

Greek Postal Savings Bank S.A.



2006 Annual Results Presentation

April 17, 2007

Disclaimer – Forward Looking Statements

FORWARD LOOKING STATEMENTS

This document contains forward-looking statements about the Bank.

Except for historical information, the matters discussed in this presentation are forward-looking statements that are subject to certain risks and uncertainties that could cause the actual results of operations, financial condition, liquidity, performance, prospects and opportunities to differ materially, including but not limited to the following: the uncertainty of the national economy; economic conditions generally and the banking sector specifically; competition from other banks; timing of financial statements; resources in audit and finance department; adequacy of internal controls the Bank's ability to take advantage of new technologies as well as to integrate new computer systems into its operations and to use these systems to enhance productivity.

Although the Bank believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. The forward-looking statements are made as of the date of this presentation, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

By attending this presentation, you agree to be bound by the foregoing limitations.

*Our vision is to create
the preferred financial services provider
by offering value products
to Greece's «unsung heroes»*

2006 Annual Results Presentation - Agenda

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Greek Postal Savings Bank History

- Greek Postal Savings Bank established in 1900 in Kreta, in the context of the Hellenic Posts Organization.
- It started its function in 1902 with a network of 26 branches.
- In 1970 the Postal Savings became autonomous with the foundation of Greek Postals.
- In 2002 it acquired a new corporate status and became a Societe Anonyme, under the law 3082/16.12.2002.
- In 2005 the banking network consisted of 136 branches all over Greece. The Bank's presence is additionally supported from Hellenic Posts (EΛTA) 820 branches cooperation, as an alternative network which assists selling activities based on the well product range of PSB.
- In April 2006 it acquired a full banking license and since then we have been operating under the supervision of the Bank of Greece.
- In June 2006, the Postal Savings Bank became an ASE listed company through a public offer.
- By the end of 2006 the alternative network of Hellenic Posts increased to 839 branches and the existing agreement expanded to lending products.
- Greek Postal Savings Bank now supports a full range product mix such as mortgages, personal loans, credit cards, mutual funds and almost all types of bank deposit / saving activities. The Banking corporation also includes treasury and asset management activities in its portfolio.
- Greek Postal Savings Bank has initiated a new contemporary integrated banking system through which all daily operations are performed and controlled fully on line. At the same time, the Bank's number of ATMs is following an increasing trend, in an effort to facilitate daily transactions. By the end of 2006 the ATM's amounted 171 pieces, of witch 130 were placed at the PSB's network and the rest at the alternative network of Hellenic Post.

Financial Review

Greek Postal Savings Bank at a Glance

	IFRS			% growth '04-'05	% growth '05-'06
	Dec-04	Dec-05	Dec-06		
Loans	2,060.12	3,044.67	4,862.81	47.79%	59.72%
Total assets	10,912.67	11,564.59	12,336.70	5.97%	6.68%
Deposits and repos	9,275.03	9,953.84	10,725.96	7.32%	7.76%
Shareholders' equity	1,167.46	864.93	868.88	(25.91)%	0.46%
Total operating income	256.82	296.38	417.33	15.40%	40.81%
Income (before tax)	171.41	149.89	185.44	(12.56)%	23.72%
Net Income (after tax)	131.87	122.55	137.17	(7.07)%	11.93%
*Net Income (after tax) Adjusted	-	-	153.14	-	24.96%
Financials Ratios					
Loans / Deposits	22.21%	30.59%	45.34%		
Capital adequacy	21.50%	13.09%	11.23%		
NII / Total Assets	2.21%	2.10%	2.06%		
NII / Total Operating Income	94.10%	81.75%	60.76%		
NPL / Gross Loans	0.14%	0.22%	0.46%		
Loans / Total Assets	18.73%	26.06%	38.93%		
ROA	1.21%	1.06%	1.11%		
*ROA Adjusted	1.21%	1.06%	1.24%		
Provision Expense / Gross Loans	0.20%	0.63%	0.61%		
ROE	11.30%	14.17%	15.79%		
*ROE Adjusted	11.30%	14.17%	17.62%		
Cost / Income	31.66%	43.02%	48.54%		

* Adjusted figures exclude the extraordinary reserves taxation, which amounted to 15.97 million Euros

Note: Ratios calculated on ending balances

Source: IFRS Financial accounts as of December 31, 2006

Financial Review

Income Statement Highlights

	Dec-04	Dec-05	Dec-06	% growth '04-05	% growth '05-06
Net Interest Income	241.66	242.28	253.57	0.26%	4.66%
Net fee and commission income	1.84	3.53	24.81	92.05%	603.42%
Trading income	(7.81)	30.32	126.40	488.27%	316.93%
Dividend income	7.88	5.11	4.66	(35.24)%	(8.81)%
Other operating income	13.25	15.15	7.89	14.37%	(47.91)%
Total operating income	256.82	296.38	417.33	15.40%	40.81%
Personnel expenses	47.51	56.27	84.72	18.45%	50.55%
Administrative expenses	26.82	52.90	85.19	97.26%	61.04%
Depreciation	4.79	6.18	9.14	29.04%	47.75%
Other operating expenses	2.18	12.15	23.55	456.33%	93.89%
Operating expenses	81.30	127.50	202.59	56.83%	58.90%
Provisions for loan losses	3.99	18.91	29.28	374.25%	54.81%
Share profit/(loss) from associates	(0.12)	(0.09)	(0.03)	(31.11)%	(66.59)%
Extraordinary Income Tax (on Reserves)	-	-	15.97	-	-
Regular Income Tax	39.54	27.34	32.30	(30.85)%	18.14%
Net income	131.87	122.55	137.17	(7.07)%	11.93%
Earnings Per Share	0.80	0.74	0.97	(7.50)%	31.08%
*Earnings Per Share Adjusted	0.80	0.74	1.08	(7.50)%	46.34%
Calculated on Number of Shares					
Nominal Tax Rate	35,00%	32,00%	29,00%		
Effective Tax Rate	23,05%	18,23%	26,02%		
*Effective Tax Rate Adjusted	23,05%	18,23%	17,41%		

* Adjusted figures exclude the extraordinary reserves taxation, which amounted to 15.97 million Euros
Source: IFRS financial accounts as of December 31, 2006

Financial Review

Balance Sheet Highlights

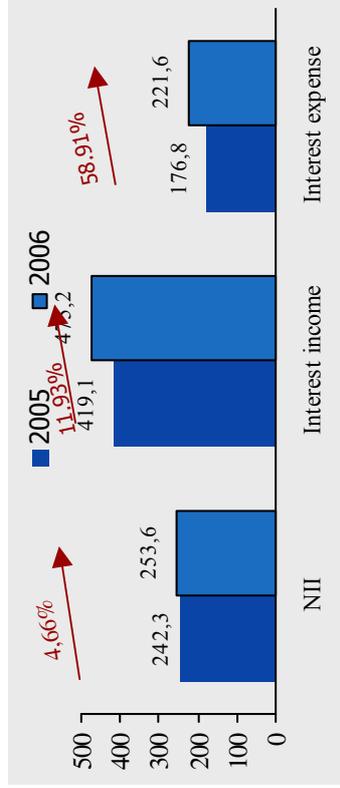
	Dec-04	Dec-05	Dec-06	%growth '04-'05	%growth '05-'06
Assets					
Cash and balances with CB	121.31	191.27	148.86	57.67%	(22.17)%
Claims on credit institutions	2,318.60	1,249.26	757.87	(46.12)%	(39.33)%
Loans and advances to customers	2,043.55	3,013.30	4,802.78	47.45%	59.39%
Derivative Investments	-	0.81	11.76	-	1,351.50%
Trading portfolio	1,280.29	1,593.12	1,616.36	24.43%	1.46%
Available for sale	4,282.23	4,618.91	4,097.04	7.86%	(11.30)%
Held to maturity	493.56	491.87	490.18	(0.34)%	(0.34)%
Property, plant and equipment	102.47	110.75	111.72	8.08%	0.81%
Deferred tax assets	33.64	36.22	32.00	7.69%	(15.19)%
Intangible assets	4.82	10.97	11.36	127.54%	3.54%
Other assets	232.20	248.10	256.76	6.85%	3.71%
Total assets	10,912.67	11,564.59	12,336.70	5.97%	6.68%
Liabilities					
Due to credit institutions	0.00	0.00	500.00	-	-
Due to customers	9,275.03	9,953.84	10,725.96	7.32%	7.76%
Derivative instruments	72.52	66.63	2.46	(8.13)%	(96.31)%
Deferred tax liabilities	188.25	67.74	38.40	(64.02)%	(43.32)%
Other liabilities	209.41	611.46	200.47	192.00%	(67.22)%
Shareholders' equity	1,167.46	864.93	868.88	(25.91)%	(0.46)%
Minority Interest	0.00	0.00	0.54	-	-
Total equity and liabilities	10,912.67	11,564.59	12,336.70	5.97%	6.68%

Source: IFRS financial accounts as of December 31, 2006

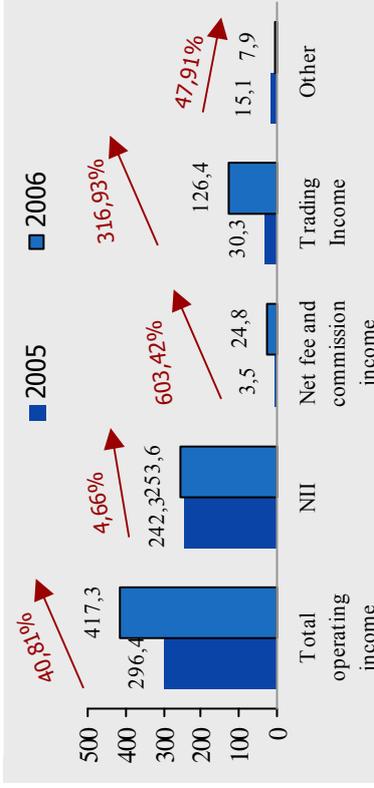
Financial Review

Robust Revenue Growth

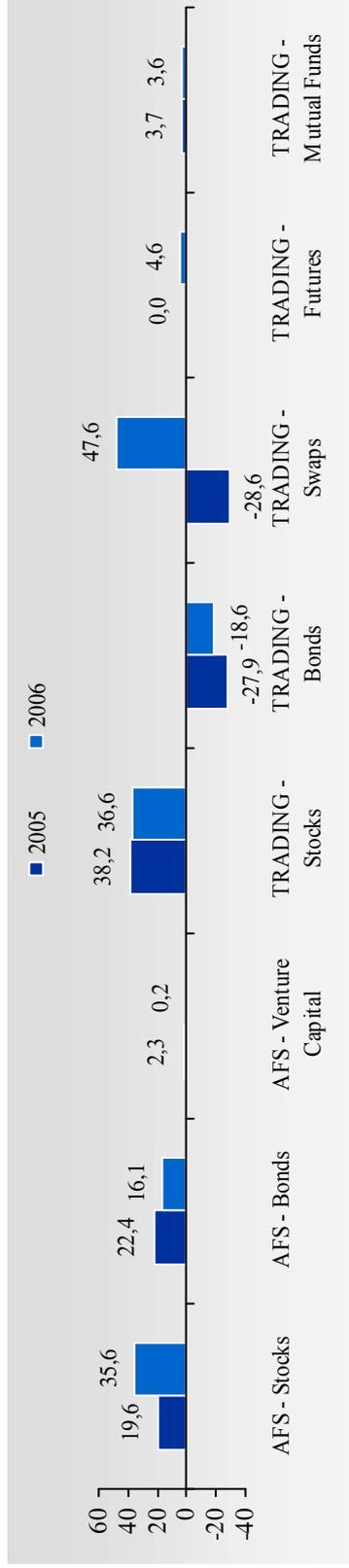
Revenue Growth (€mm)



Total Operating Income



Trading Income (€mm)

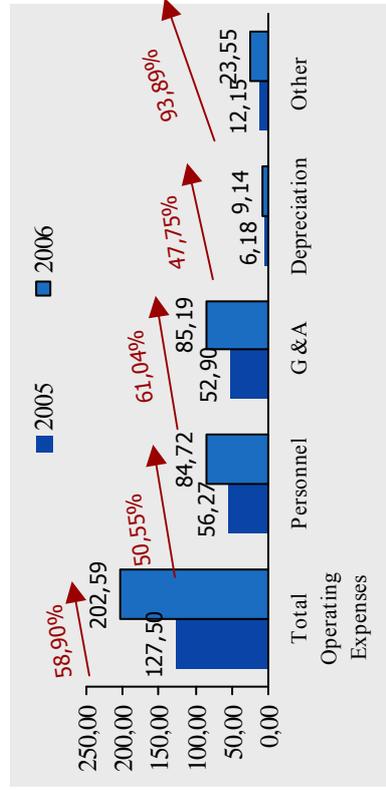


Source: IFRS financial accounts as of December 31, 2006

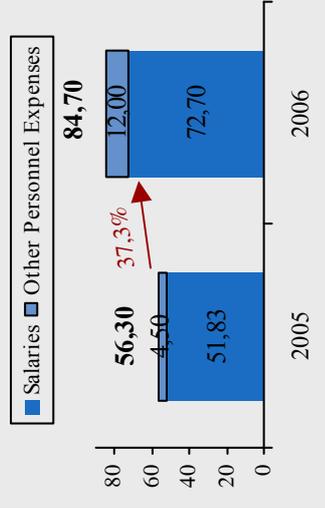
Financial Review

Expense Growth in Line with Expectations

Total Operating Expenses (€mm)



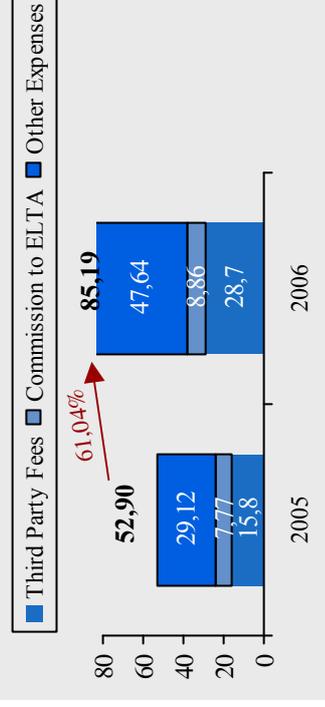
Personnel Expenses (€mm)



Non recurring expenses amounted 37.78 mil Euros (included in Dec 31, 2006 results)

- New IT System implementation expenses, €1.96 mil
- Personnel overtimes, due to IPO & new IT System implementation, €2.11 mil
- Consulting/auditing/listing expenses/e.t.c. expenses, related to the IPO, €2.65 mil
- Personnel training & travelling expenses, due to the new IT System implementation, €1.17 mil
- Personnel outsourcing, related to the business increase, €1.29 mil
- V.A.T. expense related to the above expenses, €0.98 mil
- Initial contribution to the Deposits Guarantee Fund, €20.32 mil.
- Recognized cost of 10% discount on the share price of personnel private placement, 2.13 mil.

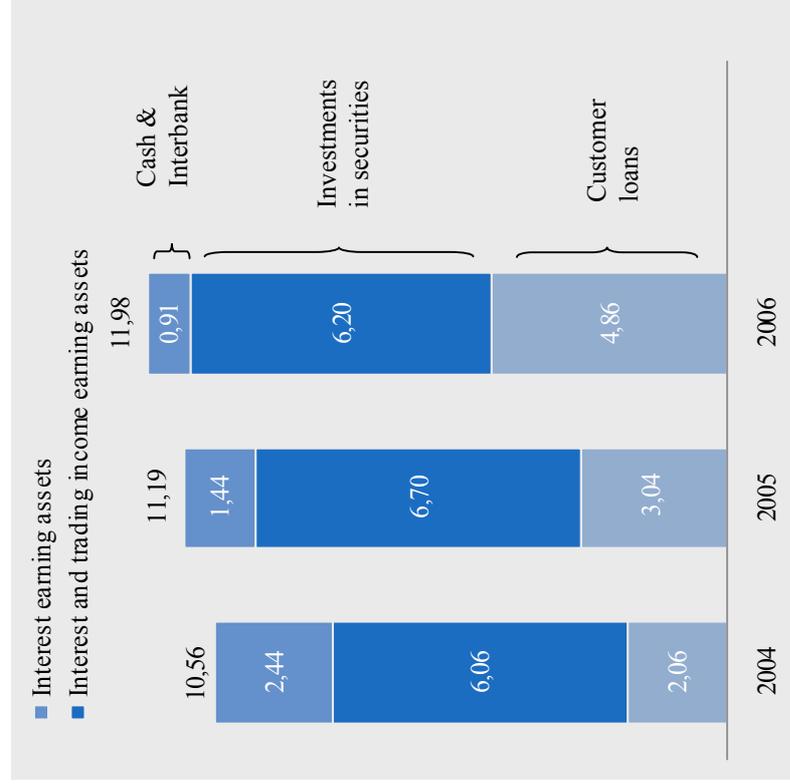
G&A Expenses (€mm)



Source: IFRS financial accounts as of December 31, 2006

Asset Development in Banking Activities

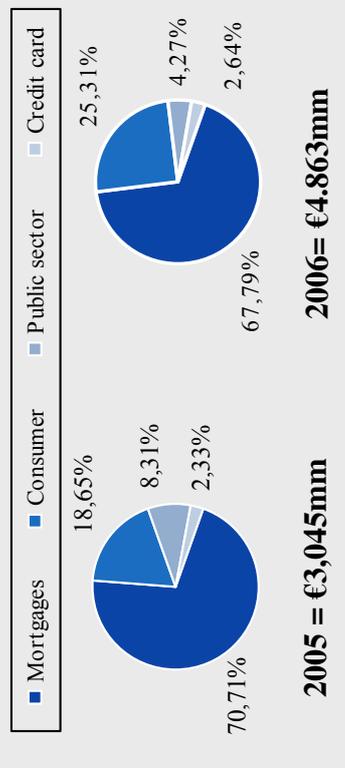
Asset Breakdown (€bn)



Asset Side restructure continues

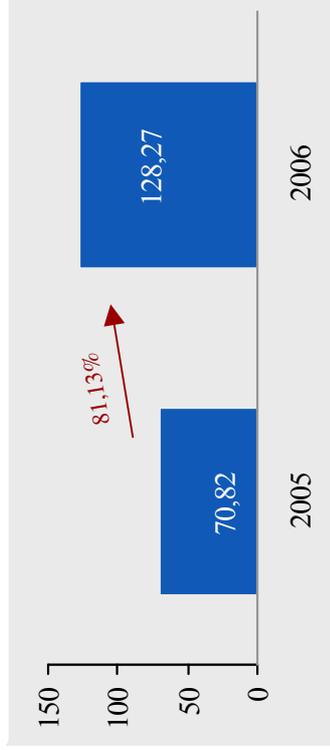
- Customer Loans increased by 59.72%
- Investment in securities decreased 7.46%
- Cash & Interbank decreased by 37.06%

Gross loan portfolio segmentation (%)

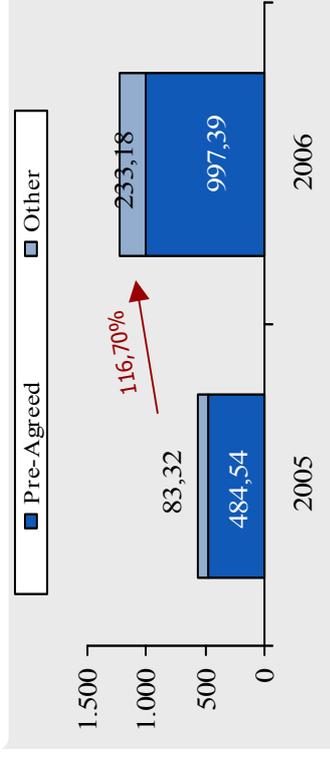


Loan Portfolio Development

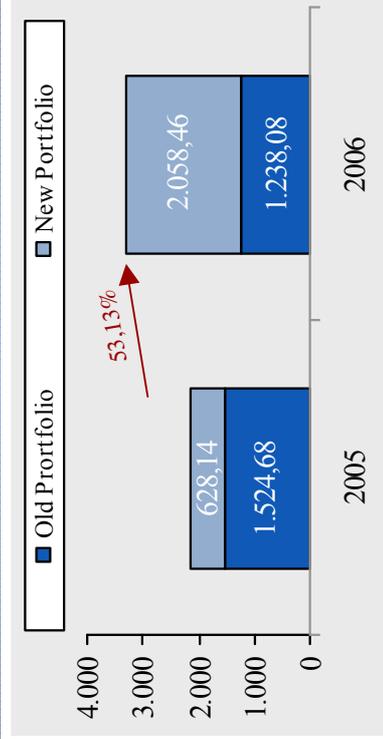
Credit Cards (€mm)



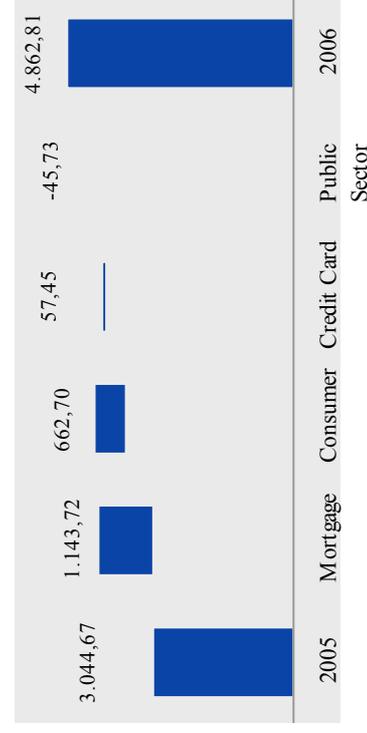
Consumer Loans (€mm)



Mortgages (€mm)



Gross loan portfolio development (€mm)

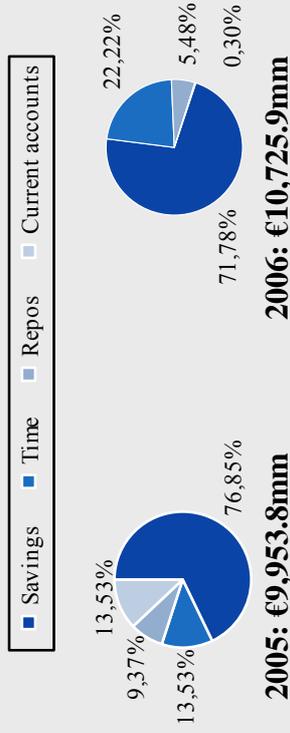


*Net increase in balances
Source: IFRS financial accounts as of December 31, 2006

Financial Review

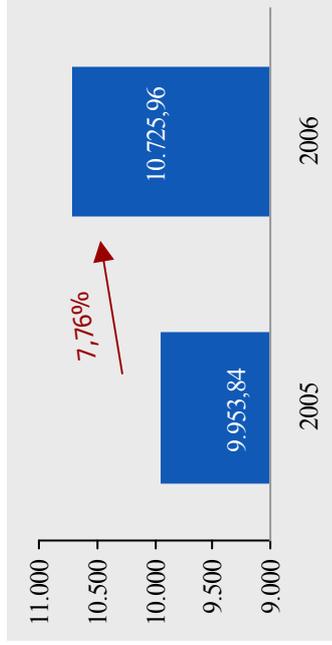
Deposit Base Remains Solid

Deposit segmentation (%)

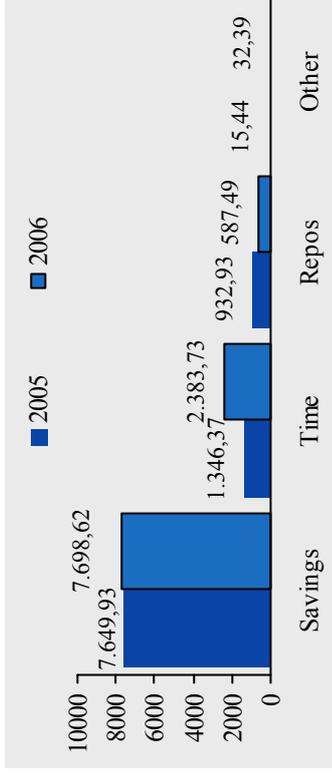


- Non aggressive Deposits increase 7.76%, up to 10,725.96 mil Euro at December 31, 2006 from 9,953.84 mil Euro at year end 2005
- Approximately 2.8 million active accounts
- No reprising during ECB rate hikes to the saving accounts

Deposit development (€mm)



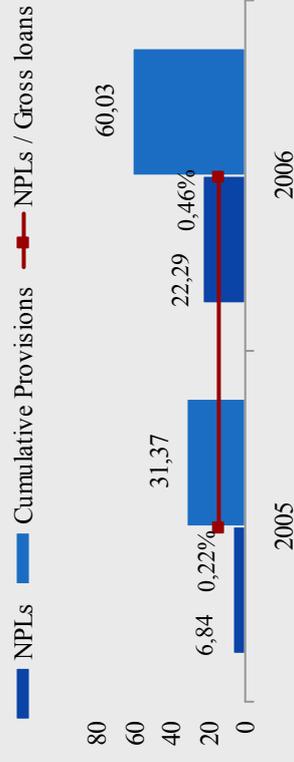
Deposits by Type (€mm)



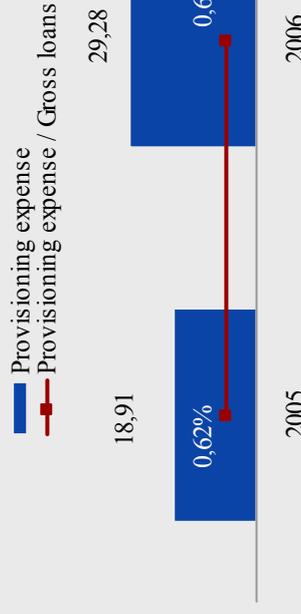
Source: IFRS financial accounts as December 31, 2006

Strong Asset Quality

NPLs (€mm)

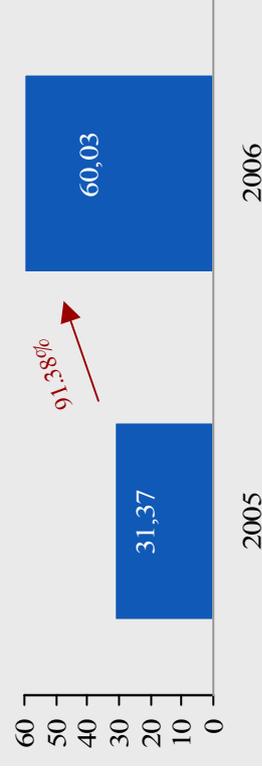


Provisions coverage overview (%)



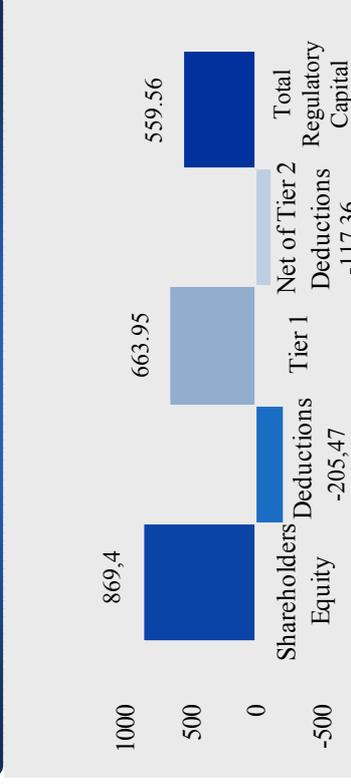
- PSB has very low NPL levels with NPL ratio of 0.46% as of year end 2006
- Excessive accumulated provisions with NPL coverage ratio at 270%
- Annual provisioning charge of 60bps of total gross loans in 2006 from 62bps in 2005 in light of changing portfolio mix

Provisions coverage overview (%)



Sufficient Capital Base (to fund future growth)

Regulatory Capital (€mm)



RWA composition

Total = €4.982,34 mm



- Capital adequacy ratio at 11.23% as of December 31, 2006.
- Deductions from shareholders equity represent AFS portfolio reserve, intangible fixed assets and Bank of Attica participation
- No non-equity instruments in capital
- RWA split between credit and market risk supporting investment strategy

Main Operations Drivers Update

Expanding products - palette

From mortgage loans for civil servants to a palette of mortgage and pre-approved consumer loans offering, complemented by traditional consumer finance and card products

Mortgage loans

- Improved product functionality
 - Longer tenor introduced up to 40 years
 - First 3 year grace period (interest only) mortgage loan introduced
 - Home equity / debt consolidation products
 - Fixed / variable interest rate
 - Final approval time shortened to 1 month
- Successfully branded products
- Currently exclusively distributed through own branch network and ELTA



Pre-approved consumer loans to civil servants

- Unique product offering on the basis of PSB relationships with other public sector organisations
- Credit line from €3.000 to €30.000 secured through equal instalments deducted by employer directly from payroll (monthly instalments)
- Framework agreement signed with 450 organisations
 - Low penetration levels (15 to 20%)
 - 110,000 loans outstanding approximately
- Interest rates of 5.30% and tenor ranging from 3 to 8 years

Consumer loans

- Typical consumer finance product offering
- Rates starting from 7,90% floating rates and tenors ranging from 1 to 10 years
- Seasonally branded product offerings
- Cautious initial expansion to be followed by more active marketing
- No alternative channels used (except ELTA)



Credit Card offering

- Member of VISA International
- MasterCard
- Flagship PSB Classic and PSB Gold products
- Annual membership fee and attractive interest rates, of 9%
- Balance transfer functionality
- Acquiring POS infrastructure through FirstData Co.
- Direct marketing channel is the biggest contributor to new cards origination



Main Operations Drivers Update

Advertising Campaign

Business has been supported by effective holistic communication to attract the “unsung heroes”

Marketing campaign

- High brand recognition of PSB (as effectively all Greek population has been customer) because of very high penetration in the Greek population
- Thought perceived as a dormant organisation
- Targeted corporate branding and product specific campaign, including:
 - TV commercials
 - Press advertisements
 - Marketing material
- Intensification in Q3-Q4 (2005) and 2006

Concept

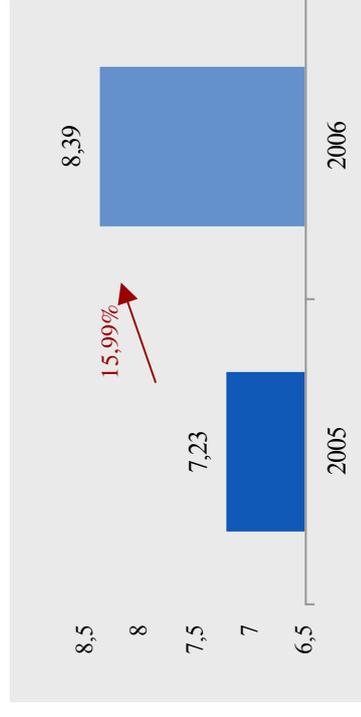
- “PSB supports the unsung heroes (everyday working class) because they support our country”
- “PSB is the only bank that fully understands and values them because they are worth (more to) it”

Target audience/aims

- Primary: 30-55 year old middle income
- Secondary: 18-24 year old
- Parallel impact: own personnel motivation



Marketing Expenses (€mm)

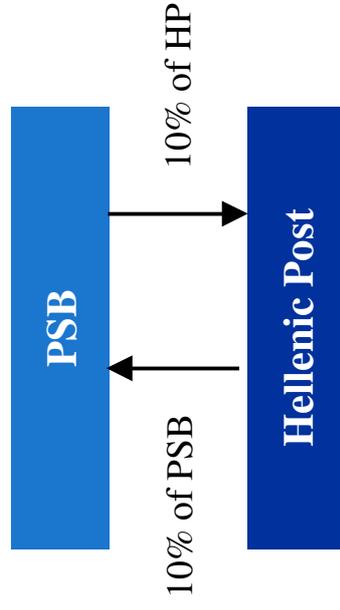


Main Operations Drivers Update

Unique Synergy with the Hellenic Post

- Historical relationship with Hellenic Post, formalised through comprehensive exclusive agreement, entered into 2001
 - Expires in 2011, subject to renewal
 - Governs personnel issues, branches layout, commission fees and charges, exclusivity
- Historical focus on deposit acceptance through Hellenic Post's 839 branches and distributors as well
 - Cooperation extension envisaged to include PSB expanded product offering in lending activities. This present moment 160 branches provide loan services. However by the end of 2007 the target is to reach the number of 270 branches.
- Cooperation strengthened through cross-shareholding of 10% in each company effected in April 2006 (sale of existing shares by the Hellenic Republic)

Cross-shareholding establishment¹



- Nowadays 41 ATMs operate in different Hellenic Post branches
- Focusing on customer service and satisfaction 139 P.O.S. will be placed on Hellenic Posts network, earlier than Dec 2007. Those machines are also designed for deposits purposes.
- The design of the interface between the information systems of P.S.B. and H.P. has been completed and is currently in the implementation phase. The roll out of the first pilot branches will start at the end of June 2007.

¹ Ownership structure prior to PSB IPO

Main Operations Drivers Update

Human Resources Update

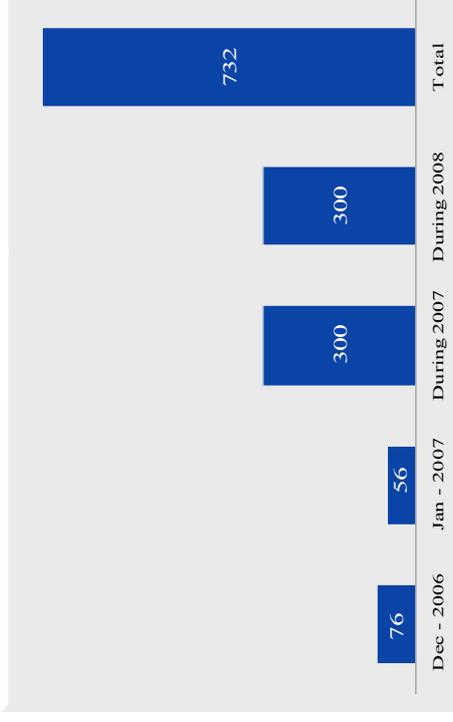
Headcount will be strengthened with hiring of significant new entry level personnel

- A first group of 132 new employees join the bank during December 2006 and January 2007.
- A second group of approximately 500 new employees is expected during 2007 and 2008.
- New hires (university graduates) to be allocated in certain support functions currently outsourced and man branch network
- New hires to replace natural attrition of existing personnel that has staggered departures over the following years
- 1.09% of company shares were allocated to Personnel (became shareholder) through a private placement with a 10% discount on the IPO price.

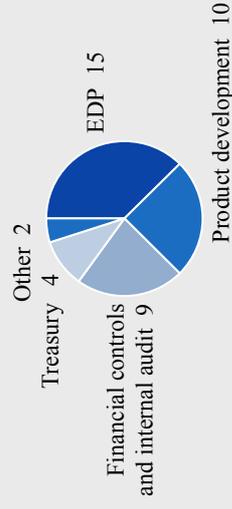
Facilitated by the hiring of seasoned retail banking executives

- Experienced executives have been hired within the restriction of previous operating framework to man critical business and support operations
- Executives hired with extended banking sector experience or higher education

Planned new hires as a replacement of the existing outsourcing



New executives by function



Main Operations Drivers Update

New IT system (s) (in operation) have extended functionality allowing for more efficient operations

Core banking system – PROFITS

- Full management of customers and products (lending, deposit, transfers, etc.)
- Accounting and general ledger
- MIS, budgeting and cost allocation (on a development stage)
- Support systems
- Interface with interbanking and international systems / networks
 - Handling of transactions originated from Post Office(on a development stage)
 - DIAS (National Interbanking and Clearing House)
 - SWIFT
 - FirstData (Cards and ATM process system)

Dealing room – BTS VISION

- Full support for Front- Middle- and Back- Office operations, connected to PROFITS
- Real time connection to Reuters RT, SWIFT capabilities

Payroll and HR Management System

- Full payroll and employees records
- Training and development schedules
- Performance assessment

Help Desk System

- Remedy Help Desk System supporting the PSB PROFITS users

Technical infrastructure (central systems, LAN infrastructure, communications network, new IT building) has been installed and fully operational

Greek Postal Savings Bank Strategy

Greek Postal Savings Bank: targeting growth and profitability



- Wide distribution network with 136 self owned branches
- 171 ATM service point network
- Additional 839 sales points through Hellenic Posts branches
- Large depositor client base
- Historical position in mortgage lending
- High liquidity
- Strong capital / low cost base
- New integrated IT whole banking system
- 1.352 people out of which 134 with post-graduate degrees and 376 with graduate degrees
- Asset side composition restructuring, in favor of retail loans portfolio growth
- Strengthening of the relationship with Hellenic Posts
- Support brand name recognition through effective advertisement campaigns
- Full implementation of the new integrated banking IT system
- Exploitation of the strong customer base in cross selling activities
- Continuous personnel training and motivation
- Lateral hires of senior executives
- Gradual replacement of outsourced personnel with permanent employees
- Enriching product palette with simple and price attractive products
- Capital structure optimization
- Rapid retail loan portfolio growth
- Establishment of cross selling activity
- Effective liquidity management
- Increase of client base penetration
- Increase market share both in deposits and loans

Greek Postal Savings Bank Strategy

Supporting Business Plan Realization

Targeting

- High profitability
- Continuing growth from product expansion and network utilization

Maintain cost leadership

- Stable cost / income ratio
- Managed credit costs through controlled credit expansion

Diversification of income

- Declining share of investment driven income
- Growing NII and fee income

Real asset growth

- Increase loans / deposits ratio
- Mortgages driving portfolio growth

Share's Information

Stock Data

Shares outstanding	140,866,770
Price (16/04/2007)	18.42 Euro
Performance (from 06/06/2006)	47,36%
Market capitalization	2.594,77 mil Euro

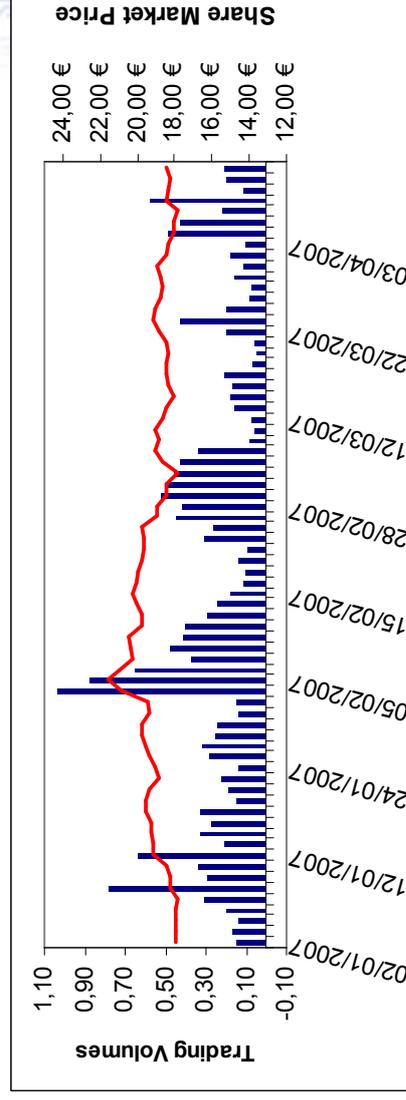
Stock Symbols

ATHEX	TT
Bloomberg	GPSr.AT
Reuters	TT GA

PSB Shareholder Structure

■ Greek State	54,43%
■ Greek Post Office	10,00%
■ Greek Institutions	5,04%
■ Foreign Institutions	19,44%
■ Other Shareholders	11,09%

PSB Stock Performance



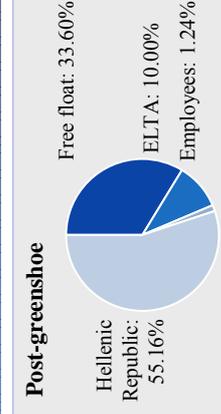
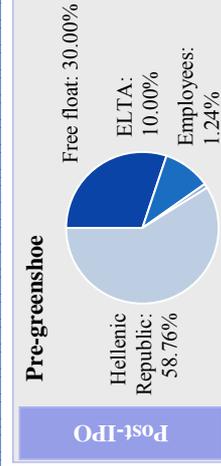
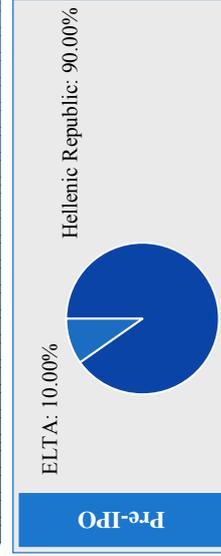
Share's Information

IPO details

Key offering terms

	Comments
Issuer	Greek Postal Savings Bank (PSB)
Seller	Greek Government (Hellenic Republic)
Listing	Athens Stock Exchange
Distribution	Global institutional offer under Reg S
	Offering to QIBS in the US under Rule 144A
	Domestic retail offering
Structure	<ul style="list-style-type: none"> Sale of secondary shares equal to 30.00% of market cap. Secondary greenshoe issue of up to 3.60% of market cap. (up to 12.00% of the offer size) Employee offering of secondary shares equal to 1.24% of market cap. Sale of secondary shares equal to 10.00% of market cap. to the Greek Post Office (ELTA) pre-IPO to strengthen exclusive product distribution agreement
Shares	Ordinary shares
Lock-up	180 days for Hellenic Republic, PSB and ELTA
Use of proceeds	<ul style="list-style-type: none"> Part of Hellenic Republic Privatisation programme Proceeds will be used to repay Government debt
Pricing Date	May 26, 2006
International Bookrunners	JPMorgan, Goldman Sachs
Local Bookrunners	National Bank of Greece, Piraeus Bank

Ownership structure—pre and post IPO



Note: ELTA is owned by Hellenic Republic

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