

## ATEbank Group - First Half 2010 Financial Results

26<sup>th</sup> of August 2010

- ▶ Increased core pre-provision profit, the highest in the last five years: +47.2% y-o-y and +28.3% q-o-q, with total operating income being burdened mainly by the negative valuation of the trading portfolio.
- ▶ Total operating expenses down by 2.3% y-o-y and 1.7% q-o-q.
- ▶ Overall loans-deposits spread continued to rise in Q2 2010, exceeding 3.6%.
- ▶ Liquidity remained at a satisfactory level, with the loans to deposits ratio standing at about 100%.
- ▶ ATEbank is planning, with the support of its main shareholder, a share capital increase in order to strengthen its capital adequacy ratios.

### Selected Group Figures

	H1 2010	H1 2009	% y-o-y
Total Assets	€ 32.7 bn	€29.8 bn	9.9%
Total Loans (before provisions) (adjusted)	€ 22.0 bn	€21.2 bn	3.7%
Total Deposits	€20.6 bn	€21.1 bn	(2.5)%
Total Operating Income	€345,3 mn	€544.0 mn	(36.5)%
Total Operating Expenses	€293.7 mn	€300.8 mn	(2.3)%
Core Pre-Provision Profit	€180.3 mn	€122.5 mn	47.2%
Provisions	€189.0 mn	€142.7 mn	32.5%
Net Profit/(Loss) after minorities	€(109.9) mn	€71.3 mn	-
Loans after provisions (adjusted) to Deposits	100.3%	96.3%	-
Cost to Core Operating Income	62.0%	71.1%	-

The activation of the support mechanism for the Greek economy, the decisive implementation of fiscal adjustment measures and the advance of significant structural reforms, create the appropriate conditions that steadily pave the way for the restoration of long term confidence in the Greek economy. However, the country still has a long way to go and many challenges to deal with before it returns to positive growth rates.

During the first half of 2010, ATEbank remained focused on its efforts to strengthen its balance sheet, emphasizing on the quality of its assets and posting a high level of provisions against future impairments. Additionally, ATEbank managed to sustain a satisfactory pre-provision core operating profitability, despite the recession.

In the new environment in which Greek banks will be operating, ATEbank will continue to prioritize the strengthening of its capital base. Also, it will continue to focus on improving the quality and composition of its balance sheet and on successfully completing its organizational and operational restructuring program. Through these actions, management seeks to secure the Group's growth prospects and actively contribute to the recovery of the Greek economy.

Theodoros Pantalakis

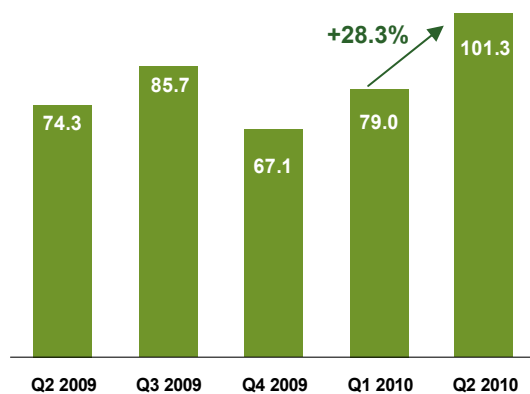
## H1 2010 Income Statement

In an increasingly adverse economic environment, ATEBank Group managed to generate satisfactory core pre-provision profits, to maintain sufficient liquidity and to safeguard the quality of its assets.

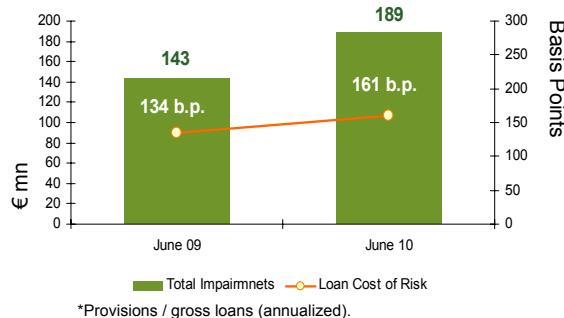
Pre-provision core profits rose to €180.3 mn compared to €122.5 mn in H1 2009 (+47.2% y-o-y). We should note that the pre-provision core profits of the Group in Q2 2010 (€101.3 mn) are the highest quarterly profits recorded in the last five years. However, the €129.8 mn losses from the valuation of the trading portfolio affected negatively H1 2010 results. In a still deteriorating economic environment, ATEbank continued its prudent provisioning policy, with H1 2010 total impairments standing at €189.0 mn, compared to €142.7 mn in H1 2009 (+32.5%).

As a result of the provisioning policy and the difference in trading income of - €238.0 mn between the two periods, H1 2010 Group net income after taxes and minorities reached €-109.9 mn versus €71.3 mn net profits in H1 2009.

Core Pre Provision Profit (€ mn)



Cost Of Risk \*



\*Provisions / gross loans (annualized).

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Net interest income reached €399.3 mn in H1 2010, posting an increase in the magnitude of 17.9% y-o-y (and a 1.6% increase on a quarterly basis). This positive development is attributed to the reduction of the funding cost by 28.1% y-o-y, the improvement of loan spreads, as well as the increase of interest income from the bond portfolio.

The spread between the average loan and the average deposit rate widened during Q2 2010, rising to 362 b.p.

As a result, Net Interest Margin at the end of the first half of 2010 amounted to 2.71% compared to 2.69% in June 2009.

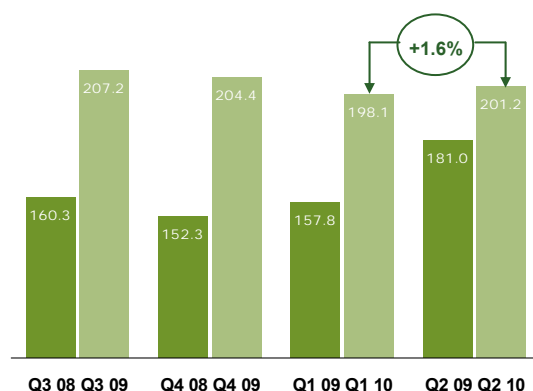
Net fees & commissions income reached €30.8 mn in H1 2010 versus €38.6 mn in H1 2009, reflecting the adverse economic environment that has led to a slowdown in business activity.

Other operating income in H1 2010 (excluding net interest and fee & commission income) stood at €-84.8 mn compared to €166.6 mn in H1 2009, mainly due to the negative results from the valuation of portfolios.

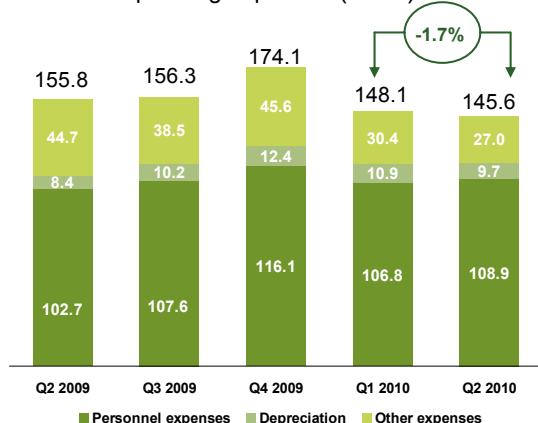
Operating expenses dropped by 2.3% y-o-y, and 1.7% on a quarterly basis, amounting to €293.7 mn in H1 2010 versus €300.8 mn a year ago, as a consequence of intensive cost containment efforts.

As a result of the reduction of operating expenses, the cost to average assets ratio remained at the level of 1.8% for a second consecutive quarter versus 2.1% in Q2 2009. The cost to core operating income ratio reduced to 59.0% in H1 2010 from 67.7% in the corresponding period of 2009.

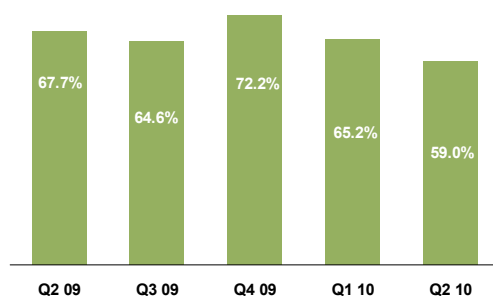
Net interest income (€ mn)



Operating expenses (€ mn)



Cost / core income ratio



## Loans

Total loans before provisions reached €22 bn, 3.7% higher than those at the end of June 2009 (on an adjusted basis). ATEbank's loan growth rate continues to exceed the market average, which was 2.5% for the respective period.

Loans to households grew by 8.0% in H1 2010, well above the market rate of 1.5%, amounting to €8.9 bn versus €8.2 bn at the end of H1 2009.

The mortgage portfolio rose by 6.7% on a yearly basis to €6.9 bn (against +2.5% for the market), while consumer credit loans reached €2.0 bn (+12.7% y-o-y versus flat growth for the market).

Credit to SMEs decreased by 2.1% y-o-y to €2.4 bn, while corporate lending growth rate stood at 4.4% y-o-y, rising to €4.3 bn.

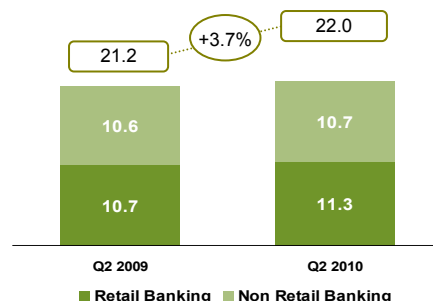
Outstanding loans to the public and agricultural sectors remained at levels similar to those of H1 2009, at €4.2 bn and €2.2 bn respectively.

As anticipated, given the economic downturn, the NPL ratio rose to 9.6% at the end of H1 2010 from 7.2% a year ago. Continuing its prudent provisioning policy, the Group recorded total impairments of €189 mn, of which €177.1 mn on loans and €12 mn on other assets.

Despite the increase of the NPL ratio, ATEbank is well covered against potential losses, as the high loan provisions recorded in FY2009, along with the additional provisions taken in H1 2010, provide a sufficient buffer for absorbing a possible NPLs increase.

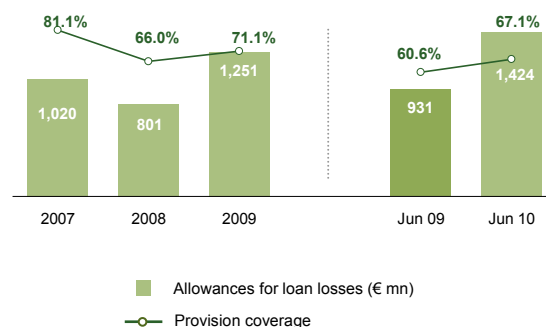
As a result of the enhanced provisioning stance, the NPL coverage ratio rose to 67.1%, compared to 60.6% at the end of H1 2009, being one of the highest in the market.

Loans before provisions (€ bn)



Types of Loans	Balances	y-o-y (%)
<b>30.6.2010</b>		
Mortgage portfolio	6.9 bn	+6.7%
Consumer Credit	2.0 bn	+12.7%
Lending to SMEs	2.4 bn	-2.1%
Loans to the Agricultural Sector	2.2 bn	-0.1%
Corporate Loans	4.3 bn	+4.4%
Public sector loans	4.2 bn	+0.0%

Loan Provision Coverage



## Deposits

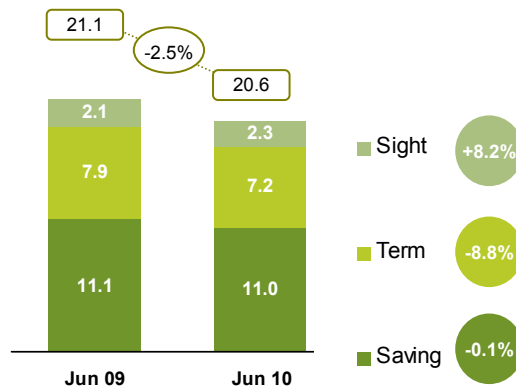
Total customer deposits decreased by 2.5% y-o-y in H1 2010, a rate lower than the market average during the same period (-8.8%). A positive development was that sight and saving deposits grew by 1.2% y-o-y, while time deposits shrank by 8.8% y-o-y, as a result of the Bank's policy not to follow the competition in offering high time deposit rates. It must be noted that the outstanding deposit balance at the end of H1 2010 is lower than the corresponding figure at the end of March 2010 and December 2009, due to the seasonality caused by the payment of subsidies to farmers.

Group liquidity remained at satisfactory levels, with time deposits accounting for only 35% of total and the loan to deposits ratio standing at about 100%, remaining among the lowest in the market.

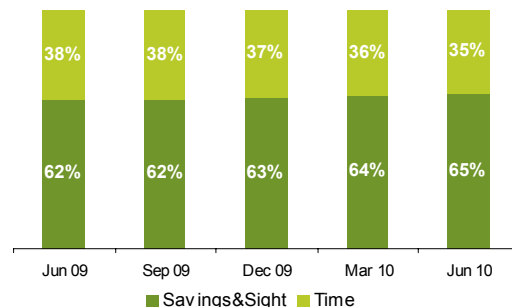
The total capital adequacy ratio is estimated at 8.41%, while Tier I ratio reached 7.24%. ATEbank in the CEBS stress test exercise achieved a satisfactory result under the benchmark and adverse scenarios, namely a 2011 Tier I ratio of 10.7% and 8.9% respectively. Nevertheless, in the case of a sovereign shock, under the extreme adverse scenario, the test pointed to a capital deficit of €242.6 mn.

Irrespective of the stress test results, ATEbank has declared its intention to proceed with a share capital increase, in which its main shareholder has agreed to participate, as already announced.

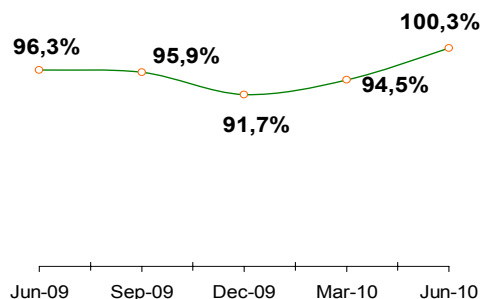
Deposits from customers (€ bn)



Deposits by type



Loans to deposits ratio (%)



# ATEbank Group Financial Data

## Annex

### Income Statement

in € mn	Group			
	H1 2010	FY 2009	H1 2009	June 2010 - June 2009 (%)
Net interest income	399.3	750.3	338.8	17.9%
Net fee and commission income	30.8	76.8	38.6	(20.2)%
Gains & losses from financial transactions	(123.7)	150.3	135.7	-
Other income	38.9	62.2	30.9	25.6%
Operating income	345.3	1,039.6	544.0	(36.5)%
Operating expenses	(293.7)	(631.2)	(300.8)	(2.3)%
Loans impairments	(177.1)	(619.5)	(142.7)	24.1%
Other impairments	(12.0)	(205.8)	-	-
Income from associates	4.1	(2.6)	1.1	262.0%
Profit / (Loss) before tax	(133.4)	(419.5)	101.7	-
Tax	22.8	14.4	(32.9)	-
<b>Profit / (Loss) after tax and minorities</b>	<b>(109.9)</b>	<b>(401.5)</b>	<b>71.3</b>	<b>-</b>

### Assets

in € mn	Group			
	30/6/2010	31/12/2009	30/6/2009	June 2010 - June 2009 (%)
Cash & balances with central bank	1,424.1	1,029.9	929.2	53.3%
Due from other banks	3,048.0	2,429.1	1,586.3	92.1%
Securities portfolio	5,023.8	4,897.1	4,447.4	13.0%
Derivatives	26.8	25.8	23.9	11.9%
Loans and advances to customers after provisions	20,609.6	21,910.1	20,313.6*	1.5%
Investments in associates	173.8	188.1	200.0	(13.1)%
Other assets	2,409.4	2,358.2	2,270.7	6.1%
<b>Total assets</b>	<b>32,715.6</b>	<b>32,838.5</b>	<b>29,771.2</b>	<b>9.9%</b>

\* Excluding € 675 mn of preference shares that were recorded in public sector loans in 2009.

### Total liabilities & shareholders' equity

in € mn	Group			
	30/6/2010	31/12/2009	30/6/2009	June 2010 - June 2009 (%)
Due to banks	9,258.7	6,478.8	5,346.2	73.2%
Due to customers	20,553.0	22,596.0	21,086.3	(2.5)%
Other liabilities	1,656.3	2,153.7	1,142.8	44.9%
Subordinated loans	249.0	248.8	444.2	(43.9)%
<b>Liabilities</b>	<b>31,717.0</b>	<b>31,477.3</b>	<b>28,019.5</b>	<b>13.2%</b>
Share Capital	1,326.9	1,326.9	1,326.9	0.0%
Treasury shares	(8.3)	(8.3)	(8.3)	0.0%
Share premium	92.7	92.7	93.0	(0.3)%
Other reserves	(354.9)	(293.0)	206.6	-
Accumulated surplus/deficit	(109.9)	(401.5)	71.3	-
Minority interest	52.0	58.5	62.1	(16.4)%
<b>Total equity</b>	<b>998.5</b>	<b>1,361.1</b>	<b>1,751.6</b>	<b>(43.0)%</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>32,715.6</b>	<b>32,838.5</b>	<b>29,771.2</b>	<b>9.9%</b>

Note:

The financial statements will be published in the press on the 27th of August 2010.

Athens , 26<sup>th</sup> of August 2010