ATEbank Group – H1 2011 Financial Results

14 September 2011

**ATEbank's involvement in the GGBs exchange program (PSI) weighs on its figures.
Positive signs from the implementation of the Restructuring Plan.**

- **Additional impairments of €836.4 mn due to participation in the PSI program.**
- **H1 2011 pre-provision profitability reflects the positive impact of the Restructuring Plan.**
- **Profit from operations almost tripled to €158.0 mn in H1 2011 (€51.6 mn in H1 2010).**
- **H1 2011 operating income up by 24.0% y-o-y.**
- **H1 2011 operating expenses down by 8.1% y-o-y.**
- **Provisioning levels at a comfortable 65.0%.**
- **Satisfactory loan to deposit ratio at 102.5%.**
- **Assets deleveraging supports liquidity and reduces risk exposure.**

Selected Group Figures

	H1 2011	H1 2010	% y-o-y
Total Assets	€28.8 bn	€32.7 bn	(11.8)%
Total Loans (before provions)	€20.5 bn	€22.1 bn	(7.2)%
Total Deposits	€18.0 bn	€20.6 bn	(12.5)%
Net Interest Income	€357.8 mn	€375.1 mn	(4.6)%
Net Trading Income	€(12.3) mn	€(105.7) mn	(88.3)%
Total Operating Income	€428.0 mn	€345.3 mn	24.0%
Total Operating Expenses	€270.0 mn	€293.7 mn	(8.1)%
Pre Provision Profit	*€158.0 mn*	*€51.6 mn*	*206.6%*
Core Pre Provision Profit	*€171.5mn*	*€156.1 mn*	*9.9%*
Impairments	€1,059.6 mn	€189.0 mn	460.5%
Impairment of loans & assets	*€223.2 mn*	*€189.0 mn*	*18.1%*
Impairment of GGBs	*€836.4 mn*	-	-
Net Profit/(Loss) after tax & minority interests	€(905.1) mn	€(109.9) mn	-
Net Loans to Deposits ratio	102.5%	100.5%	-
Cost to Income Ratio	63.1%	85.1%	-

Athens, 14 September 2011

The approval by the Greek parliament of the Mid-Term Fiscal Strategy and the new bailout package with the private sector involvement agreed for Greece in the 21 July 2011 Euro-Area Summit lay the ground for the country to effectively address its present economic difficulties under the strict condition that the Summit decisions are immediately put into effect and the necessary structural reforms are steadfastly implemented.

During the first half of 2011 ATEbank strengthened its capital position and managed to improve its pre-provision profitability while, continuing its prudent provisioning policy, it remained firmly focused on preserving its asset quality.

The Group's participation in the PSI program strongly supports accuracy and transparency of its financial statements while shielding the Group against future risks.

ATEbank in order to make up for the effects of its participation in PSI program will proceed with the adjustment of its already successfully ongoing Restructuring Plan along with a share capital increase.

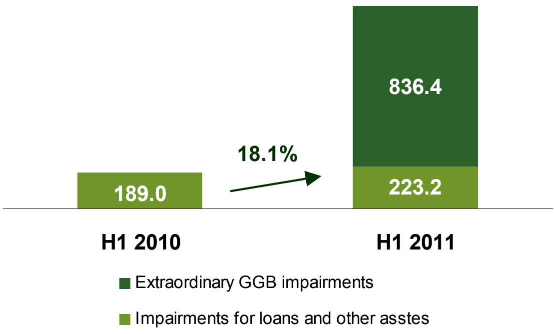
Theodoros Pantalakis, Governor of ATEbank

Participation in PSI

ATEbank will participate in the PSI program with the Group's entire GGBs portfolio maturing up until end 2020, worth approximately €5.2 bn.

As of 30.6.2011, impairment losses were estimated at 16.7% corresponding to €836.4 mn, of which €762.0 mn were booked for the Bank and €74.3 mn for ATE Insurance. The exposure of ATE*bank* to GGBs maturing after 2020 is approximately €1.7 bn.

Impairment of loans & other assets (€ mn)

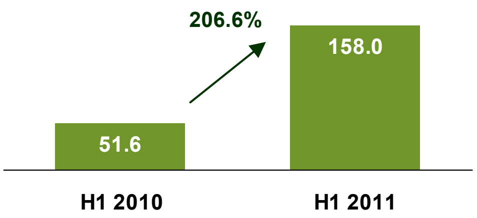


Restructuring Plan Progress

Despite this development, ATEbank continues to firmly and consistently implement its approved-by-the-European-Union Restructuring Plan which has already contributed to its operating profitability improvement. As a result of the participation in PSI, however, parts of the restructuring-plan measures will have to be adjusted accordingly.

ATEbank implements with consistency and on schedule the measures of asset deleveraging and cost containment, which constitute the main pillars of the Restructuring Plan. For example, compared to the base year 2009, on 30/06/2011 total assets have decreased by 12% versus a target of a 25% total assets decrease by end 2013. Also, cost containment efforts have been developing in a satisfactory way, with operating cost having already decreased by 15% against a target of a 25% decrease by end 2013. It should be noted that the above targets have been achieved, without having yet been realized the positive effects of the sale of participations, the process of which is under way, and which will contribute decisively to the reduction of both total assets and operating costs.

Pre provision Profit (€ mn)



Income Statement

In H1 2011, despite the adverse economic conditions, ATEbank substantially improved its pre-provision profitability. Specifically, pre-provision profits almost tripled to €158.0 mn compared to €51.6 mn in H1 2010. Also, core pre-provision profit amounted to €171.5 mn versus €156.1 mn in H1 2010.

ATEbank's conservative provisioning policy coupled with the effects of the participation in PSI resulted in net losses after tax and minorities of €905.1 mn in H1 2011. However, unless ATEbank participated in PSI, the losses would be €86.8 mn, close to its Restructuring Plan estimates and improved against net losses of €109.9 mn in H1 2010.

Net interest income in H1 2011 retreated by 4.6% y-o-y to €357.8 mn, even though in Q2 2011 net interest income was 3.4% higher, at €181.9 mn, compared to the previous quarter.

In particular, as a result of the efficient loan repricing, the H1 2011 interest income increased by 5.7% on a yearly basis while the Q2 2011 result came in 3.0% higher than in the previous quarter. On the other hand, the interest expenses increased by 27.2% in the first half of 2011 compared to the corresponding period of the previous year due to the increased deposit cost (+9.9%), to higher interbank funding cost (+34.0%) and the even much higher cost related to ECB liquidity facilities through the Greek state guarantees (€27.5 mn compared to just €3.4 mn in H1 2010).

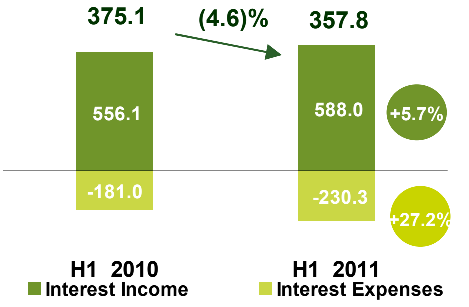
Non interest income significantly improved, turning positive to €70.3 mn against a €29.8 mn negative result in H1 2010. This turnaround was driven by the sound results of some subsidiaries and the deceleration of the trading losses.

Operating expenses were 8.1% lower at €270.0 mn, compared to €293.7 mn in H1 2010. In particular, personnel expenses decreased by 9.8% y-o-y as a result of the hiring freeze, the implementation of law 3899/2010 (10% cut in salaries) and the retirement of a significant number of employees. Non-personnel expenses in H1 2011 amounted to €75.4 mn, down by 3.3% y-o-y, while they stabilized on a quarterly basis.

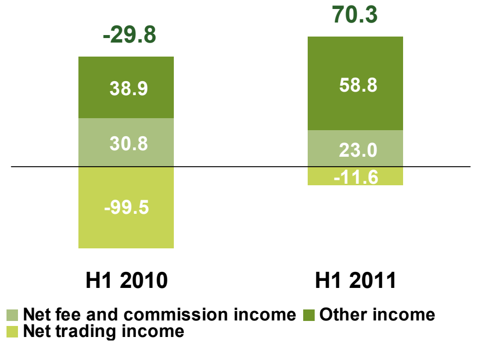
The operating expenses reduction is satisfactory and in line with the Group's Restructuring Plan, while further cost savings are expected through the sale of participations and the merger of some subsidiaries which are under way.

As a result of the improvement in both operating income and expenses, the cost to income ratio substantially declined to 63.1% on a yearly basis versus 85.1% in H1 2010, while it remained almost stable compared to the previous quarter (Q2 2011: 63.3%, Q1 2011: 62.8%).

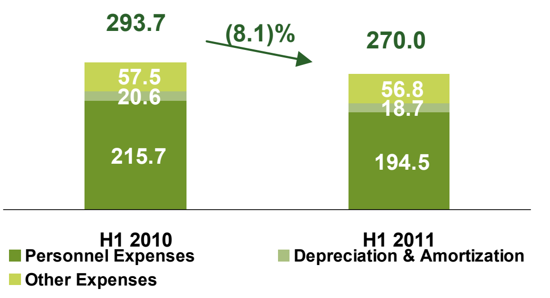
Net Interest Income (€ mn)



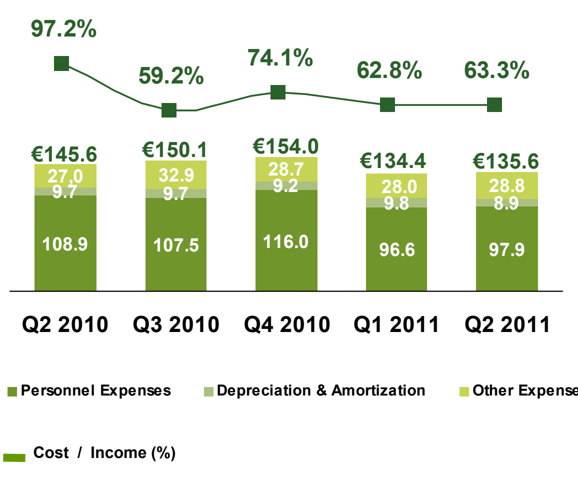
Non interest income (€ mn)



Operating Expenses (€ mn)



Operating Expenses Quarterly Analysis (€ mn)



Balance Sheet

Loans

Total loans before provisions recorded a 7.2% y-o-y reduction in H1 2011 as a result of lower loans demand and supply due to the adverse economic conditions and the Group's asset deleveraging policy.

Loans to households decreased by 4.5% y-o-y to €8.5 bn as of 30 June 2011. Specifically, the mortgage portfolio decreased by 3.3% y-o-y to €6.7 bn while the consumer by 8.7% y-o-y to €1.8 bn.

Lending to SMEs was down by 10.5% y-o-y, at €2.2 bn, while corporate loans were 1.4% y-o-y lower, at €4.2 bn. The public sector lending stood at €3.3 bn, down by 19.7% on a yearly basis. Finally, lending to the retail agricultural sector was 1.7% y-o-y lower, at €2.2 bn.

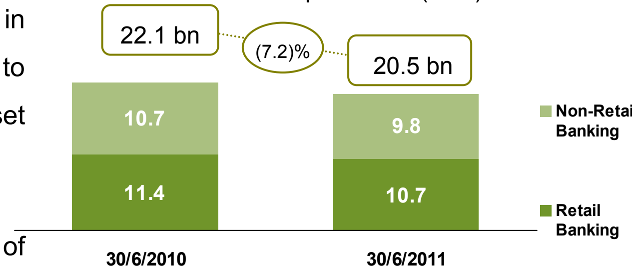
ATEbank will continue its cautious lending policy in the coming quarters in order to support its liquidity position and reduce exposure to risk. In this context, the Bank will continue to support its trustworthy clients while pursuing to minimize potential defaults through loans restructuring.

Compared to the previous quarter, and despite the widespread negative sentiment in the Greek markets, in Q2 2011 the creation pace of new non-performing loans slightly decelerated (€198.2 mn versus €225.6 mn in Q1 2011). However, this development did non prevent the NPL ratio to rise to 14.5%, given the reduced loan balances.

In the view of the uncertain economic environment, ATEbank Group booked loan impairments of €217.5 mn in H1 2011 compared to €177.1 mn in H1 2010.

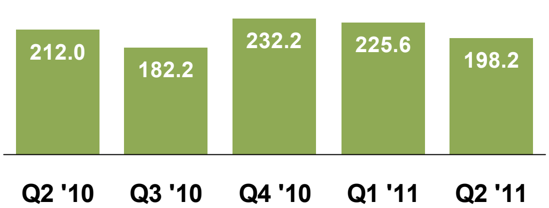
Impairment provisions are in congruence with the directions of the Group's Restructuring Plan aiming to sustain the loan coverage ratio at levels well above 50% for the entire period until 2013. As of 30/06/2011, the loan coverage ratio was estimated at 65.0% which, though slightly lower than that as of 31/03/2011, is one of the highest in the Greek banking system.

Loans before provisions (€ bn)

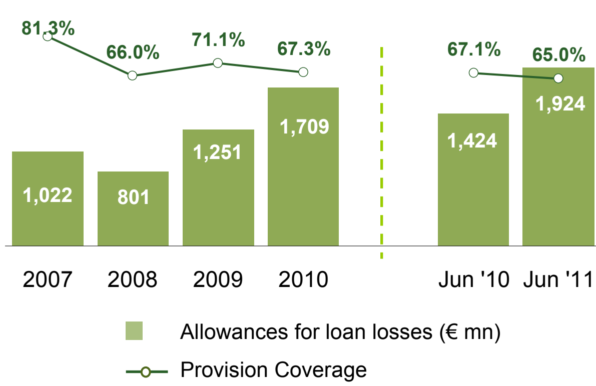


Types of Loans	Balances 30.6.2011	y-o-y (%)
Mortgage Portfolio	6.7 bn	(3.3)%
Consumer Credit	1.8 bn	(8.7)%
Lending to SMEs	2.2 bn	(10.5)%
Lending to the retail Agricultural Sector	2.2 bn	(1.7)%
Corporate Lending & Leasing	4.2 bn	(1.4)%
Public Sector Loans	3.3 bn	(19.7)%

New NPLs Formation (€ mn)

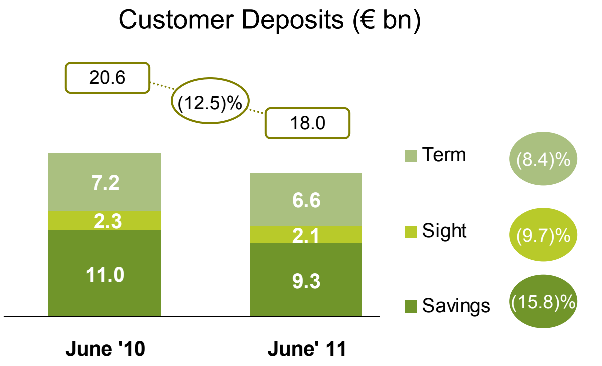


Loan Provision Coverage

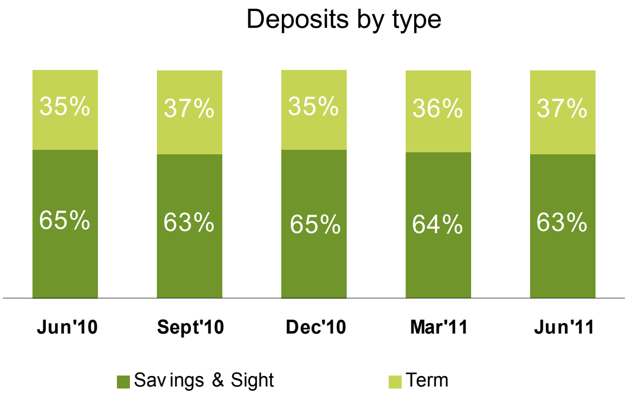


Liquidity & Capital

The contraction of economic activity and the reduction of the disposable income coupled with the widespread uncertainty pervading the Greek economy resulted in a 12.5% y-o-y drop in the Group's total customer deposits which, however, is better than the market average (-14.5%).

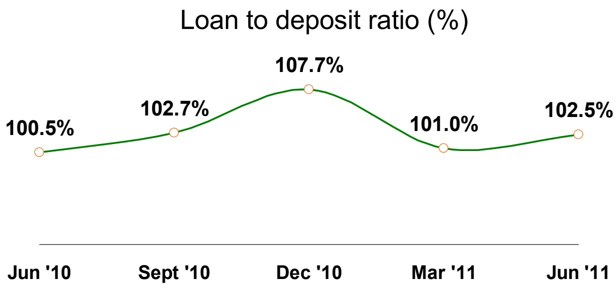


Savings deposits posted an annual decrease of 15.8%, at the market average, with balances standing at €9.3 bn. Term deposits decreased by 8.4%, to €6.6 bn (versus an annual market decrease of 11.7%). Finally, sight deposits decreased by 9.7%, nonetheless at a rate well lower than the market performance (-13.4%).



Furthermore, ATEbank maintained its favorable deposit composition as savings deposits and sight deposits account for 63.0% of the total, thus contributing to contain the rising funding cost.

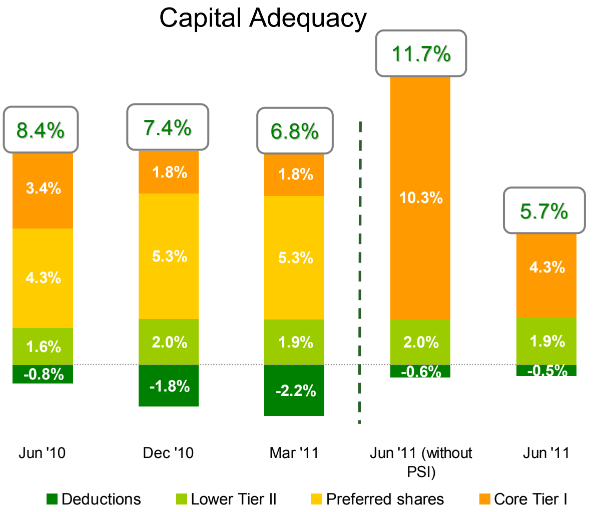
The reduction of deposit balances at a greater pace than that of loans led to a slight deterioration of the loan to deposit ratio, which increased to 102.5% from 101.0% on 31/03/2011. However, this ratio is still quite satisfactory compared to the market average.



**In Dec '10, the loan/deposit ratio was affected by a seasonal public sector lending increase.*

As a result of the deposit balances decrease and the non-access to interbank markets, ECB funding stood at €7.3 bn on 30/06/2011, higher than that as of 31/03/2011 (€6.9 bn) but much lower than that as of 31/12/2010 (€8.3 bn).

Despite the successful completion of the ATEbank's share capital increase (€1,259.6) at the end of June, the involvement of ATEbank in the exchange-of-GGBs program (PSI) affected its profitability, and thereby its capital adequacy ratios. On 30/06/201, the total capital adequacy ratio was estimated at 5.7% and Core Tier 1 ratio at 4.3%. Unless the Group participated in the PSI program, its total capital adequacy ratio would be formed at 11.7% and its Core Tier I ratio at 10.3%.



In order to restore the Group's capital adequacy in the aftermath of its participation in PSI, ATEbank will proceed, on the one hand, to an adjustment of its Restructuring Plan and, on the other, to a share capital increase in cooperation with its major shareholder and the European Commission.

Annex

Income Statement				
in € mn	Group			
	H1 2011	FY 2010	H1 2010	H1 2011 - H1 2010 (%)
Net interest income	357.8	774.6	375.1	-4.6%
Net fee and commission income	23.0	71.9	30.8	-25.1%
Gains & losses from financial transactions	(11.6)	(127.6)	(99.5)	-88.4%
Other income	58.8	87.6	38.9	51.3%
Operating income	428.0	806.5	345.3	24.0%
Operating expenses	(270.0)	(597.8)	(293.7)	-8.1%
Loan impairments	(217.5)	(468.6)	(177.1)	22.9%
Impairment of GGBs	(836.4)	-	-	-
Impairment of other assets	(5.7)	(135.4)	(12.0)	
Income from associates	(8.0)	1.0	4.1	-
Profit / (Loss) before tax	(909.5)	(394.3)	(133.4)	-
Tax	2.4	(46.3)	22.8	-
Profit / (Loss) after tax and minorities	**(905.1)**	**(438.0)**	**(109.9)**	**-**

Assets				
in € mn	Group			
	30/6/2011	31/12/2010	30/6/2010	June 2011 - June 2010 (%)
Cash & balances with central bank	1,118.9	873.9	1,424.1	-21.4%
Due from other banks	2,186.1	1,042.7	3,048.0	-28.3%
Securities portfolio	4.541,2	5,598.7	5,023.8	- 9.6%
Derivatives	17.0	21.0	26.8	-36.6%
Loans and advances to customers after provisions	18,432.5	21,202.8	20,653.0	-10.7%
Investments in associates	172.7	174.3	173.8	-0.6%
Other assets	2,349.3	2,307.3	2,315.8	1.5%
Total assets	**28,817.6**	**31,220.7**	**32,665.4**	**-11.8%**

Total liabilities & shareholders' equity				
in € mn	Group			
	30/6/2011	31/12/2010	30/6/2010	June 2011 - June 2010 (%)
Due to banks	8,257.9	9,247.0	9,258.7	-10.8%
Due to customers	17,976.8	19,682.6	20,553.0	-12.5%
Other liabilities	1,847.3	1,292.4	1,656.4	11.5%
Subordinated loans	249.4	249.2	249.0	0.2%
Liabilities	**28,331.4**	**30,471.2**	**31,717.1**	**-10.7%**
Share Capital	760.6	1,326.9	1,326.9	-42.7%
Treasury shares	(11.1)	(8.3)	(8.3)	+33.0%
Share premium	636.6	92.7	92.7	586.8%
Other reserves	(41.8)	(274.2)	(405.1)	-89.7%
Income for the period	(905.1)	(438.0)	(109.9)	-
Total equity	**439.1**	**699.1**	**896.3**	**-51.0%**
Minority interest	47.1	50.3	52.0	-9.4%
Total liabilities & shareholders' equity	**28,817.6**	**31,220.7**	**32,665.4**	**-11.8%**

Notes:

1. *Various figures of the 2010 financial statements have been reclassified for comparability purposes.*
2. *The Financial statements have been reviewed by auditors.*
3. *The Financial statements will be published in the press on the 15th of September 2011.*

Athens, 14 September 2011