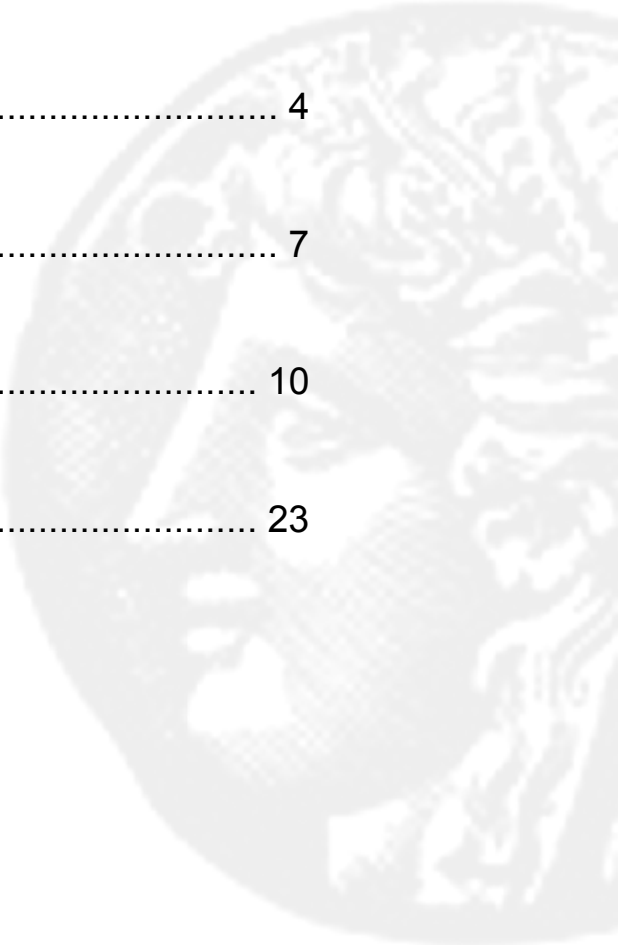


# Full Year 2010 Financial Results Presentation



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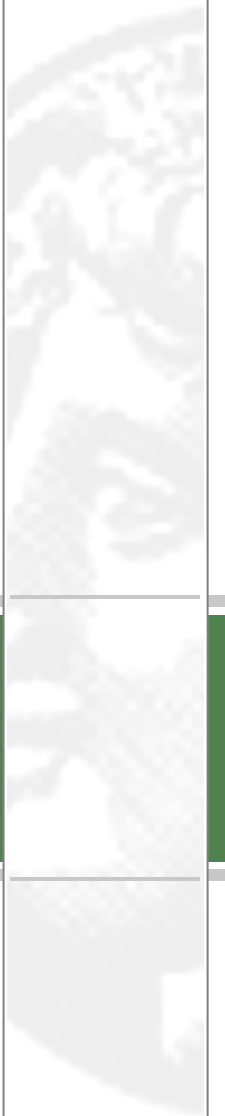
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## *Focus on Capital Enhancement & Restructuring Plan Implementation*

- ➔ **Share capital increase** of €1.260 bn through a rights issue.
- ➔ Extensive loan portfolio clean up and **strengthening of the quality of the balance sheet** through adequate loan and asset provisioning, taking into account independent auditor's loan book due diligence and Bank of Greece's guidance.
- ➔ Despite strong FY 2010 core pre-provision operating profitability (+42.7% y-o-y), the Group posted a **net loss** of €438 mn, as a result of the extensive provisioning and high trading losses.
- ➔ **Restructuring plan implementation** to accelerate after significant progress in discussions with EC DG of Competition.

## SECTION 1 : Capital Increase



## *Share capital strengthening*

> ATEbank Board of Directors intends to propose to the General Shareholders Meeting a **strengthening of its capital base** by

✓ a rights issue to raise proceeds up to **€1.260 bn**

and a concurrent **redemption of the € 675 mil. preferred shares** held by the Greek State, so that it can maintain a **net capital inflow of € 585 mil.**

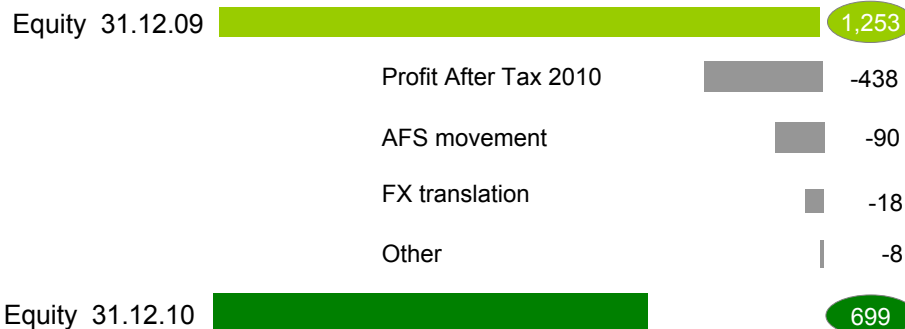
➔ Following the successful completion of the capital increase and the redemption of the preferred shares ATEbank's **capital adequacy ratios on a pro-forma base** are estimated :

- Total Capital Adequacy Ratio 12.54%
- Tier I Ratio 11.17%

These ratios are expected to be further enhanced in the following years by the capital release measures & the increased profitability projected under ATEbank's restructuring plan.

## Impending Capital Increase to Improve Capital Adequacy

### Shareholders Equity Evolution (€ mn)

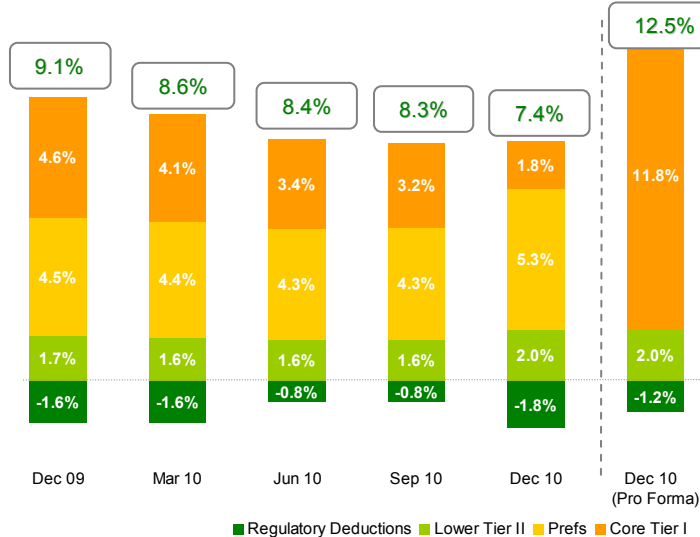


### Regulatory Capital (€ mn)

Dec 2010 (est.)

Core Tier I	229
Tier I (incl. Prefs)	793
Total Regulatory Capital	928

### Capital Adequacy



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## SECTION 2 : ATE*bank*'s Restructuring Plan

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## ***Restructuring Plan Main Goals:***

- ➔ Safeguarding long term viability & capital adequacy.
- ➔ Improving Group's operational efficiency (enhancement of productivity and efficiency ratios).
- ➔ Achieving sustainable satisfactory profitability

Through :

- ✓ Asset deleveraging (sale of assets & balanced asset-liability management).
- ✓ Cost cutting.
- ✓ Organizational and operational improvements.



## ***Implementing the restructuring plan:***

- ✓ *ATEbank is set to be transformed into a "smaller" but more flexible organization operating exclusively in the financial sector.*
- ✓ *Banking activities will concentrate on Greece while strategic focus will gradually shift on steady profit-generating new clients in developing sectors of the new economy (green business, renewable energy & waste resources management, organic-geothermal farming, alternative forms of tourism, etc.).*
- ✓ *The bank will operate on the basis of standardised products and a high level of automation*

## *Restructuring Plan Main Measures*

### **Asset deleveraging and releasing regulatory capital :**

- ✓ Disengagement from non-financial participations.
- ✓ Disengagement from financial participations (domestic & international) .
- ✓ Sale of Available for Sale stock holdings.
- ✓ More effective asset – liability management.

### **Strengthening productivity and profitability:**

- ✓ Absorption of financial sector subsidiaries.
- ✓ Reduction of operating expenses.
- ✓ More efficient NPL management.
- ✓ Repricing of products-services based on cost and risk criteria.
- ✓ Organizational restructuring of central divisions and the branch network
- ✓ Emphasis on cross selling.



## SECTION 3 : Financial Results



## Greek Budget Execution

- ✓ Budget deficit down 37% (y-o-y) against an estimated 33.2% reduction (Budget 2011) and a targeted 39.5% reduction (EU/IMF Economic Policy Program) for the same period.
  - Budget net revenues lower than targeted (+5.5% y-o-y increase against a target of 13.6%).
  - Budget primary expenses dropped faster than targeted (-9.1% y-o-y reduction against a target of -5.4%).
- ✓ The implementation of the EU/IMF Economic Policy Program is on track and in 2011, in addition to intensifying fiscal adjustment efforts, emphasis will be placed on accelerating structural reforms and underpinning the potential for growth.

## Greek Economic Environment

- ✓ Sovereign debt crisis affected negatively major macroeconomic indicators:
  - i) GDP (-4.5% y-o-y vs -2.1% in 2009),
  - ii) Inflation (4.7% y-o-y vs 1.3% in 2009),
  - iii) Unemployment (%) (14.8% vs 10.2% 2009),
  - iv) Industrial production (-5.7% y-o-y vs -9.4% in 2009),but signs of improvement in competitiveness:
  - i) Trade account deficit down to -8% y-o-y from -30.2% in 2009 owing mainly to the 11.5% export increase.
- ✓ Worsening macroeconomic environment was also reflected in the Athens Stock Exchange General Index which dropped by 36% yoy
- ✓ Greek Government Bond spreads still at high levels amid discussions concerning the European Support Mechanism.

## European Economy Developments

- ✓ Sovereign debt & solvency problems in EU periphery countries further deteriorated, especially during 4Q.
- ✓ Euro-zone agreement on the adoption of the Pact for the Euro and the lending capacity of the EFSF (€440bn) and the ESM (€500bn).
- ✓ Overall recovery prospects in Euro-zone better than expected, albeit at different speeds and with wide variations in growth rates across countries.
- ✓ In 2011, the tightening of monetary policy sooner than expected due to inflationary pressures while uncertainty over the continuation of non standard measures still high.
- ✓ BIS proposals for Basel III framework envisage additional Tier I requirements for banks in the medium term.

## Key Developments in the Greek Banking System

- ✓ Further asset quality deterioration and increase in NPLs (over 10% vs 7.7% in Dec. 2009).
- ✓ Deposit outflows deceleration from end 3Q to 4Q, after a sharp drop during the first 7 months of the year (2010: -12.2% y-o-y).
- ✓ Decline of loan growth rate (-0.1% y-o-y).
- ✓ ECB liquidity funding raised substantially, from 49.4bn at end-2009 to over 95bn at end-2010. On track a new €30 bn program of government guarantees intended for sustaining the financial sector liquidity.
- ✓ Successful share capital increases by several banks to strengthen their capital position.

## **Strong Core Business Performance**

- ✓ FY 2010 Core pre-provision profit strong rise (+42.7% y-o-y).
- ✓ Q4 core pre-provision income the highest quarterly in the last five years.
- ✓ Net interest income increase by 9.8% y-o-y.
- ✓ Operating expenses down by 5.3% on a yearly basis.
- ✓ Improved loan to deposit spread at 385bps vs 359bps in 2009.

## **Liquidity & Capital Position**

- ✓ Share capital increase to boost capital adequacy ratios.
- ✓ Loans/deposits ratio at relatively satisfactory level, 107.7%
- ✓ Gradual asset deleveraging and sale of non-core assets to improve liquidity position in the medium term.
- ✓ Participation in government program for additional bank guarantees could facilitate funding efforts.
- ✓ Adequate unutilized collaterals for additional ECB funding if needed.

## **Tight Risk Management**

- ✓ Clean up of past loan portfolio through additional provisions to fully cover for external auditors' loan portfolio due diligence.
- ✓ Impairments against other assets of €135mn in addition to loan impairments.
- ✓ Coverage ratio remaining at levels above 65% at the end of 2010, well above most of its competitors.
- ✓ Reduction of risk exposure through balance sheet deleveraging measures (RWAs reduction of €2.5 bn)

## **Short - Medium Term Focus**

- ✓ Focus on the success of the share capital increase.
- ✓ Restructuring plan to run at full speed after initial agreement by the EC DG of Competition.
- ✓ Further cost containment, asset deleveraging and liquidity preservation

## Balance Sheet

€ mn, as of	31 Dec 2010	31 Dec 2009	Growth (%)
✓ Total assets	31,221	32,788	(4.8)
✓ Gross customer loans	22,912	23,194	(1.2)
✓ Net customer loans	21,203	21,943	(3.4)
✓ Customer deposits	19,683	22,596	(12.9)
✓ Shareholder's equity	699	1,253	(44.2)
✓ Tier I capital	793	1,253	(36.7)
✓ Risk-weighted assets	12,636	15,098	(16.3)

## Income Statement

€ mn, as of	31 Dec 2010	31 Dec 2009	Growth (%)
✓ Operating Income	806.5	975.9	(17.4)
✓ of which: Net interest income	823.7	750.3	9.8
✓ of which: Financial transactions income	(193.3)	52.1	-
✓ of which: Other operating income	176.1	173.5	1.5
✓ Operating Expenses	(597.8)	(631.2)	(5.3)
✓ <i>Core Pre Provision Profit</i>	393.0	275.3	42.7
✓ Impairment losses	(604.0)	(825.3)	(26.8)
✓ Net profit attributable to shareholders	(438.1)	(451.7)	-

## Selected Ratios

%, as of	31 Dec 2010	31 Dec 2009
✓ Net customer loans / customer deposits	107.7	97.1
✓ NPL ratio	11.1	7.6
✓ Provisioning Coverage	67.3	71.1
✓ Total capital ratio	7.4	9.1

## Selected Ratios

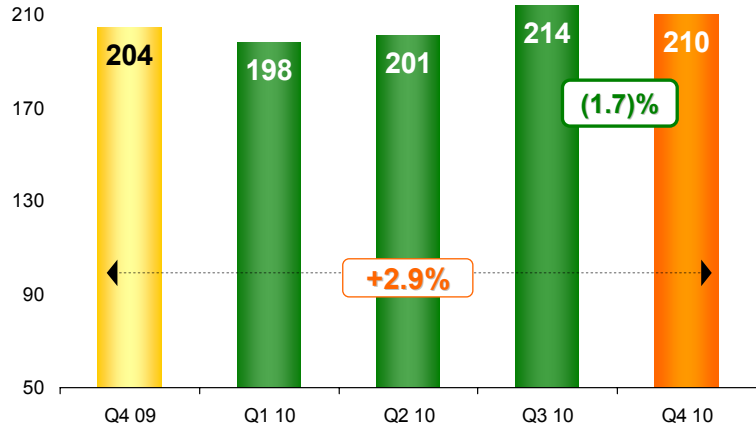
%, as of	31 Dec 2010	31 Dec 2009
✓ Net interest margin	2.81	2.89
✓ Cost / core income ratio	60.3	69.6
✓ Cost / Average assets	1.8	2.1
✓ Loan Impairments / RWAs	13.5	8.3

Note

Various figures of the Financial Statements of 2009 have been restated in order to reflect the reassessment of interest risk hedging policy.

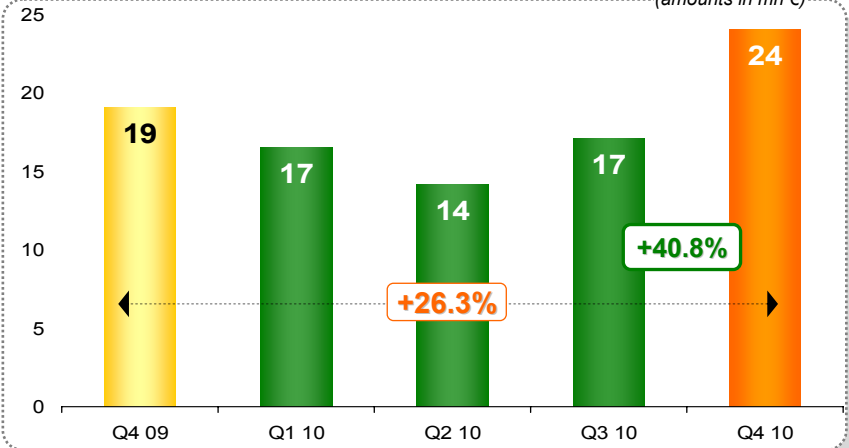
## Net Interest Income

(amounts in mn €)



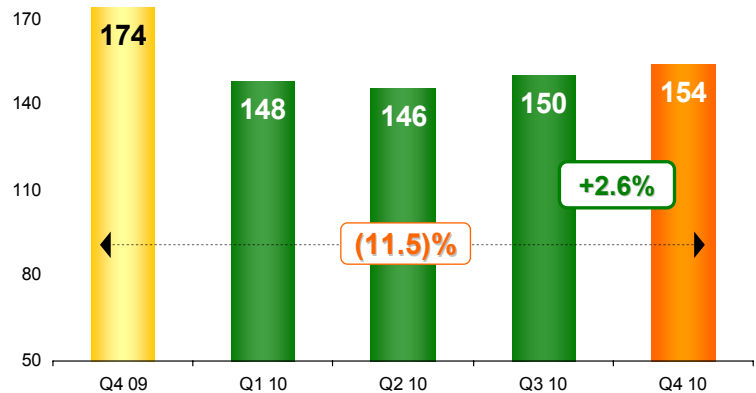
## Net Fee & Commission Income

(amounts in mn €)



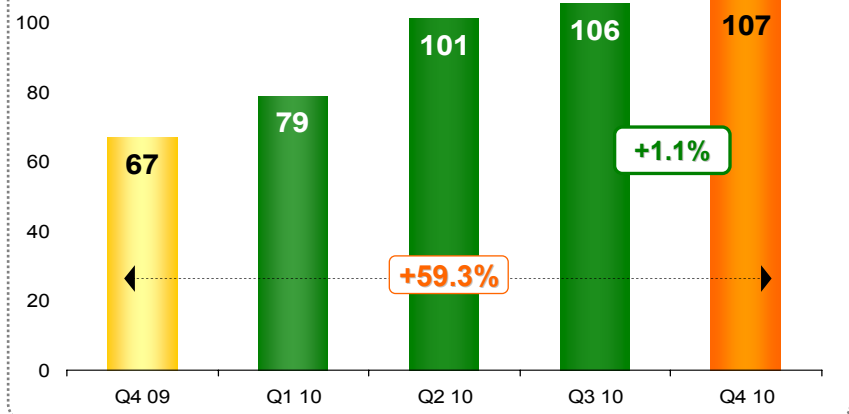
## Total Operating Expenses

(amounts in mn €)



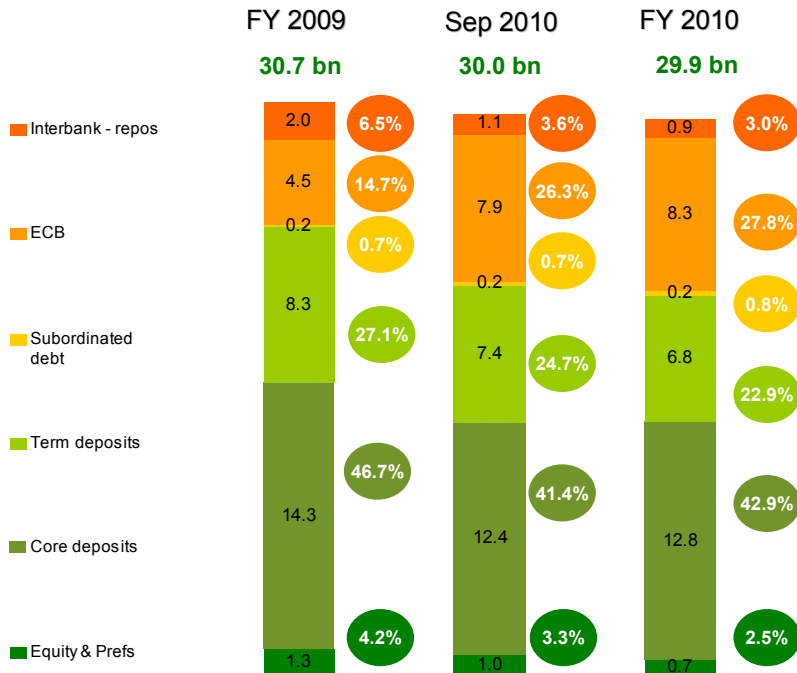
## Core Profit before Provisions

(amounts in mn €)

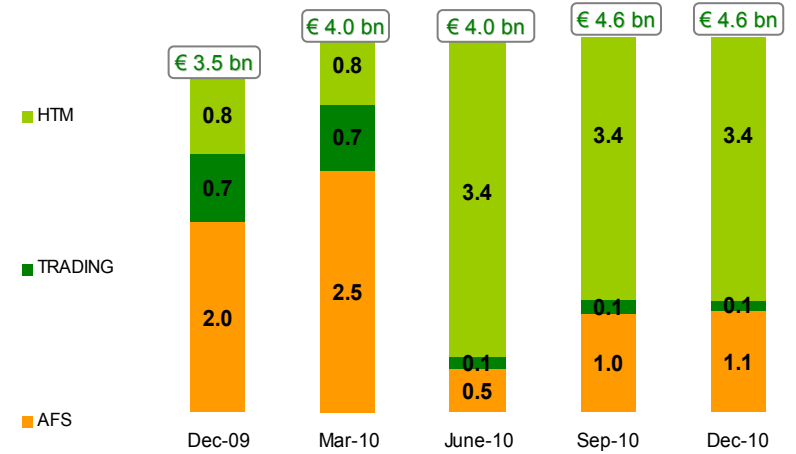


## ➔ Liquidity Mainly Based on Retail Deposits

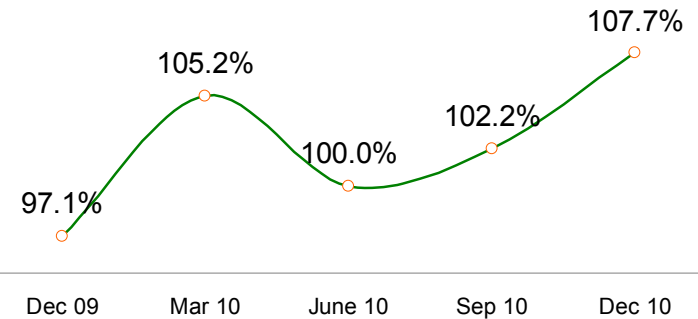
### Funding Structure



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

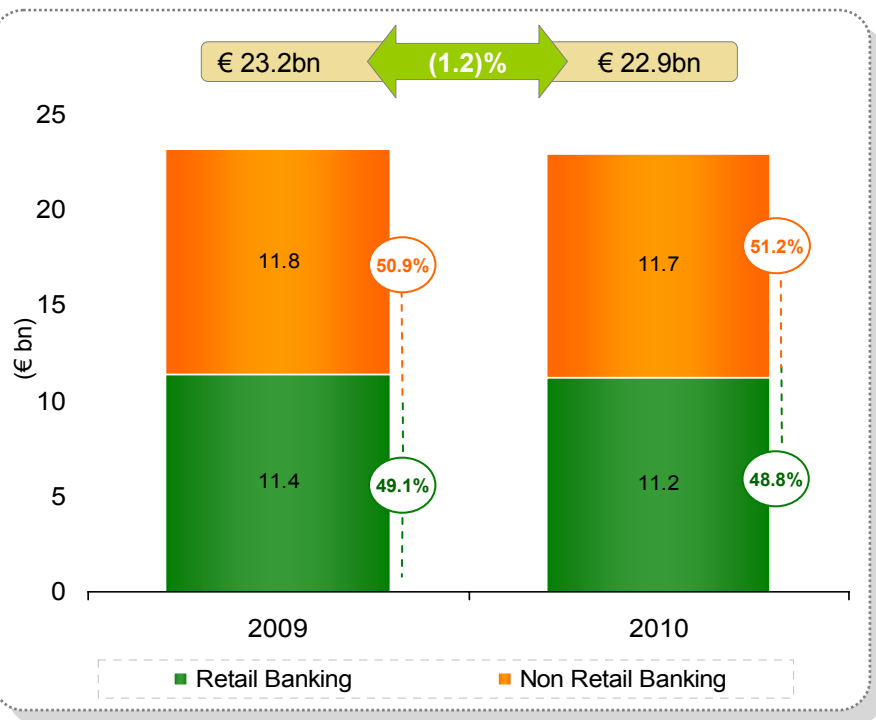


### Net Loans / Deposits



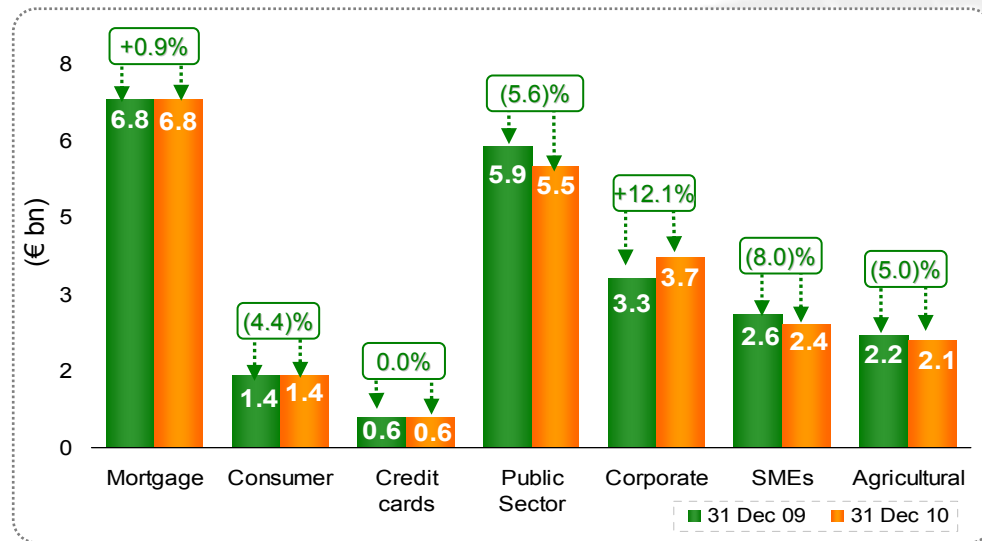
## ➔ Slight Decrease of Loan Growth Mainly Due to Lower Public Sector Lending

### Gross Customer Loans (Growth & Composition)

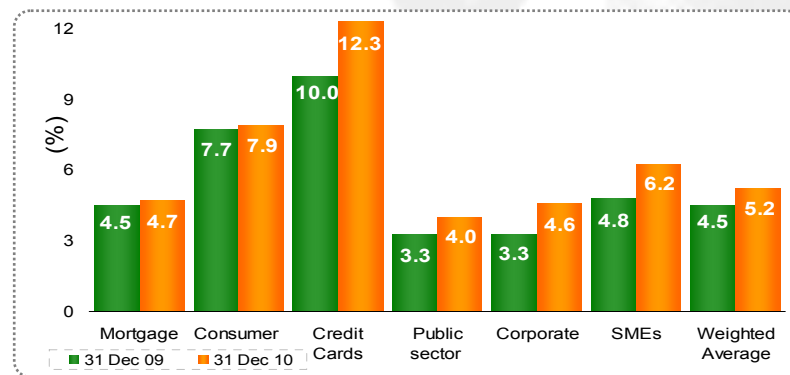


- ➔ Successful repricing of loans.
- ➔ Increasing focus on safer market segments.
- ➔ Balance loan mix between retail and non-retail portfolios.

### Loan Breakdown

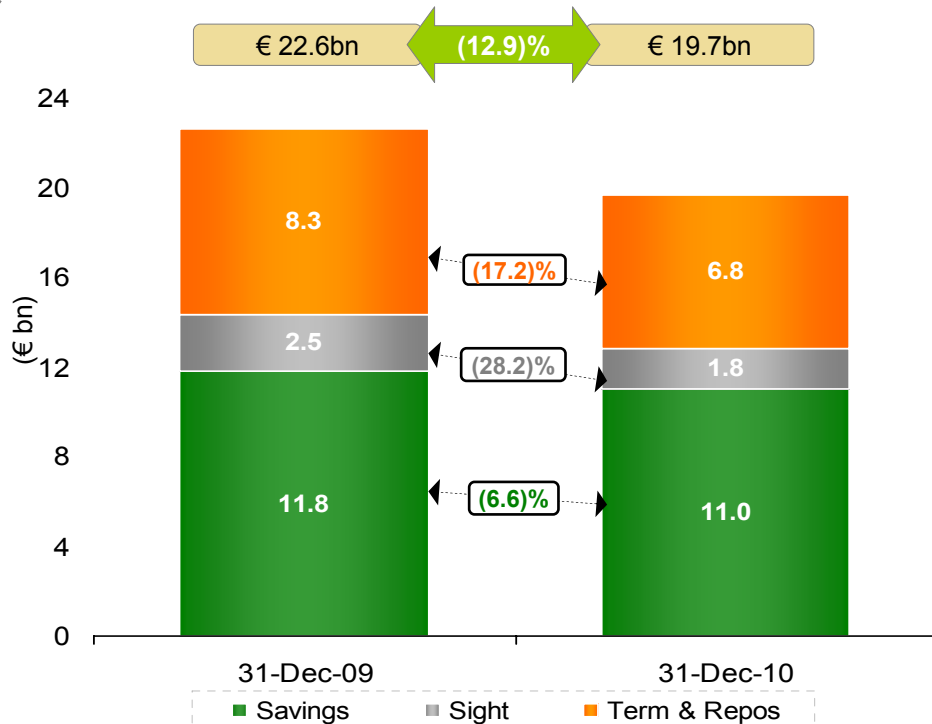


### Nominal Interest Rates on Loans (end of 12month period)



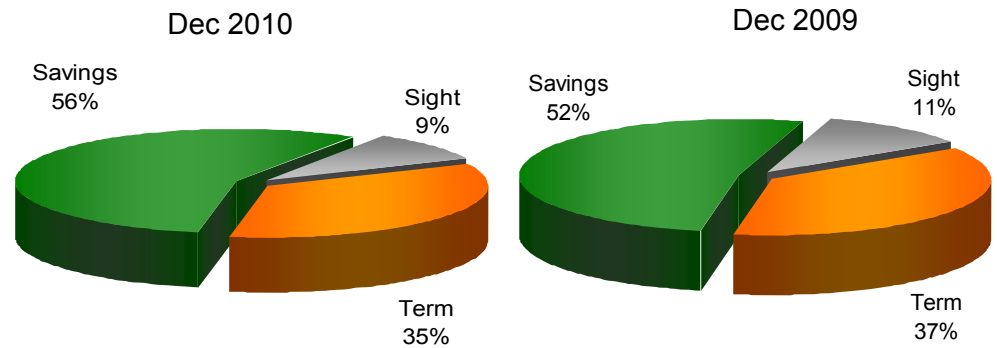
## Deposits Reduction due to the Unfavorable Market Conditions

### Customer Deposits

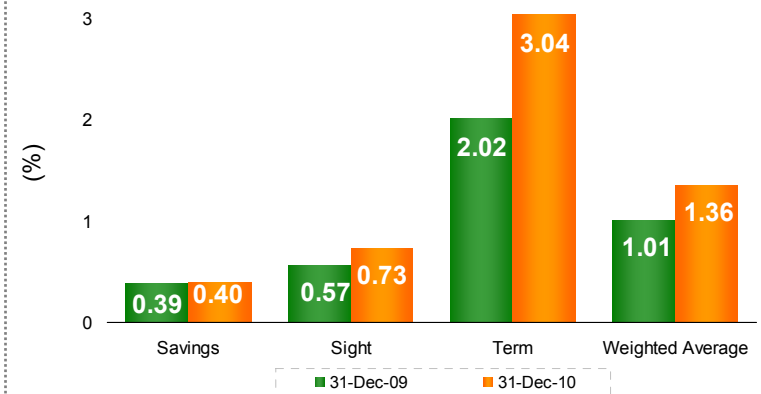


- Deposits decline follows market trend.
- Sight deposits decrease affected by seasonally high end 2009 base.
- Superior deposit mix with Savings deposits over 55%.

### Deposit Mix



### Nominal Interest Rates on Deposits (end of 12month period)

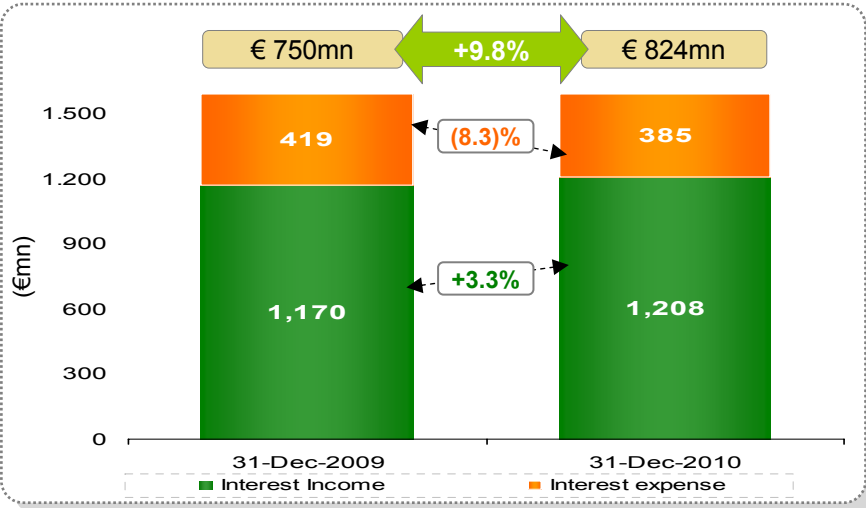


➔ **Improved Loan-Deposit Spread as a Result of Successful Loan Repricing & Under Control Saving Deposits Cost**

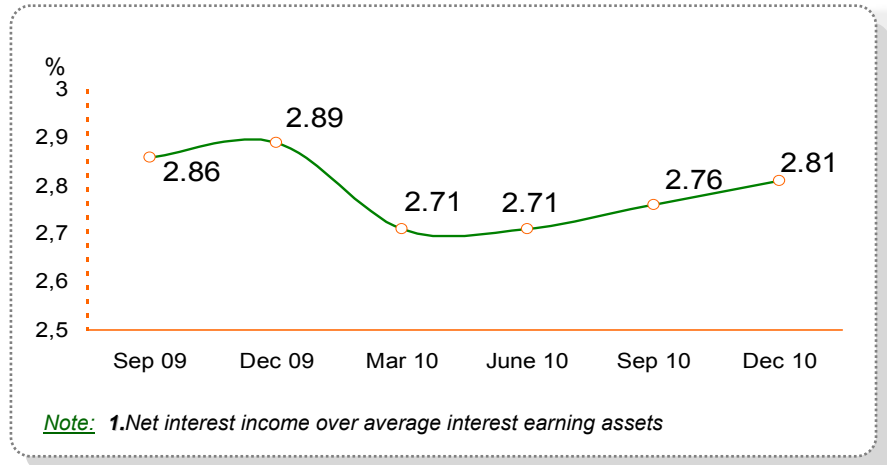
	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	q-o-q
> <b>Average Loan Spread (over Av 3M Euribor) %</b>	3.91	3.86	3.98	4.19	4.17	-2bps
Mortgages	3.82	3.81	3.83	3.77	3.62	-15bps
Consumer	6.98	7.06	7.13	6.96	6.87	-9bps
Credit Cards	9.25	9.31	9.28	10.49	11.24	+75bps
Corporate	2.57	2.67	2.76	3.22	3.55	+33bps
SMEs	4.39	4.29	4.44	4.51	4.80	+29bps
Public Sector	2.70	2.31	2.70	3.09	3.00	-9bps
> <b>Average Deposit Spread (over Av 3M Euribor) %</b>	(0.32)	(0.34)	(0.40)	(0.40)	(0.32)	+8bps
Savings	0.34	0.26	0.28	0.47	0.62	+15bps
Term	(1.37)	(1.36)	(1.54)	(1.83)	(1.95)	-12bps
> <b>Average Overall Loan - Deposit Spread %</b>	3.59	3.52	3.58	3.80	3.85	+5bps
Average 3M Euribor ( per q )	0.72	0.66	0.69	0.88	1.02	
E.C.B. rate ( end of period )	1.00	1.00	1.00	1.00	1.00	

➔ **NII Growth, by 9.8% y-o-y, contributes to further NIM improvement**

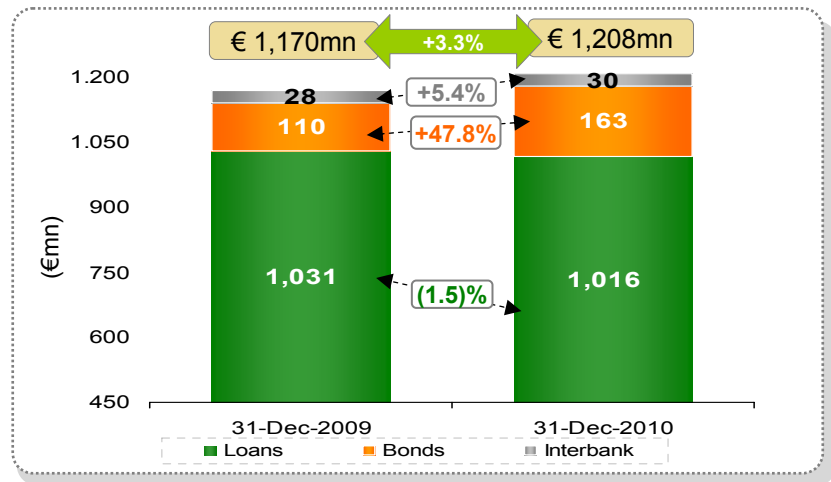
### Net Interest Income



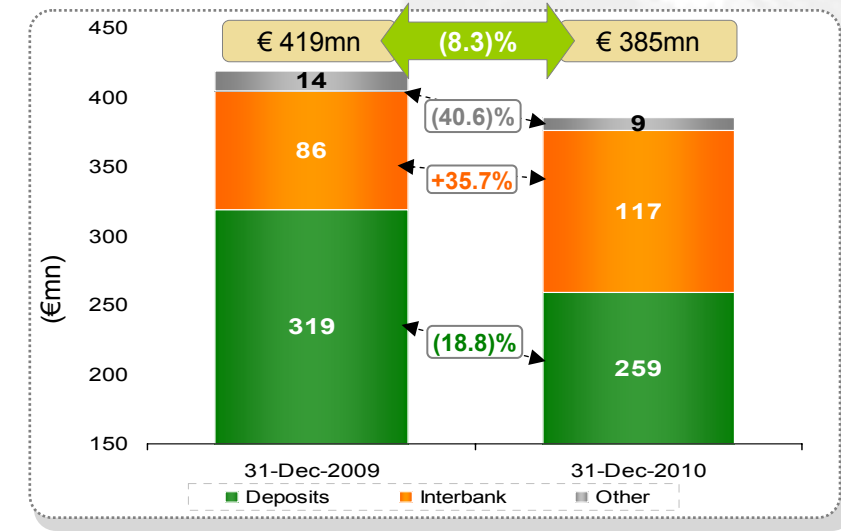
### Net Interest Margin<sup>1</sup>



### Interest Income



### Interest Expense

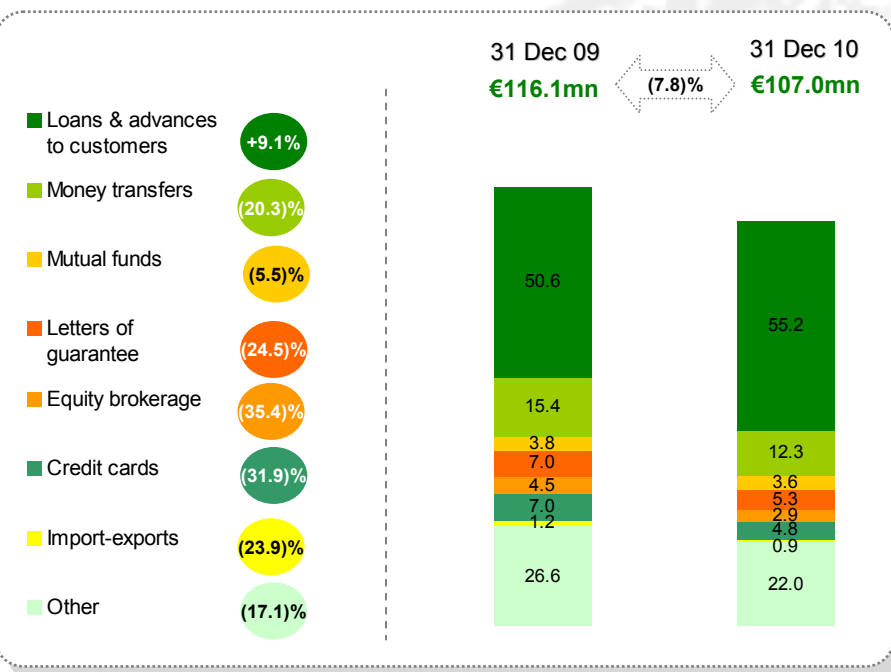


## ➔ Negative Trading Result Affects Other Operating Income

### Non-Interest Income



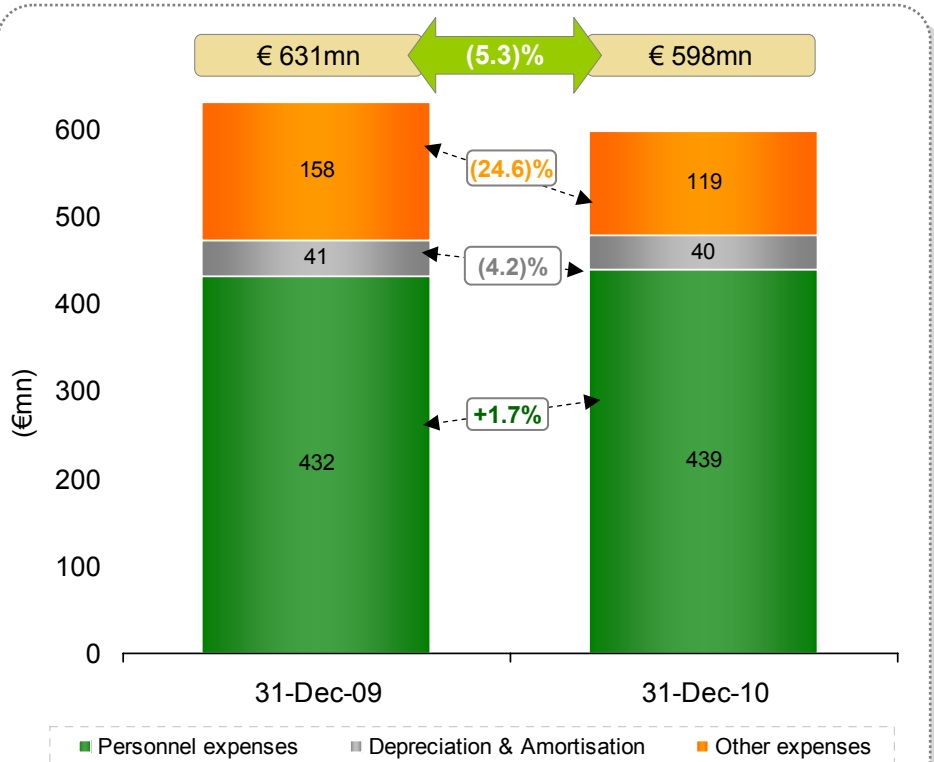
### Fee & Commission Income



- ➔ 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.

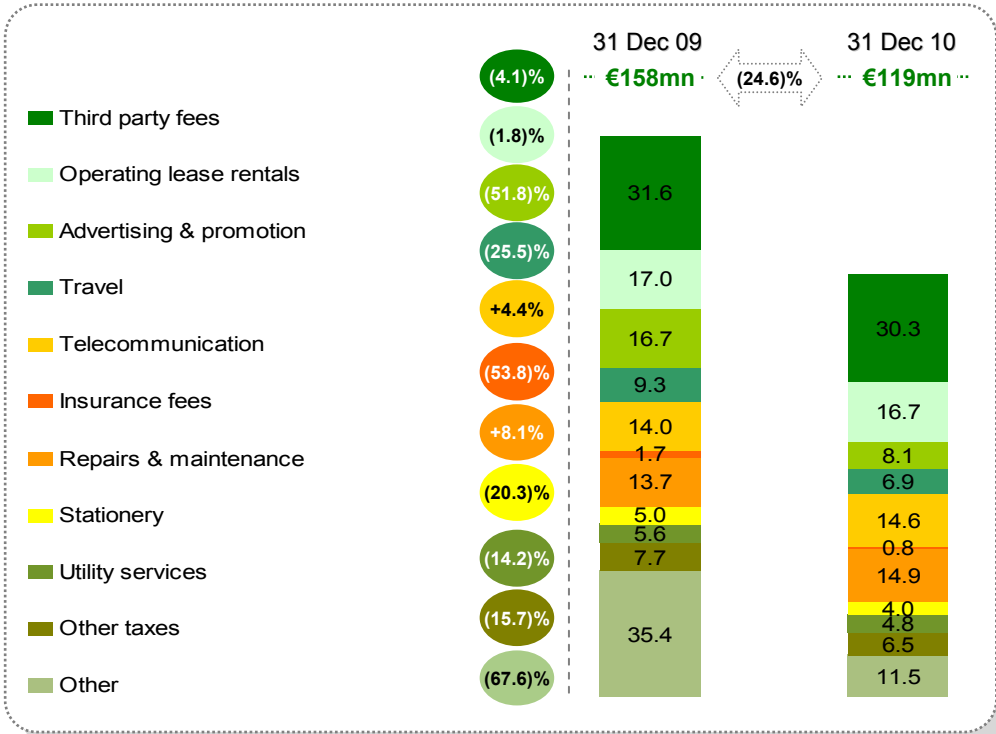
## Further operating expenses decline

### Operating Expenses

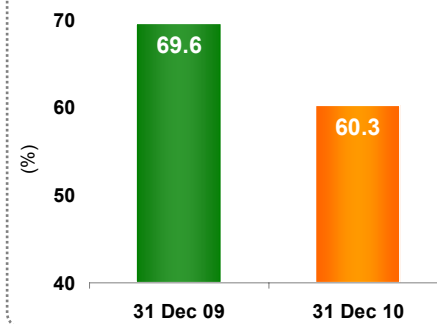


- Significant decrease in non-personnel expenses.
- 2010 figures do not yet reflect the 10% personnel expenses reduction & the largest part of staff natural attrition (501 employees).
- Cost containment efforts to be reinforced in the future.

### Other Expenses (€ mn)



### Cost to Core Income Ratio



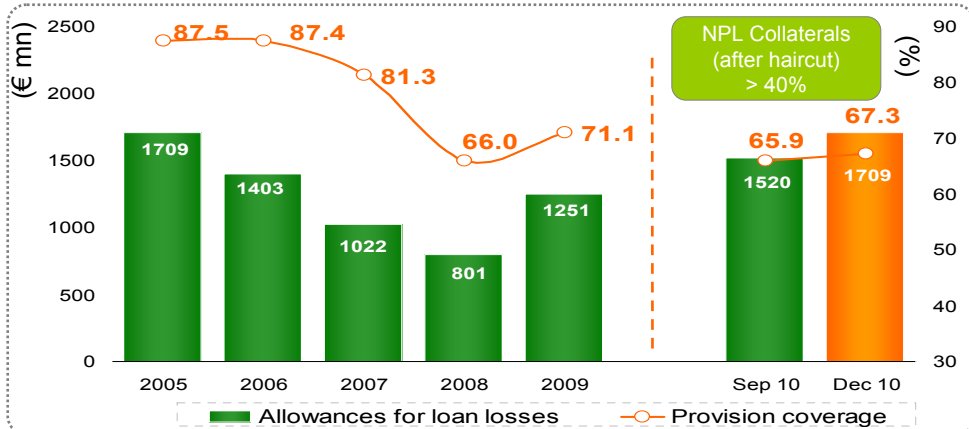
### Nb of Employees<sup>1</sup>

	31-Dec-09	31-Dec-10
Group :	9,903	8,915
Bank :	6,500	6,147

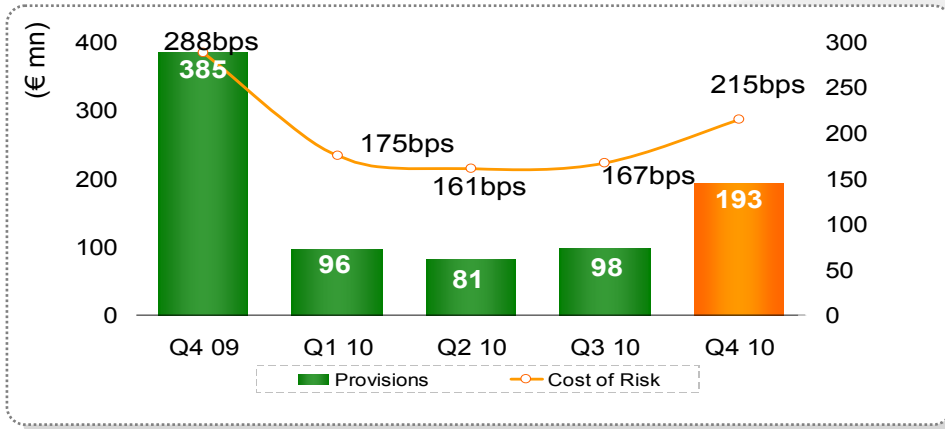
Note <sup>1</sup> : Number of employees at the end of the period (excluding employees of FBB & AIK Banka which are not fully consolidated).

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

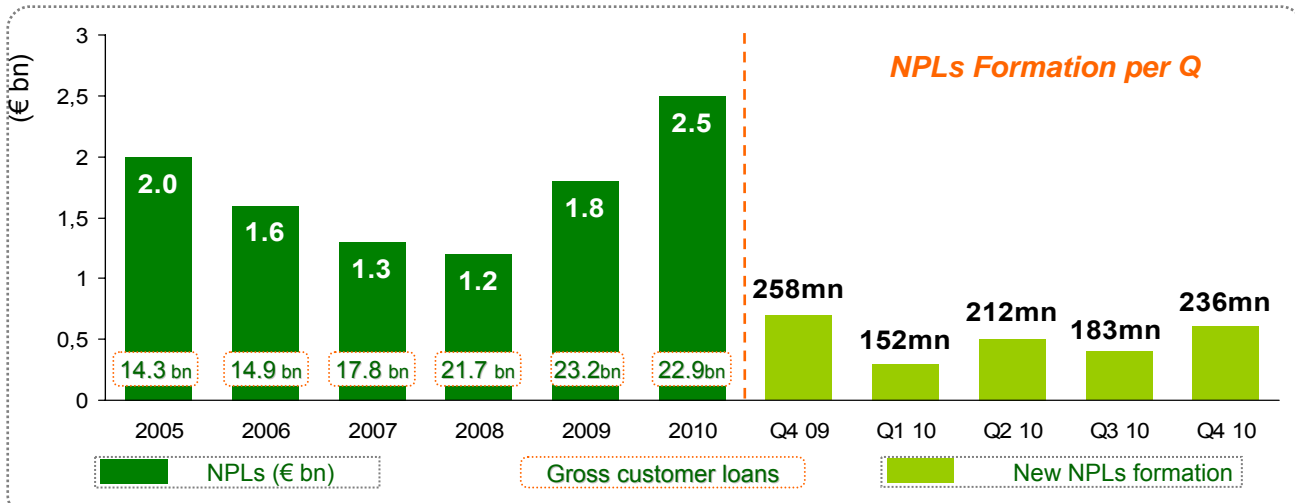
### Provisioning Level



### Quarterly Provisions - Cost of Risk



### NPLs<sup>1</sup>



### NPLs Formation per Q

- NPLs increase in line with market trends.
- New NPL formation increased in Q4 2010 partly attributed to end year seasonality.
- 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.

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### Stock Symbols:



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



**: AGBr.AT**

**Bloomberg**

**: ATE GA**

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However, by their nature, such projections or other forward - looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific, which represent ATEbank 's judgments and future expectations and may differ materially from actual future results or events. Therefore, the risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward - looking statements as a number of factors could cause future ATEbank 's results to differ materially from these targets.

Forward- looking statements may be influenced in particular by important risk factors such as general market, macroeconomic, governmental and regulatory trends, movements in local and international securities markets, fluctuations in currency exchange rates, interest rates, and stock indices, the effects of competition in the areas in which ATEbank operates, technological developments, changes in the financial position or credit worthiness of our customers, obligors and counter parties, and changes in economic, political, regulatory and technological conditions. We caution that the foregoing list is not exhaustive.

When relying on forward- looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events.

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