

Financial Results 1H09 - Highlights

Income Statement and B/cce Sheet Review

Performance by geographic market

Strategic Priorities

Appendix 1: Detailed Financial Information

Financial Results for 1st Half 2009

31 August 2009

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First Half 2009 Financial highlights

Profitability

- Profit after tax for 1H09 reached €148 mn (down 39% y-o-y)
 - Profit after tax for 2Q09 reached €85 mn (up 34% q-o-q)
- Profit before provisions for 1H09 reached €256 mn (down 19% y-o-y)
 - Profit before provisions for 2Q09 reached €142 mn (up 24% q-o-q)

Capital Adequacy

- Tier 1 ratio increased to 11,1%*
 - Successful issue of €645 mn Convertible Capital Securities
- Core Tier 1 ratio increased to 7,5%

Liquidity

- Group Loans to Deposits ratio at 89%
 - Loans to Deposits ratio < 100% in Cyprus and Greece
- Primarily deposit funded (76% of assets funded by customer deposits)

*Following the increase in the amount of hybrid capital which can be considered as Tier 1 capital from 15% to 35% of the total Tier 1 capital and the extension of the agreement with the founding shareholders of Uniastrum Bank

First Half 2009 Financial highlights

Key performance indicators

- 2Q09 Return on equity increased to 16,0% (1Q09: 12,4%)
- 2Q09 Cost to income ratio improved to 54% (1Q09: 58%)
- 2Q09 Net Interest Margin improved by 23 bps to 2,36%

Asset quality

- NPL ratio at 4,9% (1Q09: 4,3%)
- NPL provisioning coverage at 60% (1Q09: 65%)
- NPL coverage at 123%, taking into account tangible collateral (NPL coverage at 110% when tangible collateral is valued at forced sale values)

Maintaining targets for the year 2009

- Emphasis on safeguarding assets and successful risk management
- Net profit after tax between €300mn - €400mn

Income Statement and Balance Sheet Review

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Group Profitability

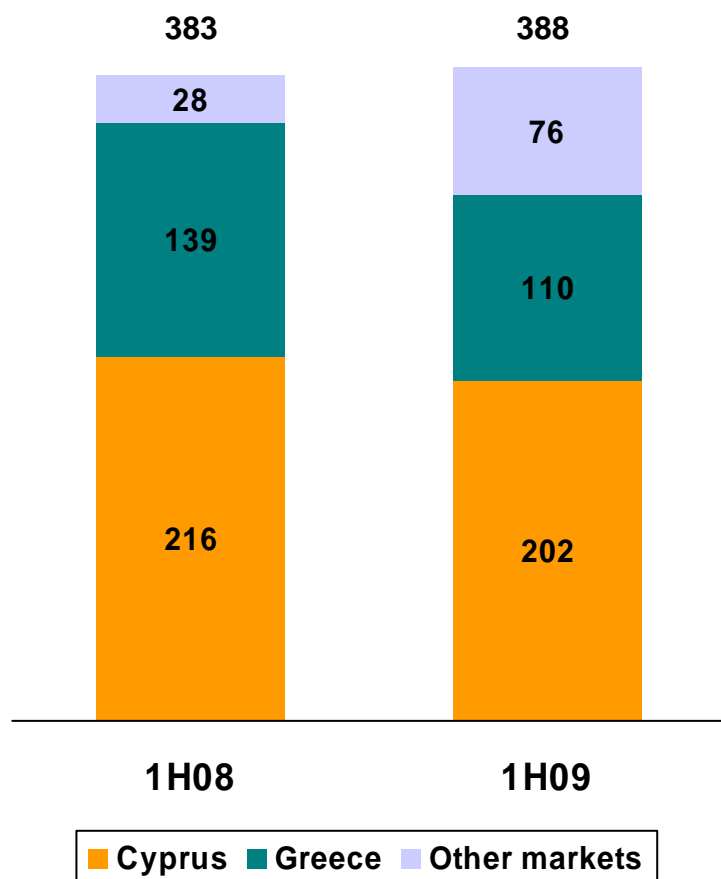
GROUP

(€mn)	1H09	1H08	y-o-y%	2Q09	1Q09	q-o-q%
Net interest income	388	383	+1%	207	181	+14%
Net fee & commission income	111	102	+9%	57	54	+6%
Foreign exchange income	28	16	+75%	8	20	-63%
Net operating income from insurance operations	31	30	+5%	16	15	+3%
Gains from financial instruments and other income	22	32	-33%	22	0	
Total income	580	563	+3%	310	270	+15%
Total expenses	324	246	+32%	168	156	+8%
Profit before provisions	256	317	-19%	142	114	+24%
Provisions	96	26	+265%	61	35	+74%
Share of profit/(loss) of associate	1	(6)	+113%	1	0	
Profit before tax	161	285	-44%	82	79	+3%
Tax	13	41	-68%	(3)	16	
Profit after tax	148	244	-39%	85	63	+34%

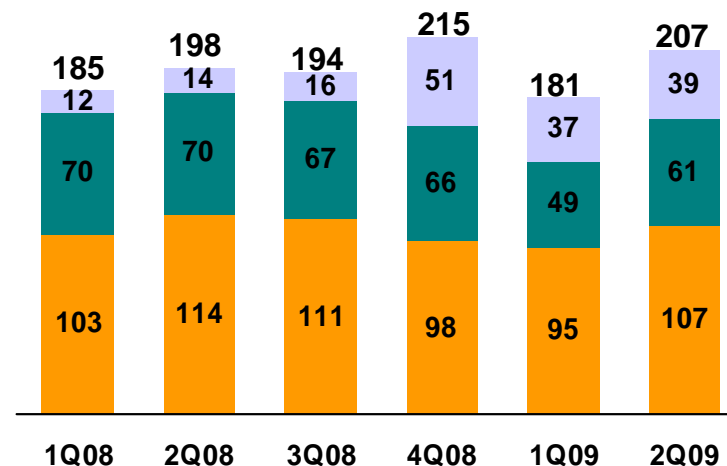
Net interest income: Recovery of interest margins

GROUP

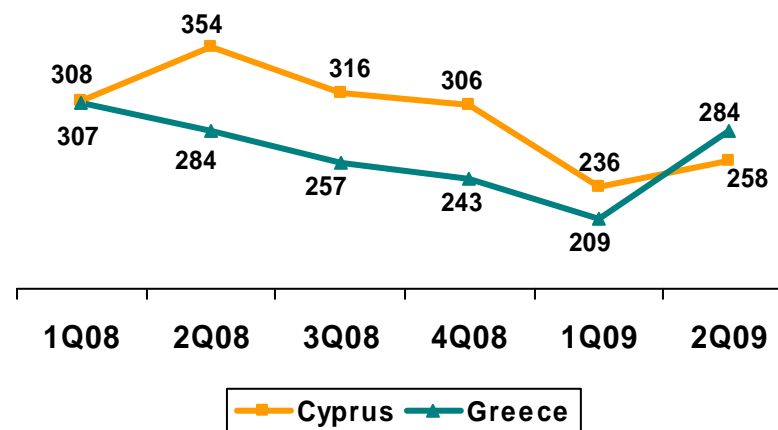
Net interest income (€mn)



Evolution of Net Interest Income (€mn)



Evolution of Euro customer spreads (bp)



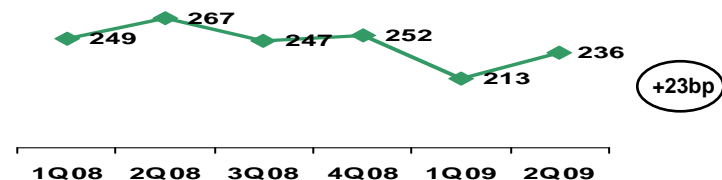
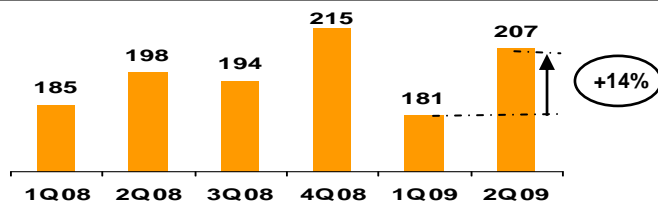
Recovery of interest margins

GROUP

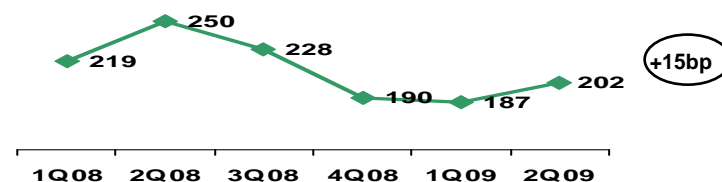
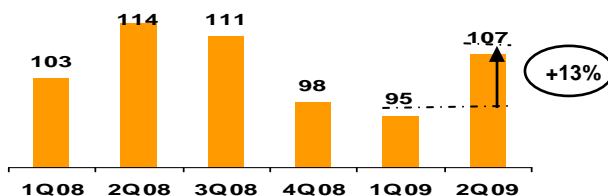
Net interest income (€mn)

Net interest margin (bp)

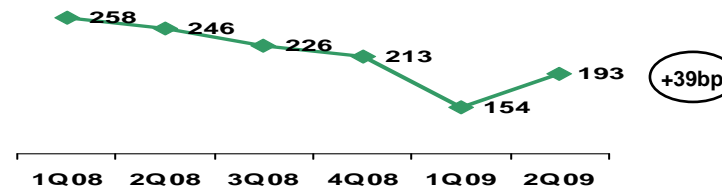
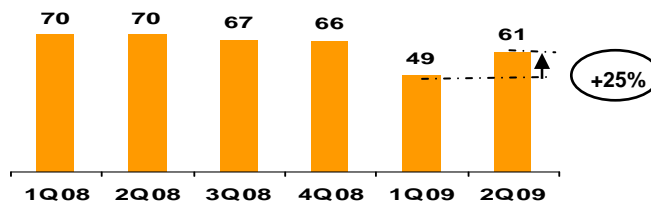
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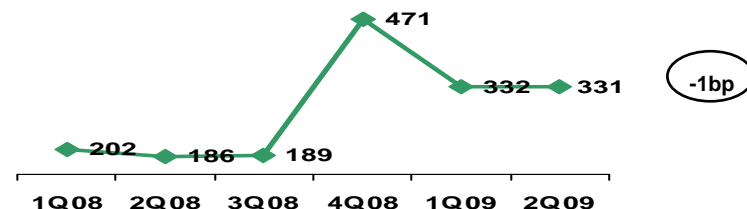
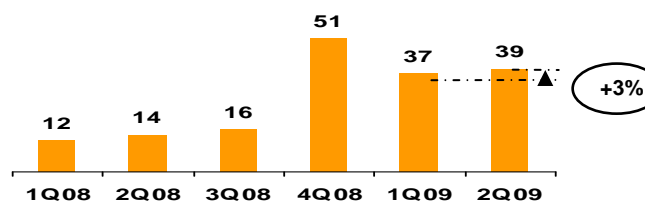
Cyprus



Greece



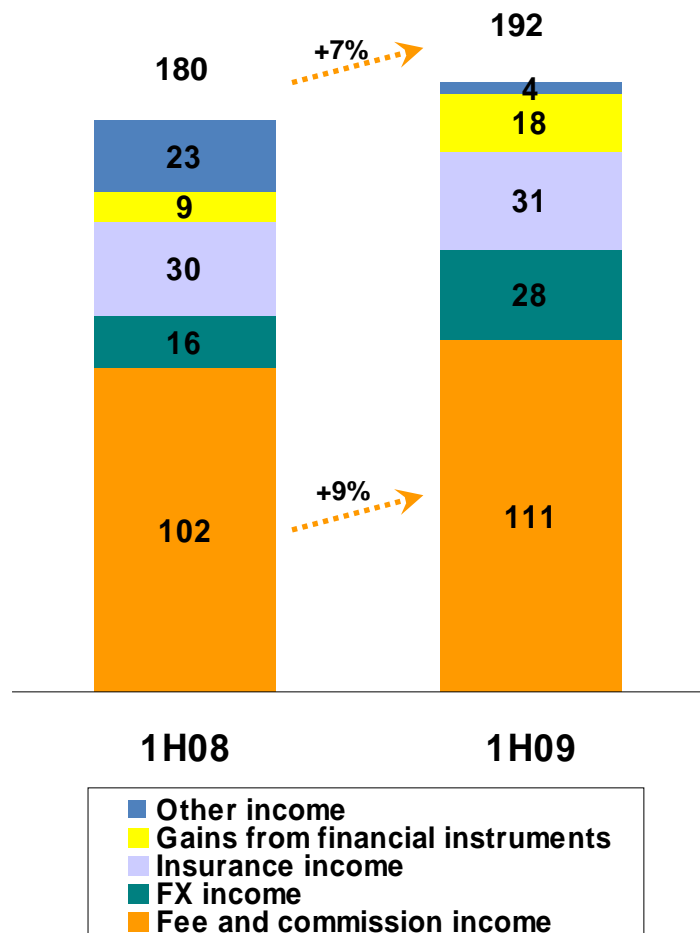
Other



Strong growth in non interest income supports operating income

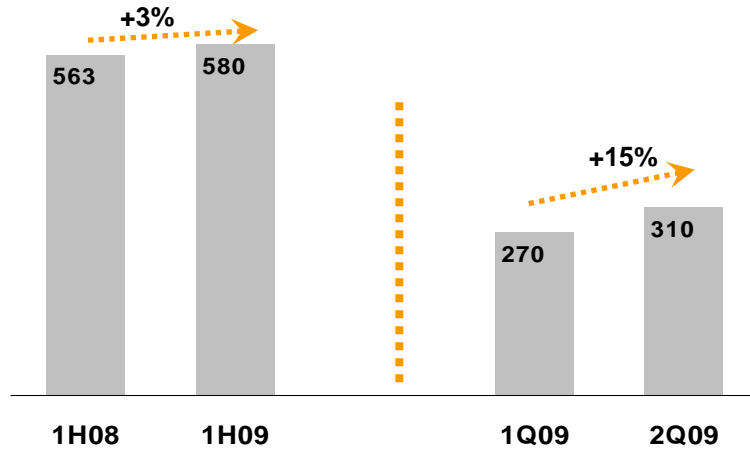
GROUP

Non Interest Income (€mn)

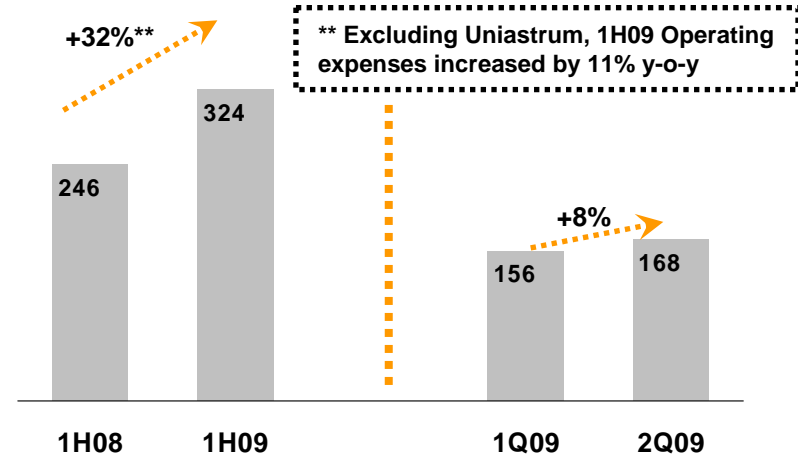


- **Fee and Commission income**
 - Other countries contribute to the increase in fees
- **FX Income**
 - Gains from transactions for hedging activities
- **Gains from financial instruments**
 - Recovery of debt markets allowed the realisation of gains
- **Insurance Income**
 - Good production volumes

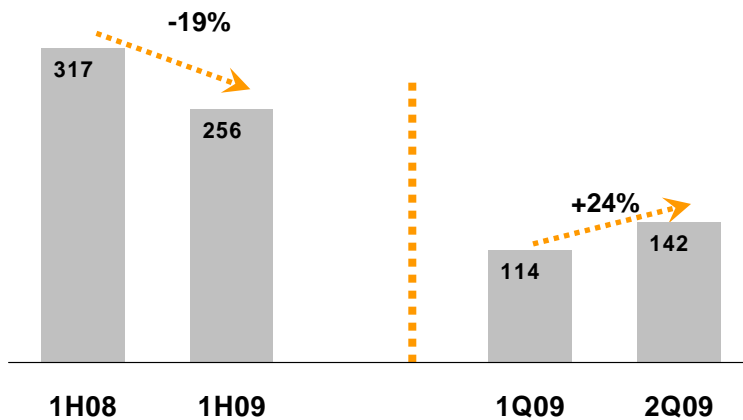
Operating Income (€mn)



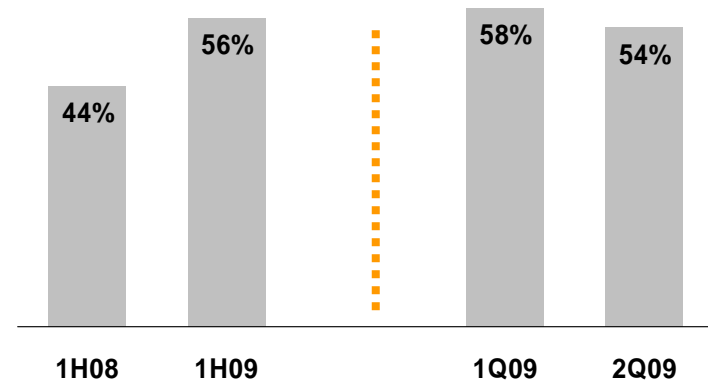
Operating Expenses (€mn)



Pre-provision Profit (€mn)



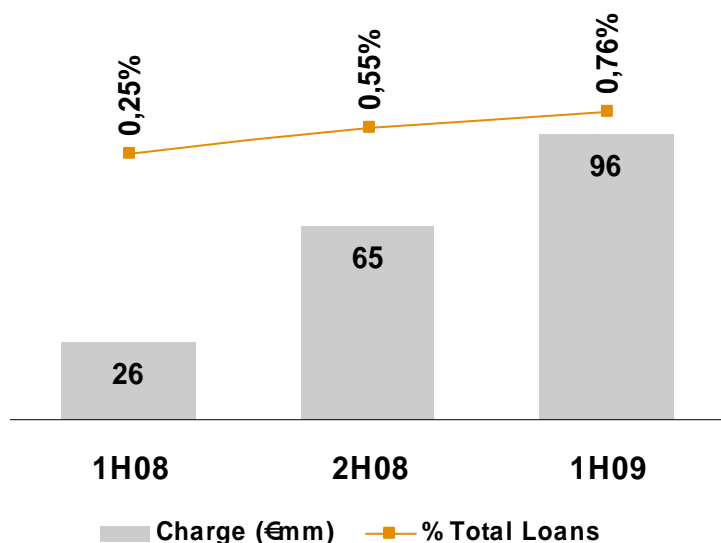
Cost to Income ratio



Increased provision charge in light of challenging credit risk environment

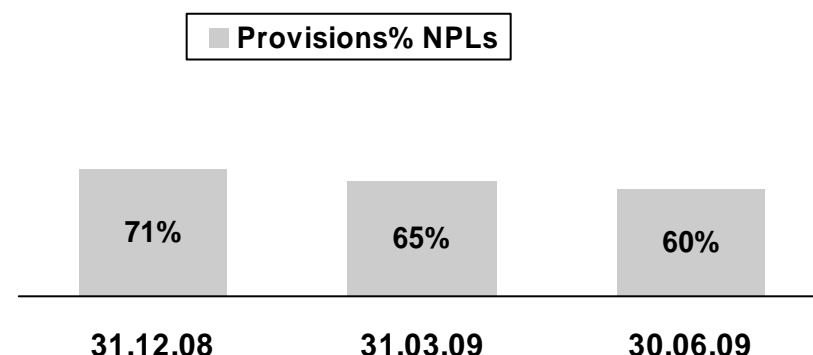
GROUP

Provision charge



- Increased provision charge in deteriorating economic environment
- Provision charge reflecting high quality of loan portfolio
 - 1H09 Provision charge increased to €96 mn
 - 1H09 Credit cost increased to 76bp

Provision coverage

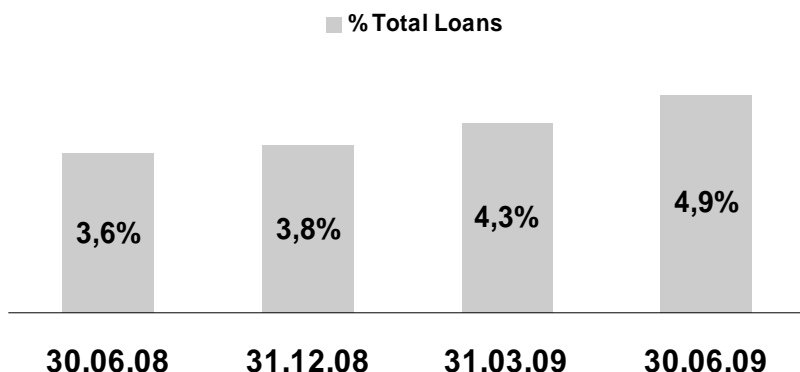


- High provision coverage at 60%
 - Collective provisioning of 1% of total loans
- NPLs coverage increases to 123% taking into account tangible collateral (NPL coverage at 110% when tangible collateral is valued at forced sale values)

Safeguarding the quality of the loan portfolio

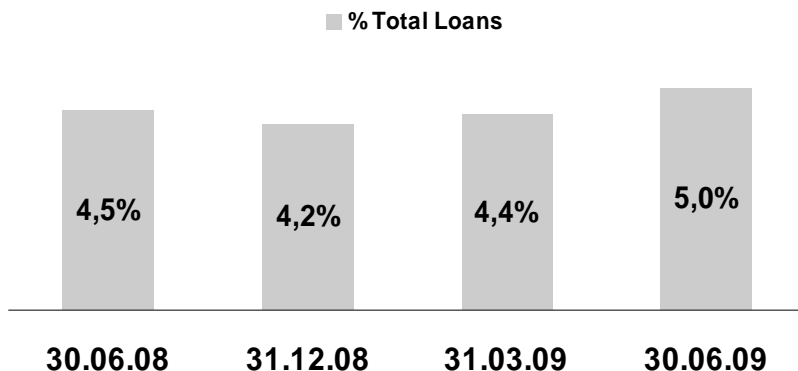
GROUP

NPLs development

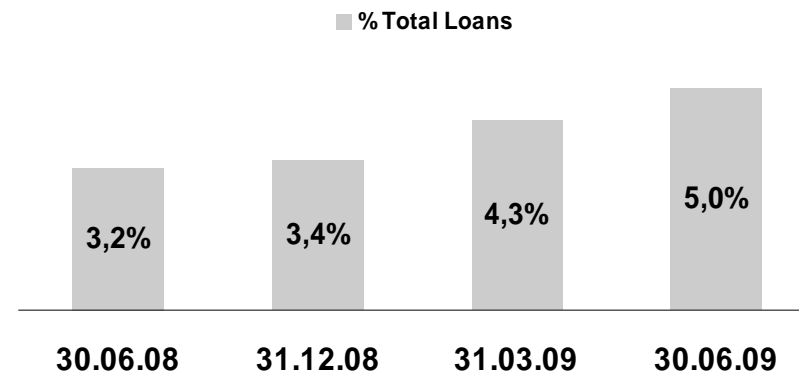


- Increasing NPL ratio reflecting adverse economic conditions in main markets
- NPL ratio maintained at lower level than average for Greek and Cypriot banking systems

Cyprus NPLs development



Greece NPLs development



Balance Sheet overview

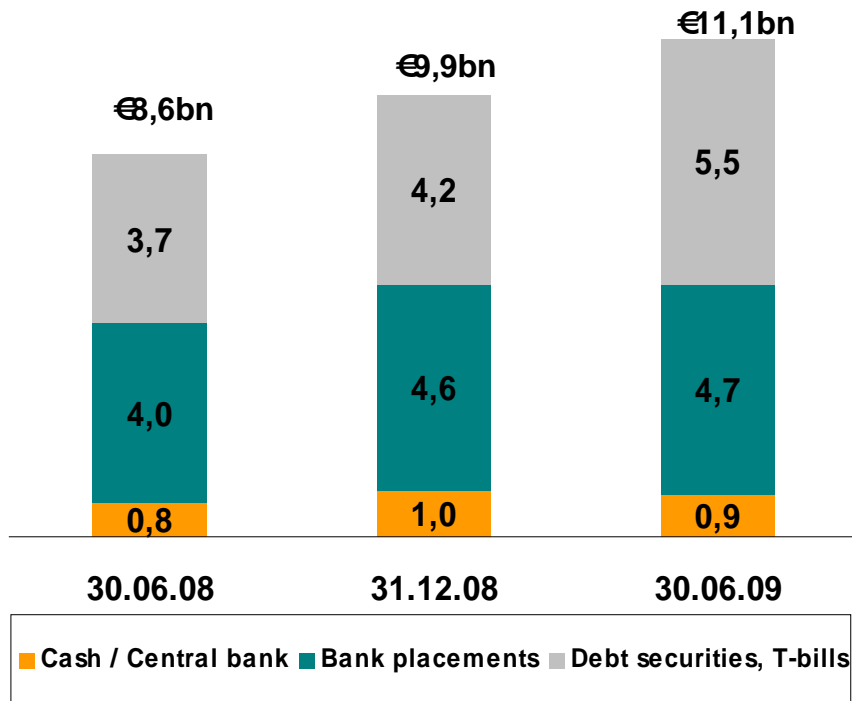
GROUP

€mn	30.06.2009	30.06.2008	% growth	31.12.2008
Cash and balances with central banks	911	750	+22%	1.017
Placements with banks and reverse repos	4.688	4.120	+14%	4.702
Debt securities, T-bills, equity investments	5.528	3.744	+50%	4.241
Net loans to customers	24.559	21.650	+13%	24.449
Other assets	1.702	1.301	+31%	1.698
Total assets	37.388	31.565	+18%	36.107
Amounts due to banks & repos	3.928	1.812	+117%	3.137
Customer deposits	28.586	25.029	+14%	27.936
Debt securities in issue	572	1.088	-47%	959
Other liabilities	1.117	1.006	+11%	1.085
Subordinated loan stock	968	574	+69%	934
Minority interest	18	27	-32%	15
Shareholders' equity	2.199	2.029	+8%	2.041

High level of liquid, high-quality assets

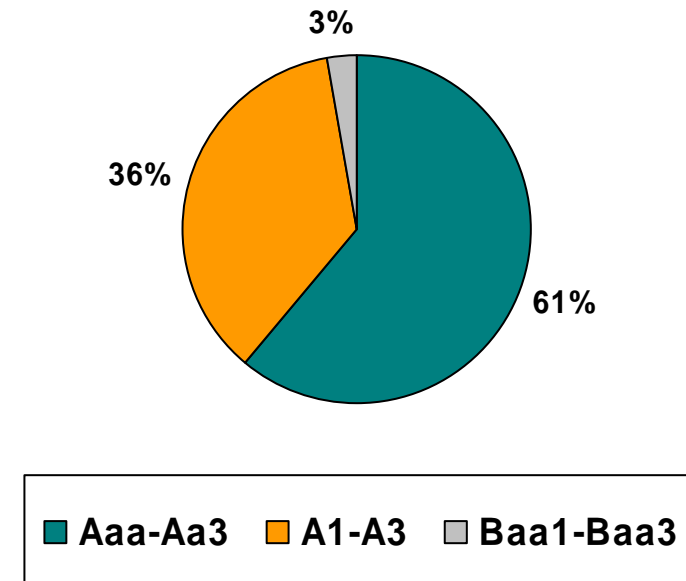
GROUP

High liquid assets



- Liquid assets 30% of total assets at June 2009

High quality securities portfolio

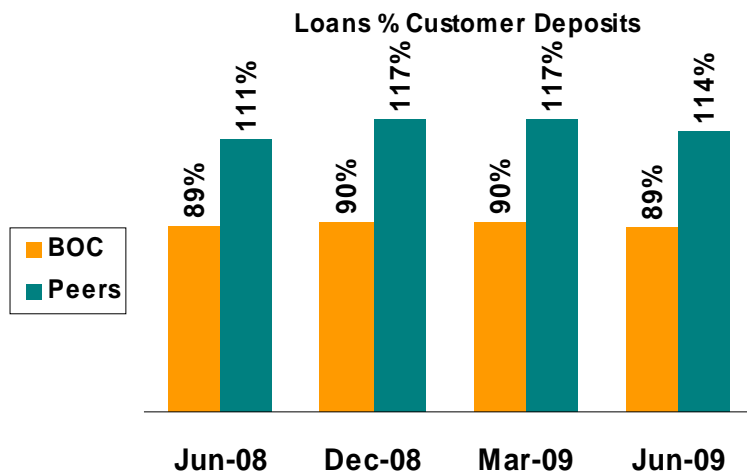


- Average rating of portfolio is Aa3
- Issued by governments and banks
 - 56% issued by sovereigns
 - 39% issued by European banks and other organisations
- Average life 3,7 years

Conservative funding profile: Strong deposit franchise and limited dependence on wholesale funding

GROUP

Loans/ deposits ratio

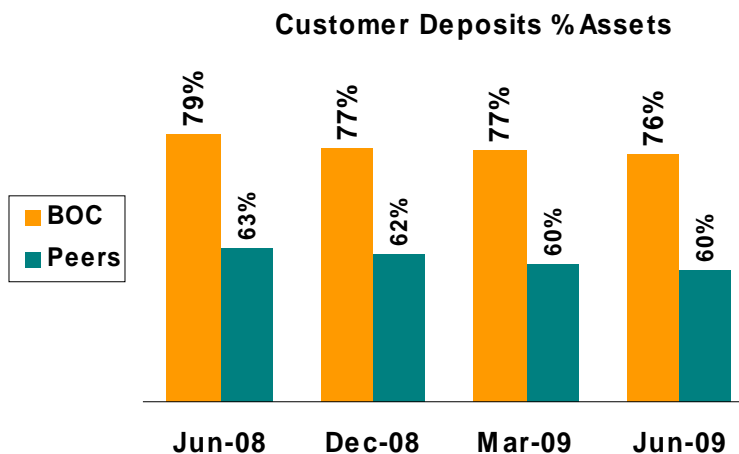


Peers: Weighted average of major Greek and Cypriot banks

- Strong customer deposit base
- High liquidity, with one of the lowest loans/deposits ratio among peers

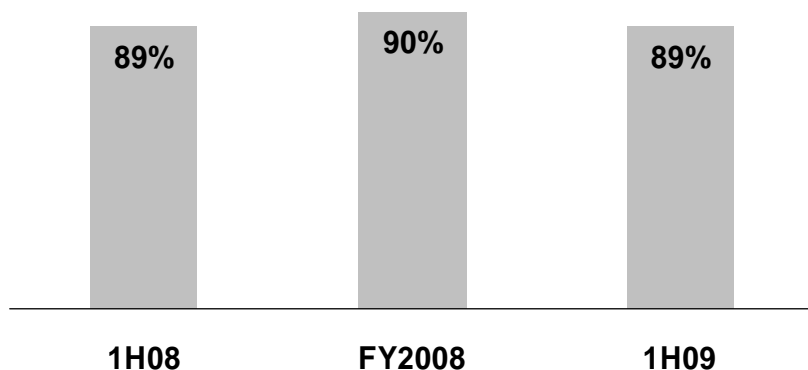
Funding: primarily deposit funded

- 76% of assets funded by customer deposits
- Minimal reliance on wholesale funding



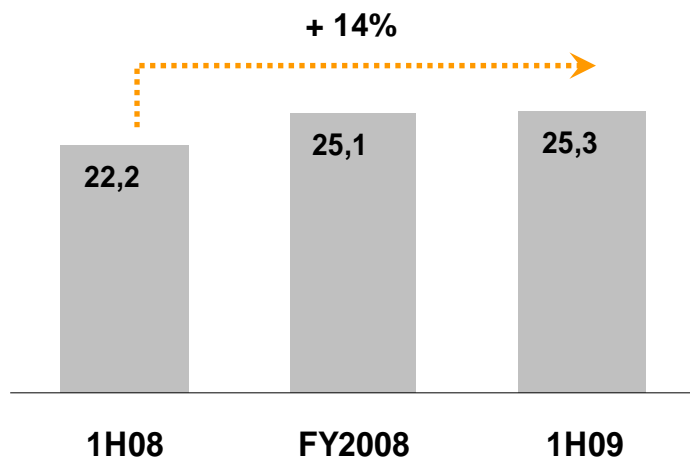
Peers: Weighted average of major Greek and Cypriot banks

Loans/deposits ratio

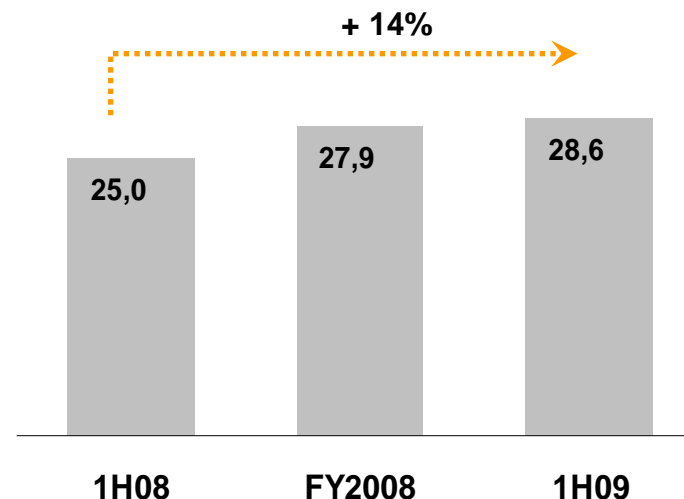


- High liquidity
 - Loans/deposit ratio 89%
 - Loans/deposit ratio < 100% in Cyprus and Greece
- Parallel growth of loans and deposits
- Focus on SME and retail sectors

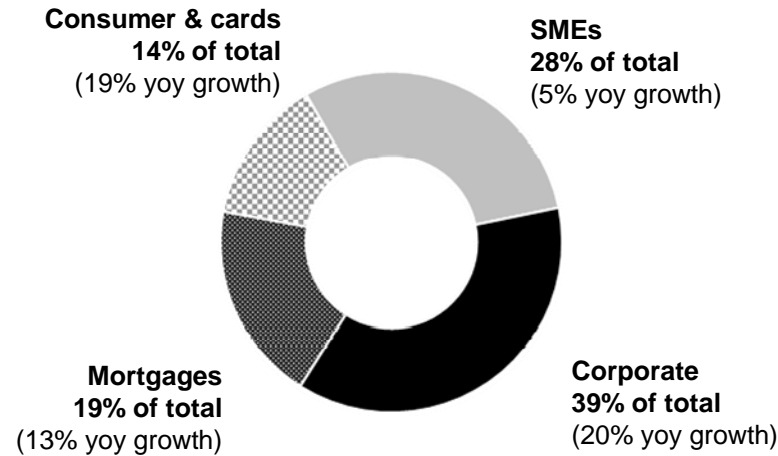
Group Loans (€bn)



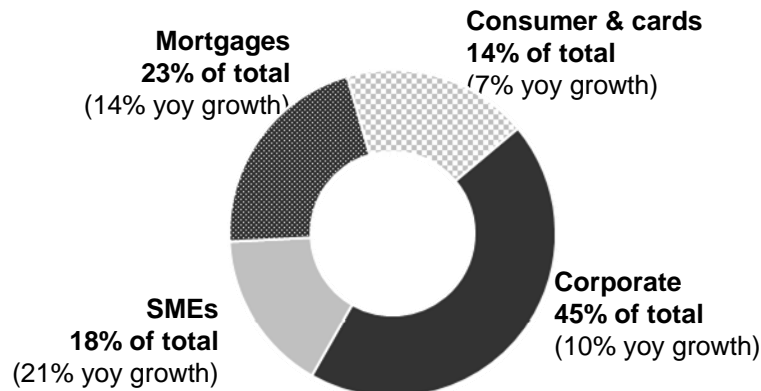
Group Deposits (€bn)



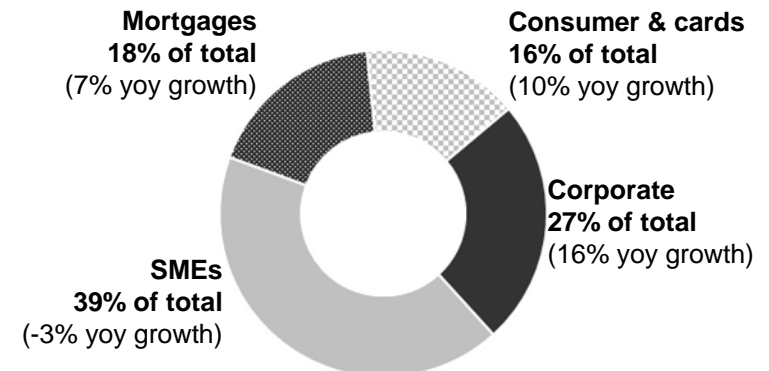
Group



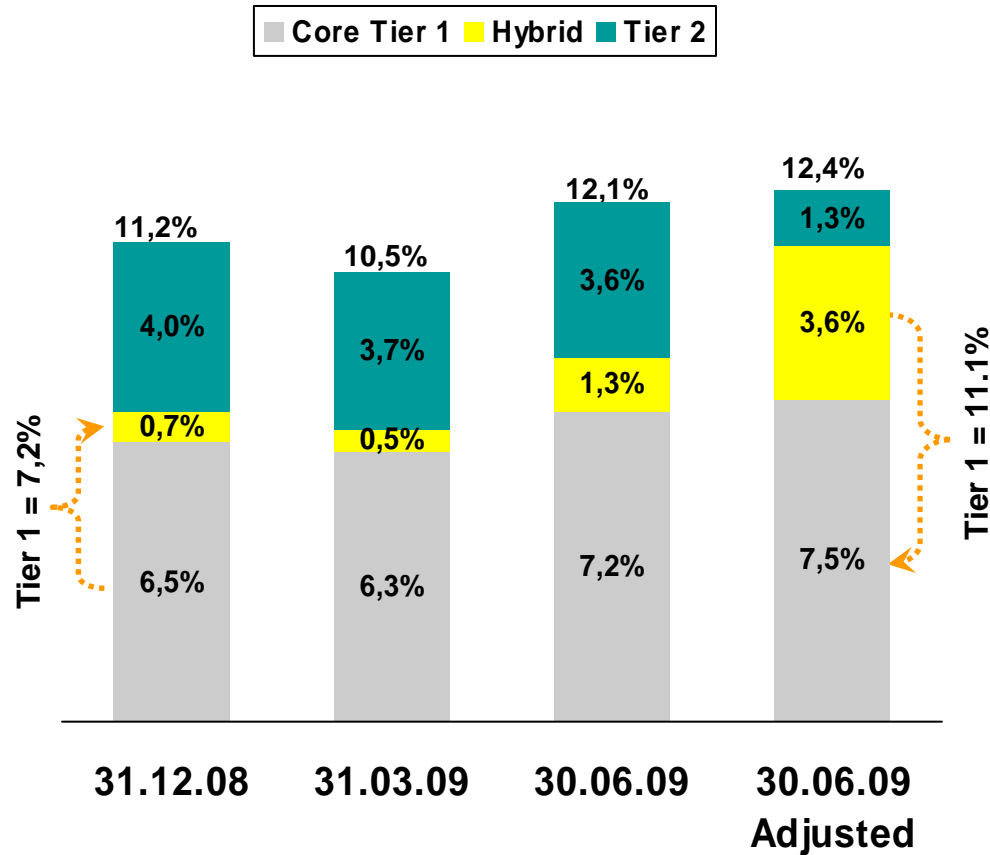
Cyprus



Greece



Capital Adequacy Ratios



- Successful issue of €645 mn of Convertible Capital Securities
- Core Tier 1 ratio improved to 7,5% and Tier 1 ratio improved to 11,1%
- Adjusted for:
 - the increase in the amount of hybrid capital that can be considered as Tier 1 capital from 15% to 35% of total Tier 1 capital
 - the extension of the agreement with the founding shareholders of Uniastrum Bank

Performance by geographic market

Financial Results 1H09 - Highlights

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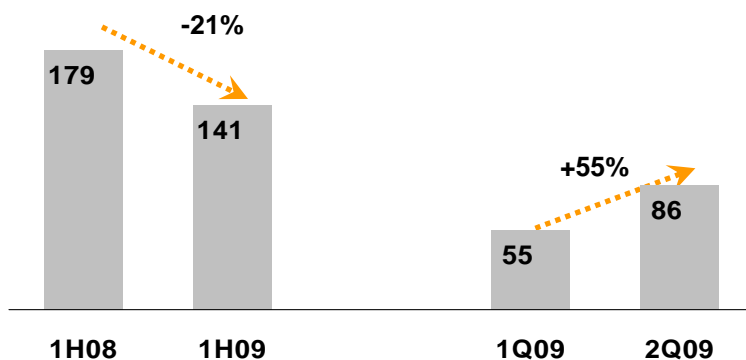
Strategic Priorities

Appendix 1: Detailed Financial Information

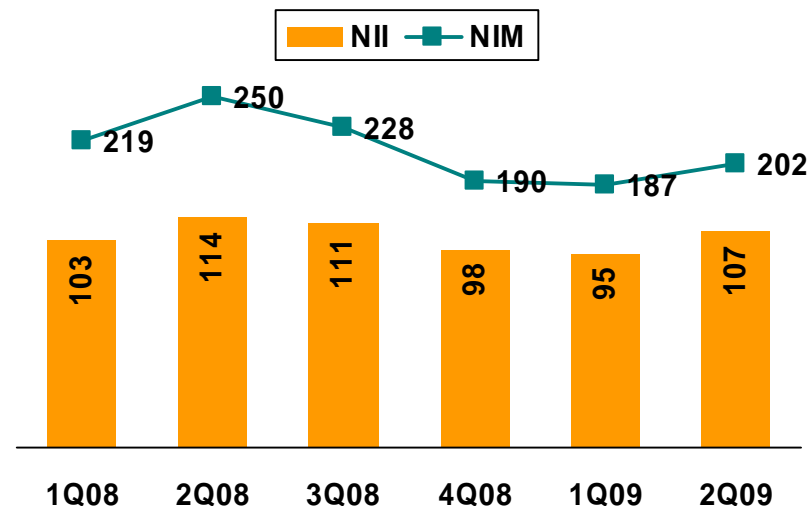
Interest margin improvement elevates profitability

CYPRUS

Profit after tax (€mn)



Cyprus NII (€mn) and NIM (bp)



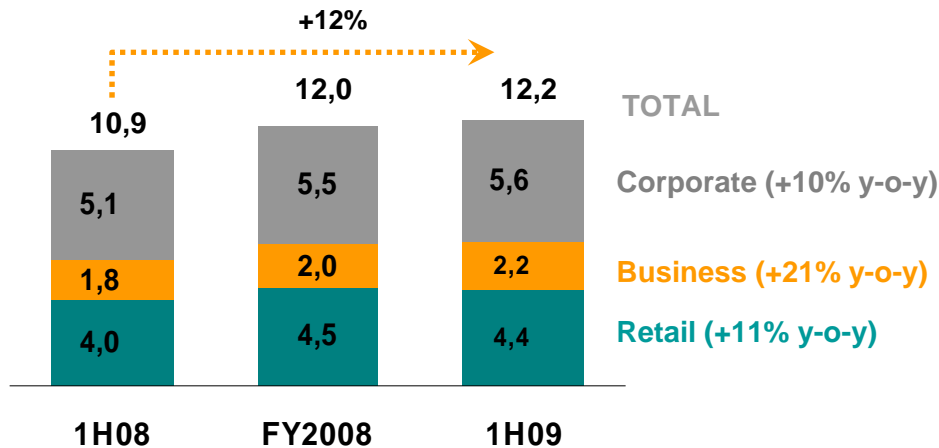
- Strong recovery in profitability (PAT up by 55% QoQ)
- Outstanding key performance indicators
 - 1H09 Return on equity 28,7%
 - 1H09 Cost/Income ratio at 47,8%

- Improved Net Interest Margin by:
 - Repricing of the loan portfolio
 - Repricing of deposit products
 - De-escalation of competition on deposits

Leading financial institution in Cyprus

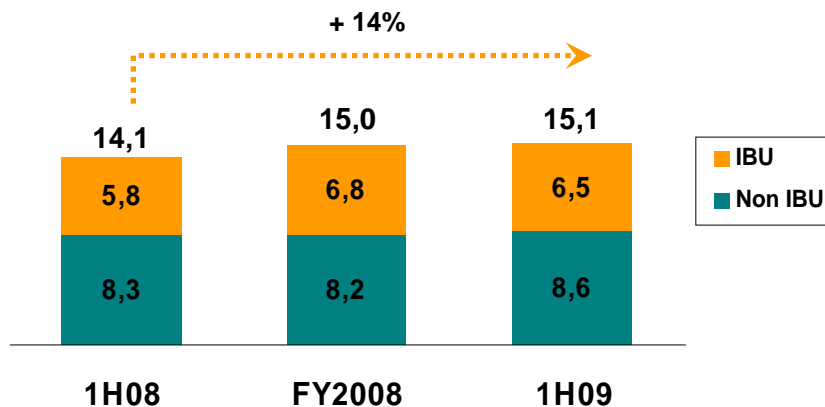
CYPRUS

Cypriot loan book (€bn)

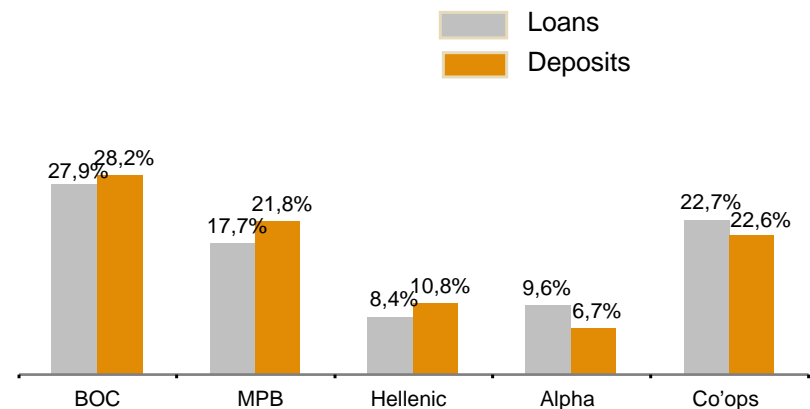


- Servicing
 - 478,000 Retail clients
 - 13,000 SMEs
 - 6,000 Corporates
 - 47,000 International companies

Cyprus deposits (€bn)



Leading market share

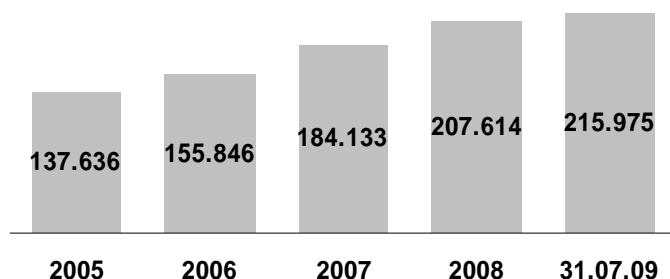


Source: Central Bank of Cyprus (all market shares as of 30 June 2009)

Market leader in profitable international business sector

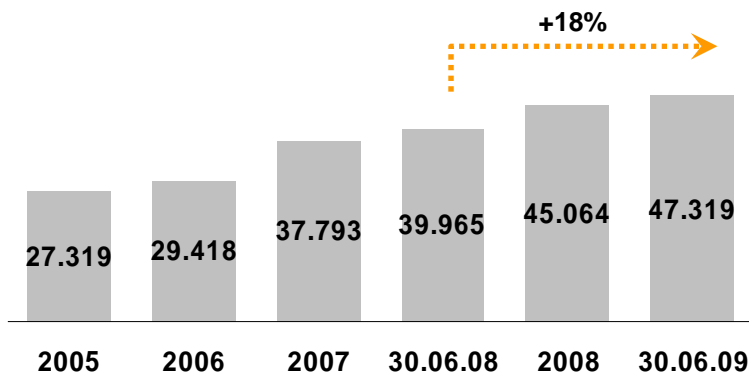
CYPRUS

Companies registered in Cyprus



Source: Cyprus Registrar of Companies

Number of IBU customers



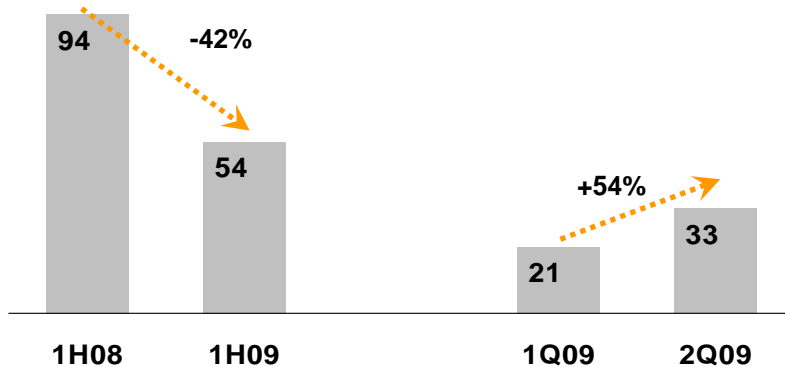
International Business Sector

- **Leading market share in foreign currency 41,1%**
- **High quality service & skilled employees**
- **Presence in Eastern Europe to boost international business sector in Cyprus**
 - **7,300 new IBU clients (+18% yoy)**
- **Sources of income**
 - Fees on inbound and outbound payments
 - Foreign exchange income
 - Service fees
 - Liquidity management and foreign exchange services

Improved interest margin supports pre-provision profitability

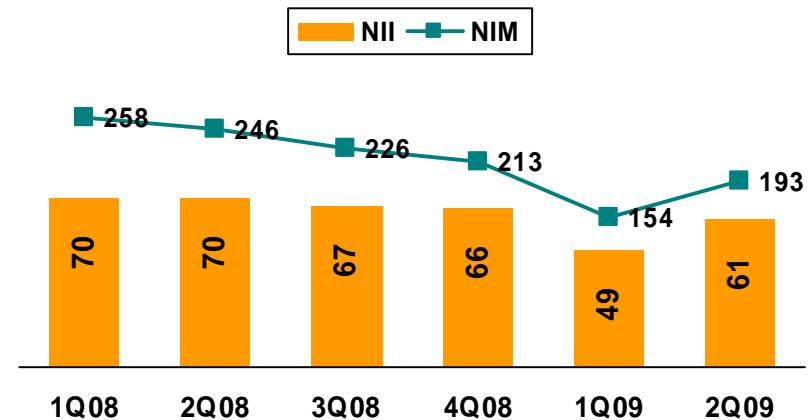
GREECE

Profit before provisions (€mn)



- Strong recovery of interest margins in 2Q09 supports pre-provision profitability (increase of 54% QoQ)
- Results affected by increased provisions
 - Profit after tax of €7 for 1H09

Greece NII (€mn) and NIM (bp)

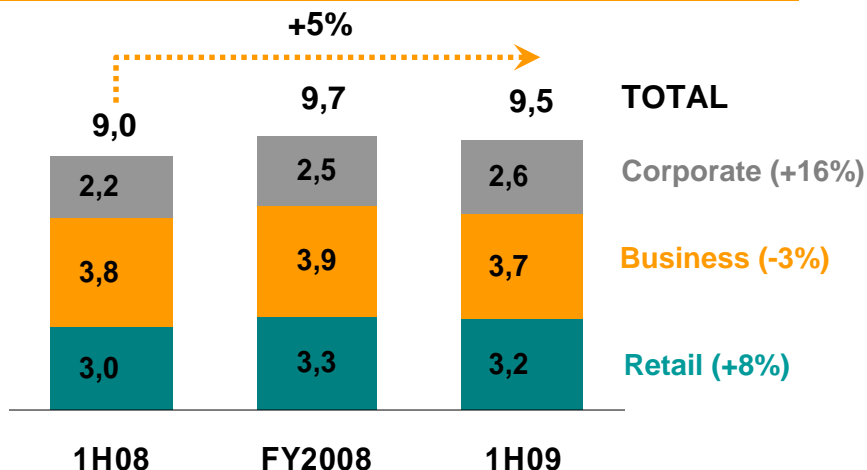


- Improved Net Interest Margin by:
 - Repricing of the loan portfolio
 - Repricing of the deposit products
 - De-escalation of competition on deposits

Moderate business expansion due to market conditions

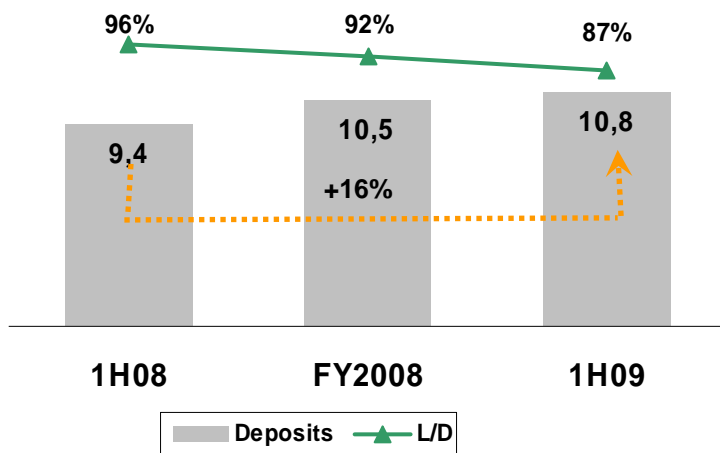
GREECE

Greek loan book (€bn)



- High liquidity
 - Loans to deposits ratio less than 90%
- Moderate growth of loans due to limited demand and market conditions

Deposits (€bn) and L/D ratio (%)



Market shares in Greece

	June 09	2008	2007
Loans	3,7%	3,8%	3,7%
Deposits*	3,9%	3,8%	3,6%

* Deposits market share based on latest available data as of May 2009

Strategy

- **Managing credit risk**
 - Unification of credit policies
 - Improving provision coverage
- **Strengthening liquidity**
- **Strengthening infrastructure**
- **Improving efficiency by**
 - Re-engineering operations
 - Merging Russian operations and achieving economies of scale

Prospects

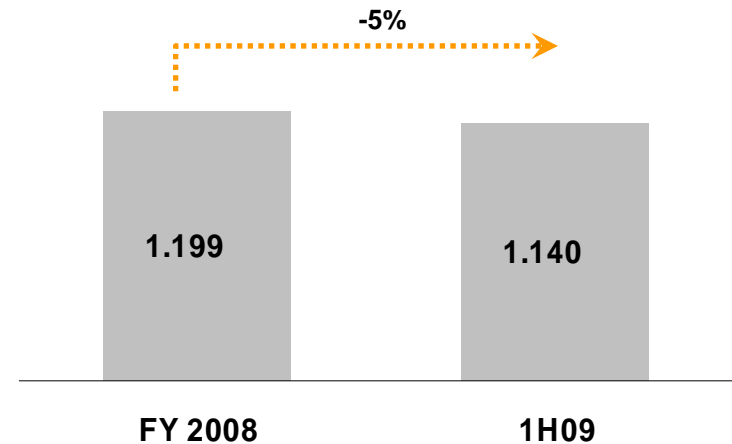
- **Extension of the agreement with the founding shareholders of Uniastrum Bank**
 - 5 year contract to continue in management roles (president and chairman)
 - Continue to hold 10% interest
- **In the Medium term proceed with the listing of Uniastrum Bank in a Russian stock exchange which is expected to occur in 2014-2016**
 - The future listing of Uniastrum will increase visibility, give access to further capital in Russian rubles and establish Uniastrum as one of the major banking institutions in the Russian market

Financial Highlights

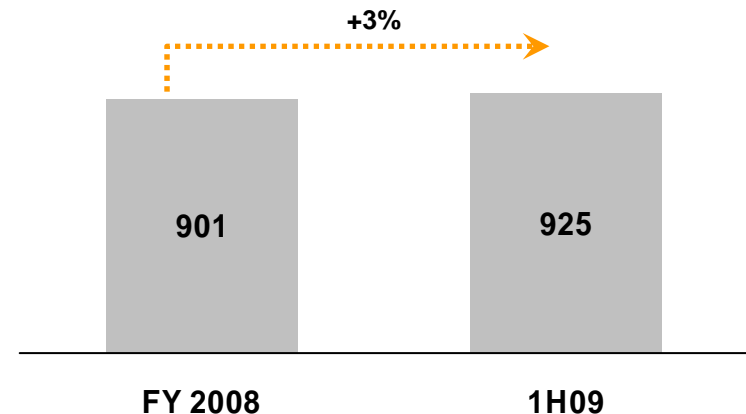
Conservative approach:

- **Conservative management of credit risk**
 - NII at €34mn
- **Profit before provisions**
 - 1H09: €12mn
- **Provisions of €24mn**
- **Net loss after tax €13mn**

Loans (€ mn)



Deposit (€mn)



Strategic Priorities

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Strategic priorities going forward

Solid foundations



Strategic priorities

Safeguard strong liquidity position

Improve capital adequacy

Disciplined expansion

Manage risk effectively

Improve profitability

Maximise value for our shareholders

Analysis of Strategic priorities for 2009

Safeguard strong liquidity position

- **Healthy loans/deposits ratio**
 - **Emphasis on balanced growth to maintain healthy position**
- **Low reliance on wholesale funding**
- **Enhance liquidity via securitisation**

Improve capital adequacy

- **Strong capital ratios given**
 - **Healthy balance sheet**
 - **Risk profile of the Group**
- **Successful issue of €645 mn of Convertible Capital Securities**
- **Core Tier 1 ratio improved to 7,5% and Tier 1 ratio improved to 11,1%, adjusted for:**
 - The increase in the amount of hybrid capital that can be considered as Tier 1 capital from 15% to 35% of total Tier 1 capital
 - Extension of the agreement with the founding shareholders of Uniastrum Bank

Analysis of Strategic priorities for 2009

Manage risk effectively

- **Continuous monitoring of**
 - Credit risk
 - Market risk
 - Liquidity risk
- **Uniform adoption of Group credit policy criteria and procedures**
 - Ensure high quality of loan portfolio
- **Continuous monitoring of the developments in the economic environment**
 - Recent performance reaffirms that the Group has managed to guard itself and limit the impact of the economic crisis on its financial performance through sound planning

Disciplined expansion

- **Selective and targeted growth**
- **Russia**
 - Loan portfolio diversification
 - Strict lending criteria
- **Emphasis on improving efficiency**
 - Re-engineering of operations
 - Completion of merging of Russian operations will achieve economies of scale

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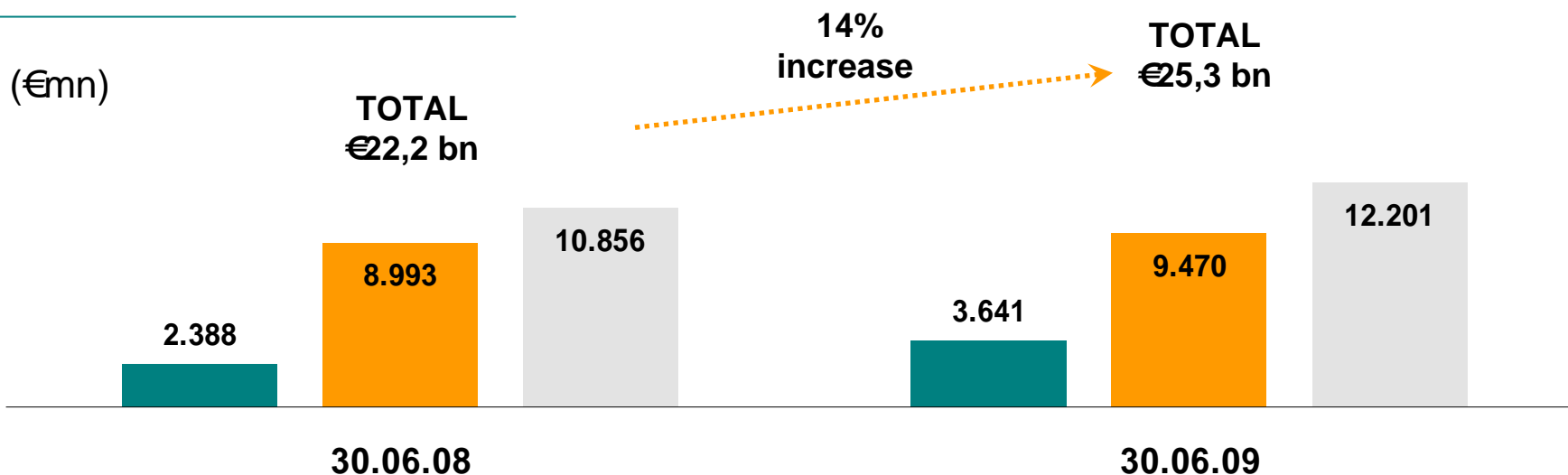
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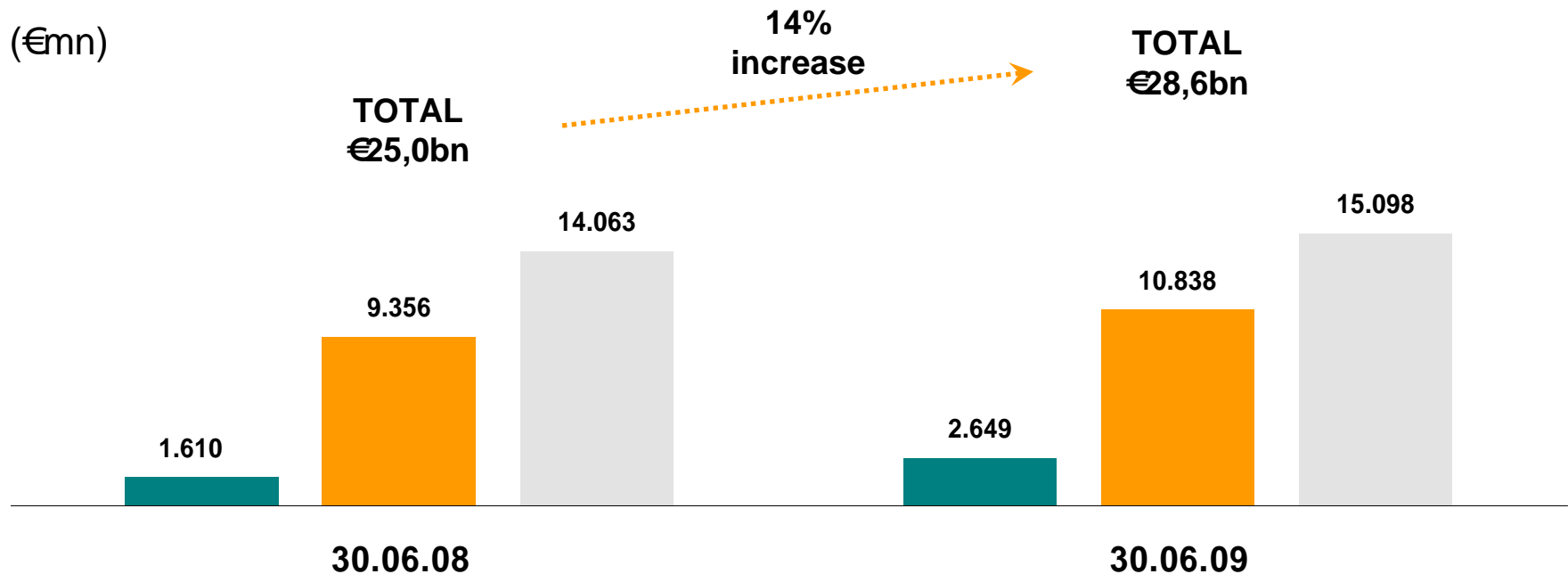
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Loans by geographic sector



	Share in the Group total		Annual Increase	Market share
	30.06.08	30.06.09		
■ Cyprus	48,8%	48,2%	12%	27,9%
■ Greece	40,4%	37,4%	5%	3,7%
■ Other countries	10,7%	14,4%	53%	
<hr/>				
- United Kingdom	€1.260 mn	€1.206 mn		
- Australia	€464 mn	€517 mn		
- Romania	€411 mn	€567 mn		
- Russia	€144 mn	€1.140 mn		
- Ukraine	€109 mn	€211 mn		

Deposits by geographic sector



	Share in the Group total		Annual increase	Market share
	30.06.08	30.06.09		
■ Cyprus	56,2%	52,8%	7%	28,2%
■ Greece	37,4%	37,9%	16%	3,9%
■ Other countries	6,4%	9,3%	65%	

Cyprus operations: Summary profit & loss and key indicators

(€mm)	1H09	1H08	% growth	FY08
Net interest income	202	216	-6%	425
Fee & commission income	60	64	-7%	132
Foreign exchange income	19	13	+46%	142
Net operating income from insurance operations	26	25	+4%	51
Gains from financial instruments and other income	12	27	-59%	19
Total income	319	345	-7%	769
Personnel expenses	(108)	(89)	+21%	(185)
Other operating expenses	(45)	(44)	+3%	(97)
Total expenses	(153)	(133)	+15%	(282)
Profit before provisions	166	212	-22%	487
Provisions	(24)	(2)	+1233%	(12)
Share of profit/(loss) of associate	1	(6)	+113%	(10)
Profit before tax	143	204	-30%	465
Tax	(2)	(25)	-91%	(64)
Profit after tax	141	179	-21%	401
Net Interest Margin	1,94%	2,33%	-39 b.p.	2,19%
Return on Equity	28,7%	40,2%	-11,5 p.p.	42,6%
Cost/Income	47,8%	38,5%	+9,3 p.p.	36,6%

Greek operations: Summary profit & loss and key indicators

(€mm)	1H09	1H08	% growth	FY08
Net interest income	110	139	-21%	272
Fee & commission income	25	31	-20%	58
Foreign exchange income	1	2	-42%	3
Net operating income from insurance operations	5	5	+17%	10
Gains from financial instruments and other	5	5	+2%	(16)
Total income	146	182	-20%	327
Personnel expenses	(52)	(50)	+3%	(105)
Other operating expenses	(40)	(38)	+6%	(79)
Total expenses	(92)	(88)	+4%	(184)
Profit before provisions	54	94	-42%	143
Provisions	(41)	(24)	+72%	(65)
Profit before tax	13	70	-82%	78
Tax	(6)	(15)	-59%	(4)
Profit after tax	7	55	-88%	74
Net Interest Margin	1,74%	2,52%	-78 b.p.	2,35%
Return on Equity	2,1%	18,7%	-16,6 p.p.	12,5%
Cost/Income	62,9%	48,4%	+14,5 p.p.	56,3%

Other countries: Summary profit & loss and key indicators

(€mm)	1H09	1H08	% growth	FY08
Net interest income	76	28	+173%	95
Fees and commissions	26	7	+303%	27
Foreign exchange income	8	1		14
Gains/(losses) from financial operations and other income	4	0		(4)
Total income	114	36	+219%	132
Personnel expenses	(41)	(14)	+207%	(41)
Other operating expenses	(38)	(11)	+236%	(45)
Total expenses	(79)	(25)	+220%	(86)
Profit before provisions	35	11	+215%	46
Provisions	(30)	(0)	+7119%	(14)
Profit before tax	5	11	-56%	32
Tax	(5)	(2)	+195%	(5)
Profit after tax	0	9	-102%	27
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Net Interest Margin	3,35%	1,89%	+146 b.p.	2,81%
Return on Equity	-0,2%	13,0%	-13,2 p.p.	14,7%
Cost/Income	69,4%	69,1%	+0,3 p.p.	64,7%