

ATEbank Group - Nine Months 2010 Financial Results

24th November 2010

- ▶ Return to pre tax profitability in Q3 2010.
- ▶ Core pre-provision profit at the highest level of the last five years (+37.4% y-o-y and +4.4% q-o-q).
- ▶ Significant increase in net interest income (+12.4% y-o-y) and improvement of net interest margin on a quarterly basis (Sep. 2010: 2.76%, June 2010: 2.71%).
- ▶ Slowdown in new non-performing loan formation and preservation of coverage ratio at high levels (Sep. 2010: 65.9%).
- ▶ Successful cost containment efforts result in total operating expenses reduction by 2.9% y-o-y.
- ▶ Sufficient liquidity despite the deposits decline, due to adverse economic conditions.
- ▶ Future focus on impending capital increase and successful implementation of ambitious restructuring plan.

Selected Group Figures

	9M 2010	9M 2009	% y-o-y
Total Assets	€31.9 bn	€29.3 bn	8.7%
Total Loans (before provisions)	€21.7 bn	€21.9 bn	(0.8)%
Total Deposits	€19.7 bn	€21.8 bn	(9.4)%
Net Interest Income	€613.4 mn	€545.9 mn	12.4%
Total Operating Income	€598.8 mn	€820.3 mn	(27.0)%
Total Operating Expenses	€443.8 mn	€457.1 mn	(2.9)%
Core Pre-Provision Profit	€286.1 mn	€208.2 mn	37.4%
Impairments	€287.2 mn	€240.8 mn	19.3%
Net Profit / (Loss)	€(117.2) mn	€82.4 mn	-
Loans to Deposits ratio	102.5%	95.9%	-
Cost to Core Operating Income	60.8%	68.7%	-

In an environment in which fiscal imbalances, particularly after the recent upward revision of the budget deficit and public debt, are still undermining the prospects of economic recovery, the need for the consistent implementation of the on-going fiscal adjustment program and the rapid advance of structural reforms is made even more urgent. Only in this way confidence is going to be embedded and conditions for the return of the Greek economy to a growth path will be created.

Key priorities of ATEbank in the current challenging economic circumstances remain the strengthening of the quality of its balance sheet and the safeguarding of sufficient capital and liquidity. In this context, since the beginning of the year, the Group has been implementing organizational and operational measures, with their positive impact being reflected on the 9M 2010 financial results. In particular, during Q3 2010, the increase in net interest income and fee & commission income, the satisfactory operating cost performance, and the near-zero trading results all did enable the Group to record its highest core pre-provision profits during the last five years while attaining pre-tax profits for the first time after a year. At the same time, the Group continued to focus on improving the quality of its loan portfolio while containing the creation of new NPLs and maintaining a high level of provisions against future impairments.

In the near future, ATEbank will proceed, in concert with its main shareholder, the Greek State, with a share capital increase to boost and simultaneously improve the quality of its capital base. Capital increase will come along with the implementation of a comprehensive restructuring plan so that the Group will become capable of effectively addressing the new challenges facing in the Greek banking system.

Theodoros Pantalakis, ATEbank Governor

Income Statement

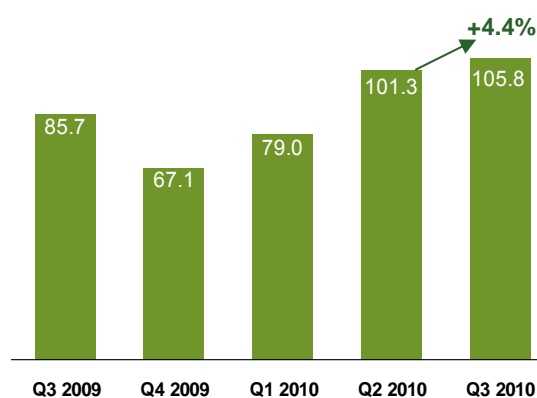
ATEbank, despite the negative economic environment, managed for yet another quarter in 2010 not only to sustain satisfactory core operating performance, but also to return in the third quarter to positive pre-tax profitability while preserving its asset quality.

Pre-provision core profit for the first nine months of 2010 rose to €286.1 mn against €208.2 mn in 9M 2009 (+37.4% y-o-y), while the Q3 2010 pre-provision core result (€105.8 mn) is the highest quarterly profit recorded in the last five years.

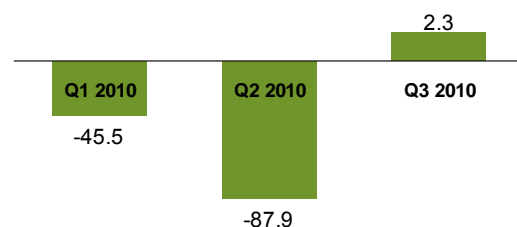
In a still worsening economic environment, ATEbank continued to defend its asset quality, with nine month 2010 total impairments standing at €287.2 mn.

The aforementioned high impairment charge, coupled with the significant trading losses recorded during the first half of 2010, resulted in net losses after taxes and minorities of €117.2 mn in the nine months of 2010 versus €82.4 mn net profit in the corresponding period last year.

Core Pre Provision Profit (€ mn)



Profit before tax (€ mn)



Net interest income reached € 613.4mn in 9M 2010, posting an increase of 12.4% y-o-y and 6.4% q-o-q. This improvement is mainly attributed to the reduction in funding cost (-19.3% y-o-y) and the increase in interest income owing to successful loan repricing and rising bond portfolio earnings.

The average loan to deposit spread rate widened further during Q3 2010, rising to 380 basis points, while the net interest margin increased by 5bps q-o-q, at 2.76% from 2.71% in June 2010.

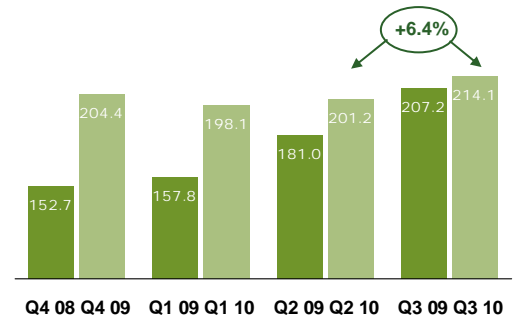
Net fee & commission income reached €47.9 mn compared to €57.8 mn in the nine month period ending September 2009, reflecting the worsening of economic environment and the slowdown in business activity. On a quarterly basis however, a slight improvement was registered.

Other operating income stood at -€62.4 mn during the first nine months of 2009, mainly due to the negative trading results during the first half of 2010.

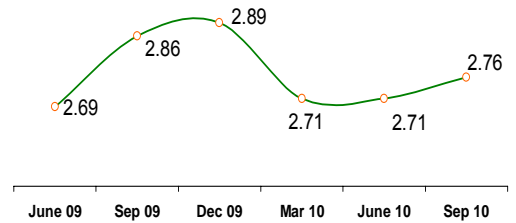
Total operating expenses stood at €443.8 mn, down by 2.9% on a yearly basis as a result of management's cost containment initiatives. On a quarterly basis, operating costs were 3.0% higher due to a seasonal increase in general & administrative expenses.

As a result of the reduction in operating expenses on a yearly basis, the cost to average assets ratio improved to 1.8% in September 2010 compared to 2.1% in the corresponding period of 2009, while the cost to core operating income shrunk for a third consecutive quarter, to 58.6% in September 2010 compared to 64.6% in September 2009.

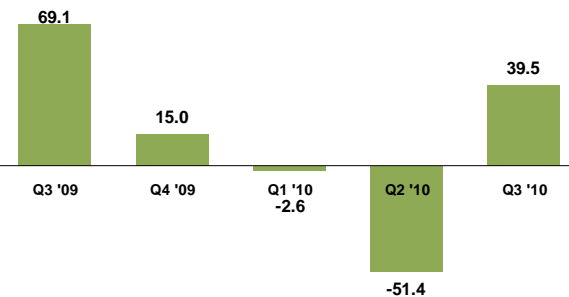
Net interest income (€ mn)



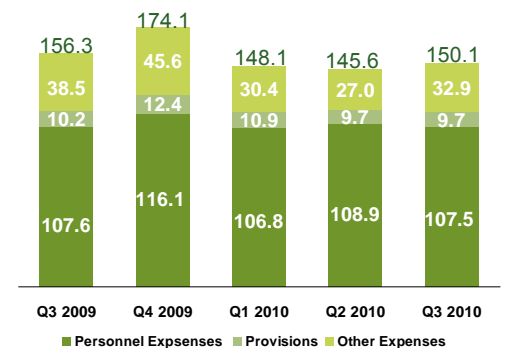
Net Interest Margin



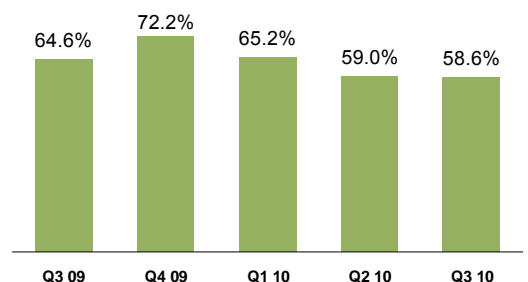
Non-Interest Income (€ mn)



Operating expenses (€ mn)



Cost / core income ratio



Loans

Due to the unfavorable economic conditions throughout 2010 and the seasonal drop in public sector lending, total loans in September 2010 recorded a decline of 0.8% on a yearly adjusted basis, standing at €21.7 bn.

Loans to households reached €8.8 bn in September 2010 (Sept '09: €8.5 bn), up by 3.3% on a yearly basis, compared to a marginal market expansion of 0.1%.

The mortgage portfolio rose by 3.7% y-o-y (market growth: +1.0% y-o-y) at €6.9 bn, while consumer credit loans increased to €2.0 bn (+2.1% y-o-y) in contrast to the 2.1% y-o-y market decrease.

Credit to SME's decreased by 6.7% y-o-y to €2.3 bn, while corporate loans increased by 6.4% y-o-y to €3.7 bn.

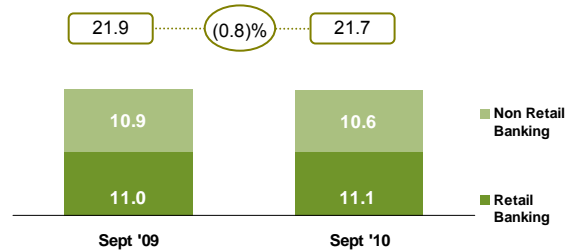
Outstanding loans to the public sector stood at €4.2 bn while agricultural sector loans recorded a slight yearly decline, 1.4% lower, to €2.2 bn.

Despite the adverse economic environment, the creation of new NPLs during the third quarter of 2010 decelerated compared to the previous quarter (€ 182.6 mn vs € 212.1mn in end Q2 2010) as a result of the more efficient management of the arrears portfolio.

Despite the encouraging deceleration of new NPLs formation in Q3 2010, a prudent provisioning policy is still considered necessary, thus leading to a quarterly impairments charge of €98.2 mn.

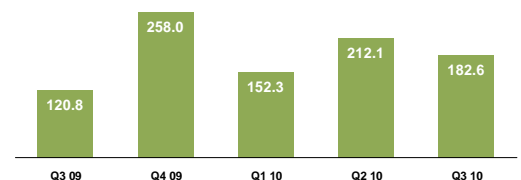
Owing to the enhanced provisioning stance, the NPLs coverage ratio rose to 65.9%, compared to 61.6% at the end of September 2009, being one of the highest in the market.

Loans before provisions (€ bn)

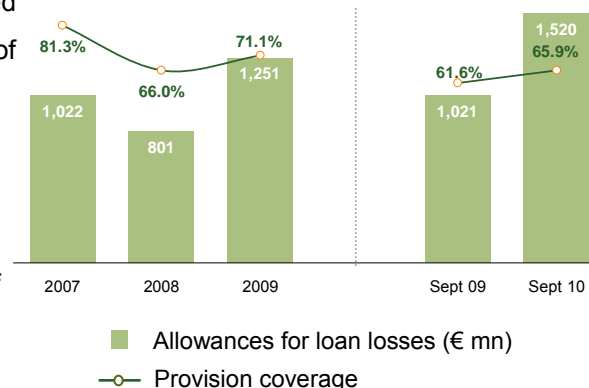


Types of Loans	Balances 30.09.2010	y-o-y (%)
Mortgage portfolio	6.9bn	+3.7%
Consumer Credit	2.0bn	+2.1%
Lending to SMEs	2.3 bn	(6.7)%
Loans to the Agricultural Sector	2.2bn	(1.4)%
Corporate Loans	3.7bn	+6.4%
Public sector loans	4.2 bn	(10.0)%

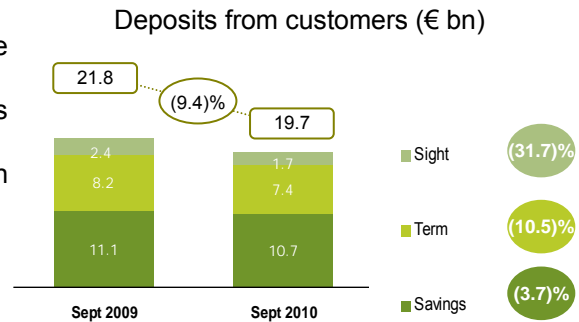
New NPLs Formation



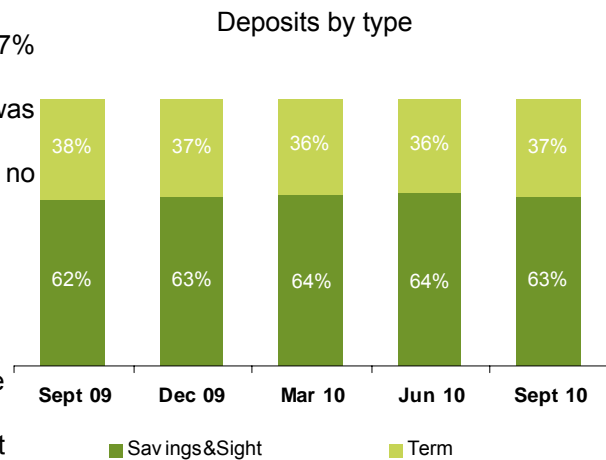
Loan Provision Coverage



As a result of the economic uncertainty and the impact of the austerity measures on disposable income, total customer deposits registered in the end September 2010 a 9.4% y-o-y drop, though lower than the market decline over the same period (-10.5%).



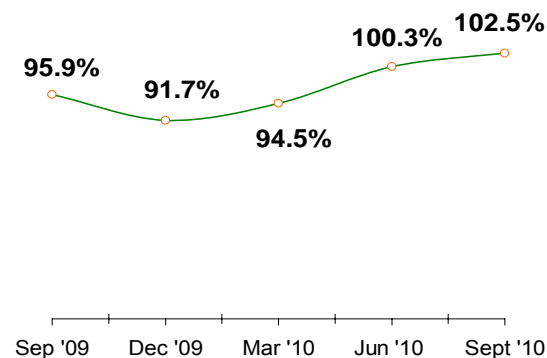
Better performance than the market was registered both in saving deposits (-3.7% vs -7.4%) and in term deposits (-10.5% vs -13.2%) while the drop in sight deposits exceeded market average (-31.7% vs -3.8%) due to seasonal factors. A positive development was that during September 2010 balances stabilized as there were no significant deposit outflows.



Group liquidity remained at satisfactory levels, with time deposits accounting for only 37% of total and the loan to deposit ratio standing at 102.5%, remaining among the lowest in the market.

Loans to deposit ratio (%)

Total capital adequacy ratio is estimated at 8.29%, above Basel II minimum capital requirements, and Tier I ratio at 7.12%.



ATEbank will announce soon a comprehensive financial and organizational restructuring plan aiming at enhancing its efficiency and profitability.

In this context, ATEbank in cooperation and with the support of its main shareholder, the Greek State, will proceed in the near future to a €1 billion share capital increase in order to boost and simultaneously improve the quality of its capital base. Of this amount, part will be used for repaying preferred shares held by the state and rest for strengthening the Group's Core Tier I capital.

In the context of the restructuring plan, ATEbank will re-consider the need of covering staff vacancies for which it conducted a recruitment contest (9K/2008).

Annex
Income Statement

in € mn	Group			
	9M 2010	FY 2009	9M 2009	Sept. 2010 - Sept. 2009 (%)
Net interest income	613.4	750.3	545.9	12.4%
Net fee and commission income	47.9	76.8	57.8	(17.1)%
Gains & losses from financial transactions	(125.0)	150.3	170.5	-
Other income	62.6	62.2	46.1	35.7%
Operating income	598.8	1,039.6	820.3	(27.0)%
Operating expenses	(443.8)	(631.2)	(457.1)	(2.9)%
Loans impairments	(275.2)	(619.5)	(234.8)	17.2%
Other impairments	(12.0)	(205.8)	(6.0)	-
Income from associates	1.0	(2.6)	1.5	(32.4)%
Profit / (Loss) before tax	(131.1)	(419.5)	123.9	-
Tax	13.9	14.4	(43.5)	-
Profit / (Loss) after tax and minorities	(117.2)	(401.5)	82.4	-

Assets

in € mn	Group			
	30/9/2010	31/12/2009	30/9/2009	Sept. 2010 - Sept. 2009 (%)
Cash & balances with central bank	869.8	1,029.9	797.2	9.1%
Due from other banks	2,403.3	2,429.1	1,330.3	80.7%
Securities portfolio	5,722.2	4,897.2	3,806.3	50.3%
Derivatives	28.7	25.8	23.6	21.6%
Loans and advances to customers after provisions *	20,226.1	21,910.1	20,897.0	(3.2)%
Investments in associates	173.9	188.1	202.0	(13.9)%
Other assets	2,463.0	2,358.2	2,278.2	8.1%
Total assets	31,887.0	32,838.5	29,334.5	8.7%

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

Total liabilities & shareholders' equity

in € mn	Group			
	30/9/2010	31/12/2009	30/9/2009	Sept. 2010 - Sept. 2009 (%)
Due to banks	9,111.1	6,478.8	4,037.9	125.6%
Due to customers	19,734.6	22,596.0	21,781.1	(9.4)%
Other liabilities	1,765.3	2,153.7	1,420.4	24.3%
Subordinated loans	249.1	248.8	248.7	0.2%
Liabilities	30,860.0	31,477.3	27,488.1	12.3%
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	92.8	(0.2)%
Other reserves	(320.3)	293.0	288.1	-
Profit / (loss) of the period	(117.2)	(401.5)	82.4	-
Minority interest	53.2	58.5	64.4	(17.4)%
Total equity	1,026.9	1,361.3	1,846.4	(44.4)%
Total liabilities & shareholders' equity	31,887.0	32,838.5	29,334.5	8.7%

Note :

- The Financial statements have not been audited.
- The Financial statements will be published in the press on the 25th of November, 2010.

Athens, 24 November 2010