilize at satisfactory levels after 3 years of high growth

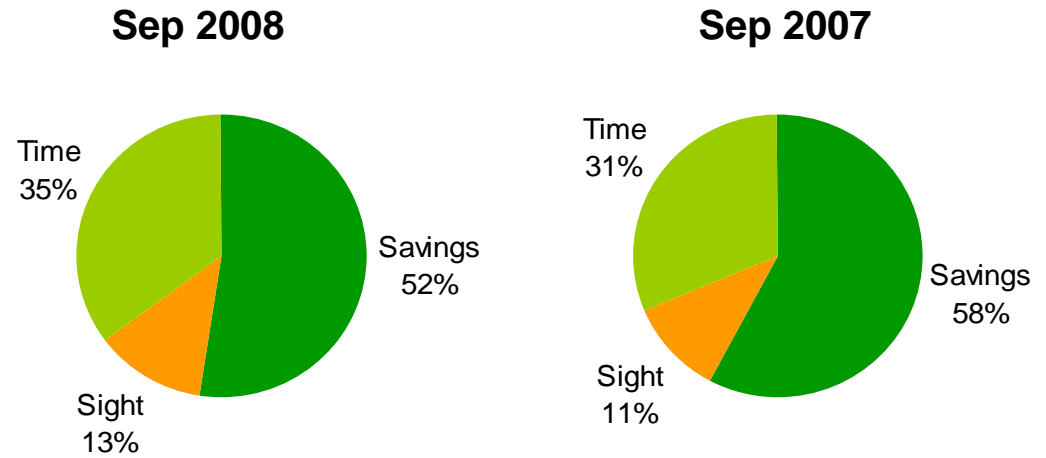
# Customer deposits

## Time deposits growth slowdown – Satisfactory deposit mix

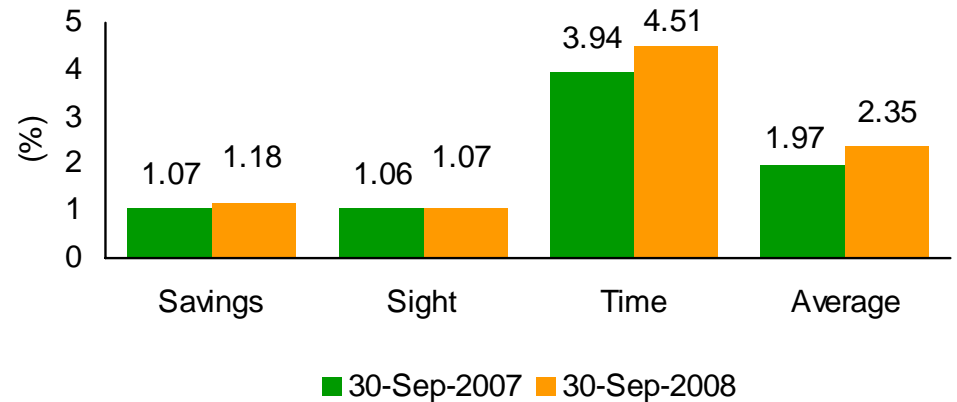
### Customer deposits



### Deposit mix



### Interest rates on deposits (end of 9 month period)



# Spreads

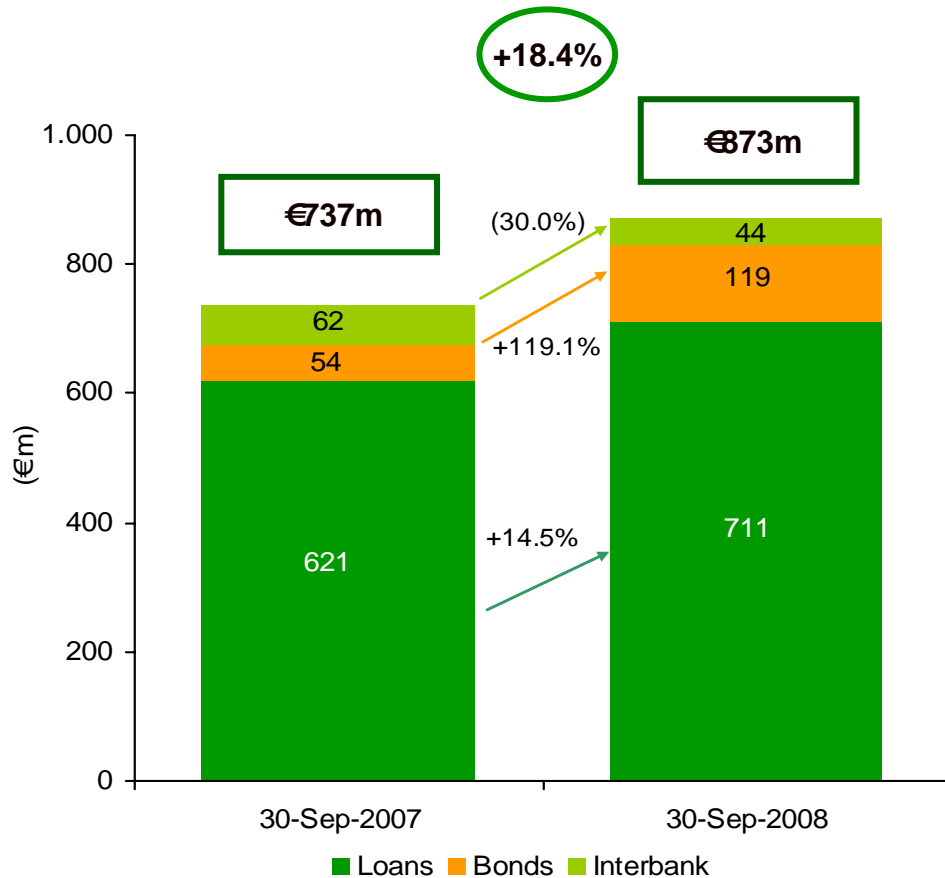
## Average spreads stabilize while average euribor level hits season high

SPREADS	3Q 07	4Q 07	1Q 08	2Q 08	3Q 08
<b>Average Loans Spread (over Av 1M Euribor)</b>	<b>1.51</b>	<b>1.40</b>	<b>1.52</b>	<b>1.39</b>	<b>1.34</b>
Mortgages	0.71	0.57	0.70	0.52	0.45
Consumer/Personal	3.56	3.35	3.35	3.09	3.01
Credit Cards	5.69	5.60	5.74	5.56	5.43
Corporate	1.48	1.51	1.63	1.41	1.34
SMEs	3.12	2.95	3.05	2.83	2.70
<b>Average Loans Spread (over cost of deposits)</b>	<b>3.86</b>	<b>3.73</b>	<b>3.63</b>	<b>3.64</b>	<b>3.60</b>
<b>Average Deposits Spread (over Av 1M Eur)</b>	<b>2.35</b>	<b>2.33</b>	<b>2.11</b>	<b>2.25</b>	<b>2.26</b>
Savings	3.21	3.27	3.10	3.27	3.38
TimeRepos	0.46	0.33	0.12	0.22	0.14
Average 1M Euribor (per q)	4.28	4.37	4.23	4.41	4.54
ECB rate (end of period)	4.00	4.00	4.00	4.00	4.00

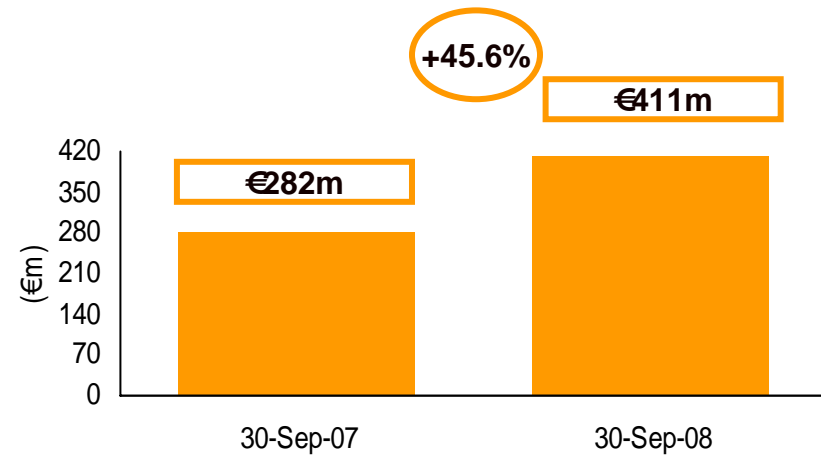
# Net interest income

## Positive NII growth in Q3 despite acceleration of interest expenses

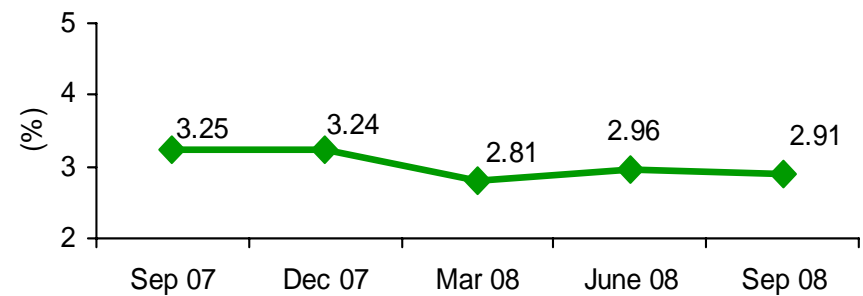
### Interest income



### 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

## Financial crisis has it's negative impact

	(€m)		
	30 Sep 2008	30 Sep 2007	Comment
Net fee and commission income	66.7	62.4	◆ Fee and commission income and expenses from banking and non-banking products
Net trading income	(32.8)	40.8	◆ Gains and losses from financial transactions
Income from investments	5.3	80.5 <sup>1</sup>	◆ Gains and losses from disposal of financial assets available-for-sale
Dividend income	21.3	22.7	◆ Dividend income derived mostly from available-for-sale securities
Other operating income	48.4	45.1	◆ Revenue from sale of goods and other (not including insurance revenues)
<b>Total non-interest income</b>	<b>108.9</b>	<b>251.4</b>	

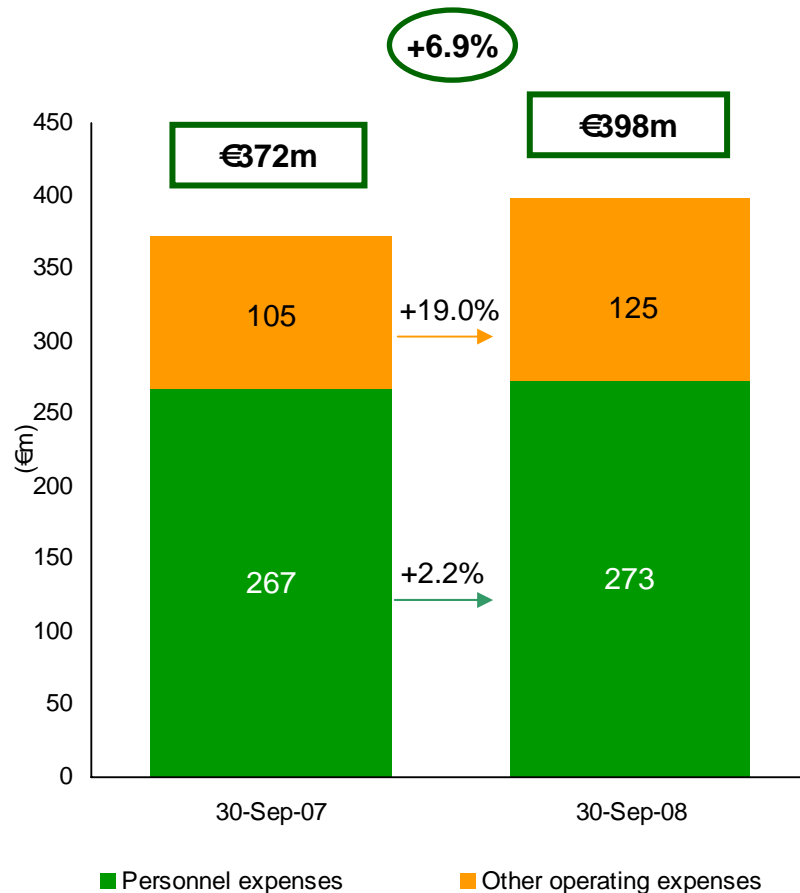
### Notes:

1 It includes €80.5m derived from the sale of part of available for sale portfolio.

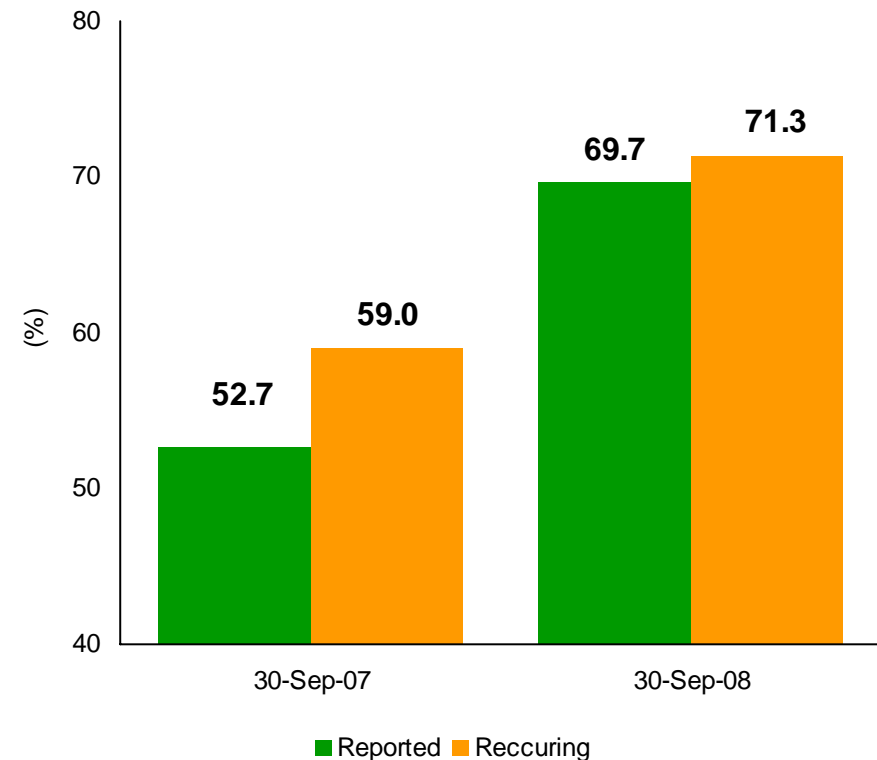
# Operating expenses

## Cost growth at moderate levels – Efficiency ratio impacted by the crisis

### Operating expenses



### Cost income ratio



Employees<sup>1</sup> 10778 (Bank :6491) 10436 (Bank :6934)

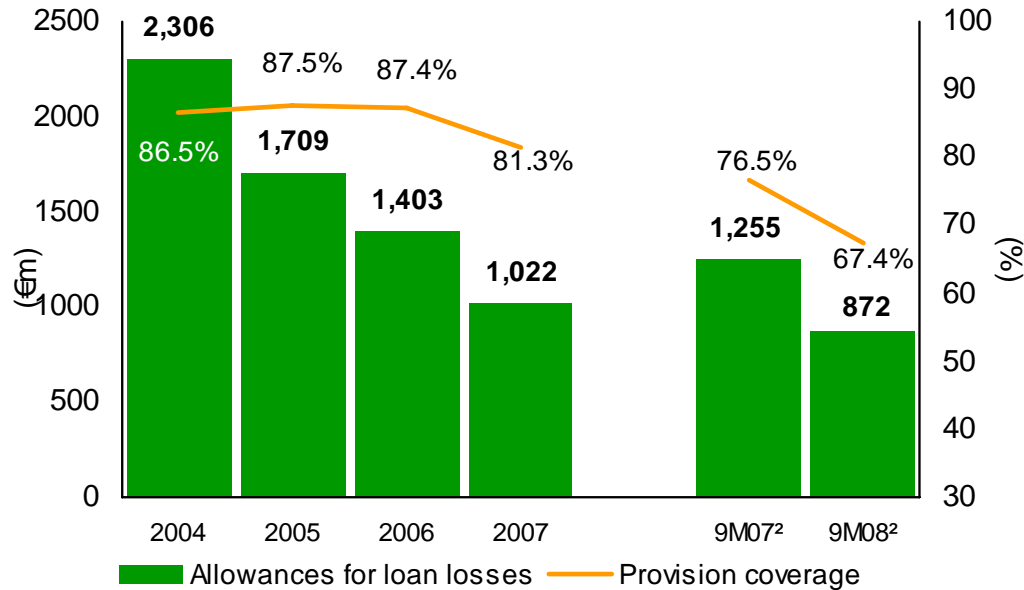
#### Notes:

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

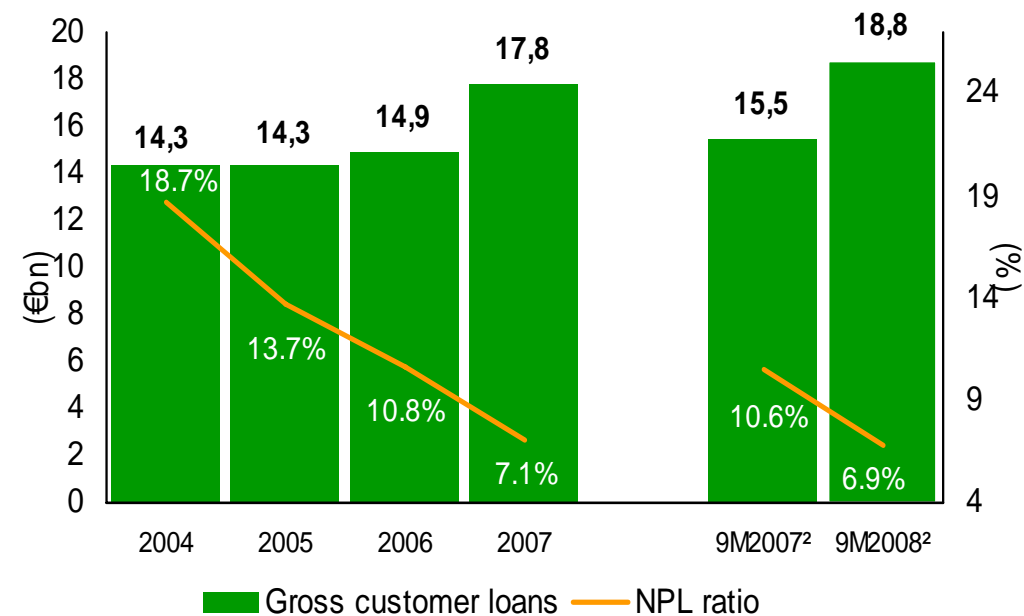
# Provisions - NPLs

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

### Provisioning level



### Non-performing loans²



◆ Cost of Risk<sup>1</sup> : Q3 2008 - 53bps

9M 2008 NPLs: 1,294 €m

#### Notes:

- 1 Annual provisions over average gross loans
- 2 Loan in arrears for over a period of 90 days over gross customer loans except for figures 2004-2007 which represent loans in arrears for over a period of 180 days

# Contribution of Consolidated Subsidiaries

<b>ATEBANK Group</b> €m, as of end of period ending 30 September 2008	<b>Total assets</b>	<b>Gross operating result</b>	<b>Net income</b>	<b>Direct and indirect participation (%)</b>
Agricultural Bank of Greece	26.247	512,6	64,5	n/a
ATE Insurance	697	35,0	-0,3	84
ATE Leasing	420	6,0	1,5	100
ATE Cards	23	8,5	0,4	100
ATE Securities	36	4,6	1,6	95
ATE Aedak	6	2,1	0,4	93
ATE Real Estate and IT Development	9	5,7	0,3	91
ATEbank Romania	229	9,7	1,2	74
Other non financial subsidiaries	498	34,3	7,9	n/a
<b>ATEbank Group</b>	<b>27.194</b>	<b>569,5*</b>	<b>86,7*</b>	<b>n/a</b>
First Business Bank *	1.926	14,8	2,3	49
SEKAP	-	-	-0,4	46
AIKBANKA (Serbia) *	1.223	20,3	8,7	21
* Consolidated under equity method				
<b>Other non financial subsidiaries</b> €m, as of end of period ending 30 September 2008	<b>Total assets</b>	<b>Gross operating result</b>	<b>Net income</b>	<b>Direct and indirect participation</b>
Hellenic Sugar Company	360	15,8	5,7	82
Dodoni	92	5,6	2,2	68
Rodopi	0	0,4	0,2	75
Etanal	0	0,0	0,0	0
Elviz	26	-0,2	-1,6	100
ATE Finance International	1	0,2	-0,1	100
ATE RENT	11	0,5	0,3	99
ATE Advertising	7	10,0	0,8	65
Atexcelixi	1	2,0	0,3	99
<b>Total - Other non financial subsidiaries</b>	<b>498</b>	<b>34,3</b>	<b>7,9</b>	<b>n/a</b>

# Analysis of non-recurring items

## 1/1- 30/09/2008 (€m)

Income statement item	Reported	Non-recurrent item	Adjusted	Comment
Fee and Commission Income	84.0	(8.5)	75.5	◆ Fee from company liquidation
Other expenses	(100.3)	(2.9)	(103.2)	◆ Charge in impairment value of Hellenic Sugar due to restructuring
Deferred Tax	(17.7)	(10.6)	(28.3)	
Net profit attributable to shareholders	83.8	(22.0)	61.8	

## 1/1- 30/09/2007 (€m)

Income statement item	Reported	Non-recurrent item	Adjusted	Comment
Income from investments	80.5	(80.5)	0.0	◆ Result from the sale of part of the available for sale portfolio
Other expenses	(78.3)	3.0	(75.3)	◆ Donations to the fire victims in Greece
Impairment of loans	(60.6)	7.0	(53.6)	◆ Provision for the future securitization of NPLs
Deferred Tax	(55.8)	(2.5)	(58.3)	◆ 25% on other expenses and impairment of loans
Net profit attributable to shareholders	219.1	(73.0)	146.1	

# Contacts - Disclaimer

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ASE: **ATE**,

Reuters: **AGBr.AT**

Bloomberg: **ATE GA**

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