ATEbank Group - Nine Month 2011 Financial Results

29th November 2011

Consistent Implementation of ATEbank Operational Transformation

GGBs Impairment charges of €843.9 mn

- GGBs impairments of €843.9 mn (initial PSI) led to net losses after taxes and minority interests of €1,030.0 mn.
- 9M operating profits before provisions up 7.0% y-o-y mainly owing to the significant decrease of operating expenses and subsidiaries' positive results.
- Decrease of operating expenses by 10.4% y-o-y.
- NPLs coverage ratio at 64.2%, securing the quality of loan portfolio.
- Maintenance of a favorable deposit mix coupled with a satisfactory loans to deposits ratio (104.1%).
- Restructuring Plan to be adjusted to reflect the haircut of the Group's GGBs portfolio and changes in market conditions.
- EGM approved a €290 mn share rights issue as a first step towards the strengthening of the Group's capital position.

Selected Group Figures	9M 2011	9M 2010	% y-o-y
Total Assets	€26.5 bn	€31.8 bn	(16.7%)
Total Loans (before provisions)	€20.1 bn	€21.8 bn	(7.6%)
Total Deposits	€17.2 bn	€19.7 bn	(12.7%)
Net Interest Income	€529.7 mn	€575.9 mn	(8.0)%
Net Trading Income	€(92.5) mn	€(91.7) mn	0.9%
Total Operating Income	€519.6 mn	€580.4 mn	(10.5)%
Total Operating Expenses	€386.4 mn	€431.4 mn	(10.4)%
Discontinued Operations	€24.6 mn	€(1.6) mn	-
*Pre Provision Profit**	*€157.8 mn*	*€147.5 mn*	*7.0%*
*Core Pre Provision Profit**	*€250.3 mn*	*€240.6 mn*	*4.1%*
Impairments	€1,200.1 mn	€282.3 mn	-
Impairment of Loans & Assets	*€356.2 mn*	*€282.3 mn*	*26.2%*
Impairment of GGBs	*€843.9 mn*	-	-
Net Profit/(Loss) after tax & minority interests	€(1,030.0) mn	€(117.2) mn	-
Net Loans to Deposits ratio	104.1%	102.7%	
Coverage Ratio	64.2%	65.9%	
Cost to Income Ratio	74.4%	74.3%	

**Including the discontinued operations results of the Group's subsidiaries ELVIZ and Hellenic Sugar under selling process.*

In the first nine months of 2011, ATEbank focused on its operational transformation in line with the approved Restructuring Plan sustaining, at the same time, its core pre provision profitability and the quality of its assets.

Following impairment charges of €843.9 mn written against the Group's Greek Government Bonds portfolio (under the initial PSI program), ATEbank's Shareholders' General Meeting approved on 15th November 2011 an immediate strengthening of the Bank's capital through a rights issue.

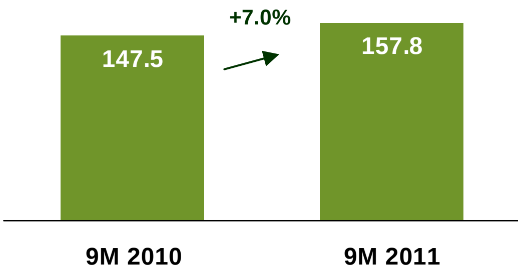
ATEbank is closely and carefully monitoring the developments emerging in the Greek banking system as a result of the 26th October 2011 Euro Summit decisions in relation to the new GGBs exchange program so that it will be able to dynamically adjust itself to the new conditions.

Theodoros Pantalakis, Governor of ATEbank

Income Statement

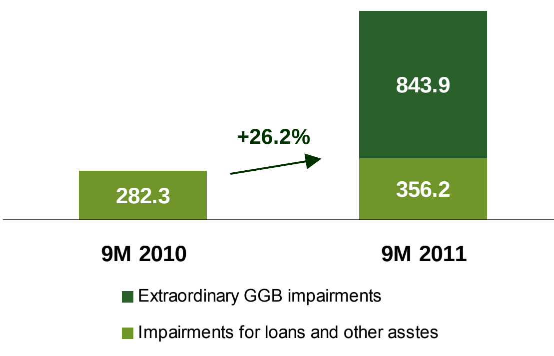
ATEbank Group, during the first nine months of 2011, consistently continued implementing its Restructuring Plan commitments, while it sustained a satisfactory operating profitability and remained focused on securing the quality of its assets. Pre provision operating profit increased by 7.0%, positively affected from increased interest income from loans, the earnings from the Group's subsidiaries and the successful cost containment. On the other hand, the increased funding cost and the negative result of financial transactions weighed negatively on profitability.

Pre-Provision Operating Profit (€ mn)
(including results from discontinued operations)



Results were also affected by an impairment charge of €843.9 mn for GGBs under the initial Greek bond exchange program (PSI) and the necessary impairment provisions for loans and other assets owing to a still worsening economic environment. As a result, the Group's 9M 2011 net result was a loss of €1,030.0 mn.

Impairment of loans & other assets (€ mn)



ATE*bank* is awaiting the new GGBs exchange program details (PSI+) and the completion of the BlackRock's loan book review, in order to proceed with all the necessary adjustments of its Restructuring Plan to the new conditions in the Greek economy, including appropriate action for the restoration of its capital position.

During the first nine months of 2011, net interest income amounted to €529.7 mn, down 8.0% y-o-y, mainly due to the increased funding cost.

Interest income posted a 5.2% increase as a result of the successful loan repricing policy (+3.1% y-o-y on loan interest income, despite the increase of NPLs and the decline of loan balances) and the higher interest income from bonds (+26.1% y-o-y).

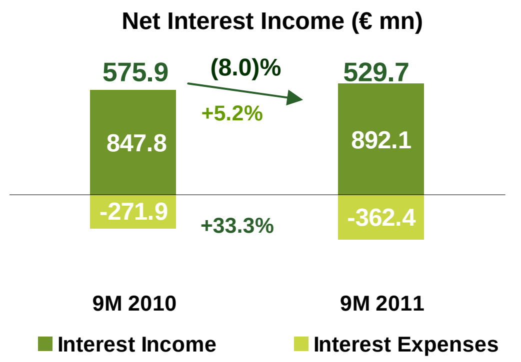
Interest expenses grew by 33.3% driven by the higher deposit cost (+13.1%) and the increased cost from interbank lending (+49.9% y-o-y) and from central bank funding through the use of Greek government guarantees (€45.2 mn in 9M 2011 versus €7.9 mn in the same period last year).

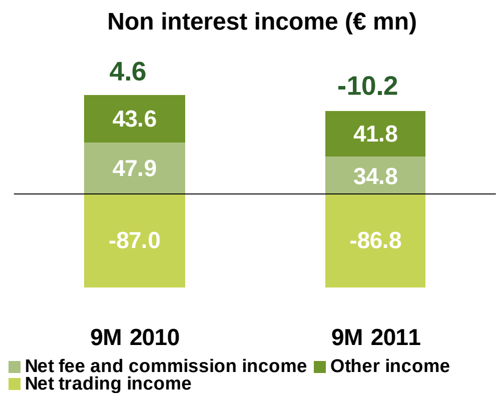
Non-interest income declined to -€10.2mn, mainly as a result of €86.8 mn losses from financial transactions and a 27.4% drop in net fee and commission income owing to the contraction of the economic activity. Nonetheless, non-interest income would have hit 49.1% higher to €35.0 mn if discontinued operations results were included.

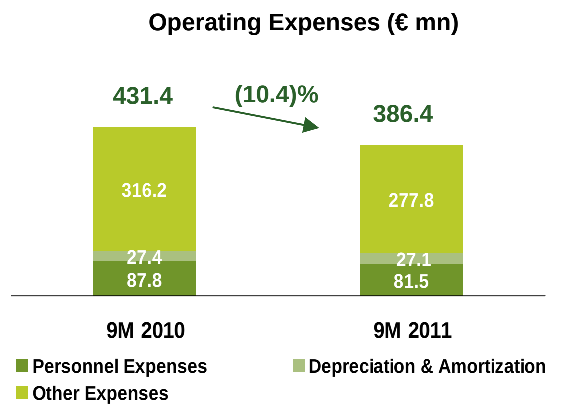
Operating expenses during the first nine months of 2011 declined by 10.4%. In particular, personnel expenses decreased by 12.2% driven by a 10% salary cut effective as from the beginning of the current year and a significant reduction of the number of employees due to natural attrition. Salary expenses are anticipated to decrease further, following the implementation of the recently passed Law 4024/2011.

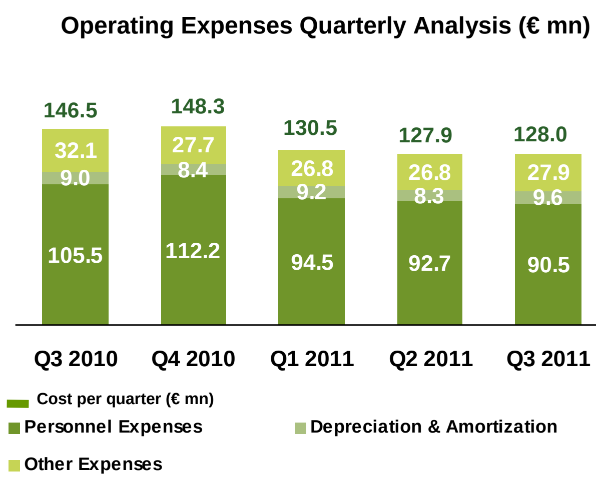
The effectiveness of ATE*bank*'s cost containment efforts are also reflected in the reduction of other expenses (rents, travel expenses, third party remuneration etc.), by 7.1% on an annual basis.

Nevertheless, the cost to income ratio remained at 74.4% in September 2011 compared to 74.3% in September 2010 due to the decline of the corresponding income. Excluding the negative trading result, the cost to income ratio stood at 63.1% in September 2011 against 64.1% in September 2010.









Balance Sheet

Loans

In the first nine months of 2011, ATE*bank* continued, in line with its Restructuring Plan, its lending deleveraging policy in order to prevent the creation of new NPLs and preserve its asset quality and liquidity position. At the end of September 2011, outstanding loans before provisions dropped by 7.6% on an annual basis, to €20.1 bn.

Loans to the public sector posted the largest annual decrease (-20.0%) to settle at €3.3 bn.

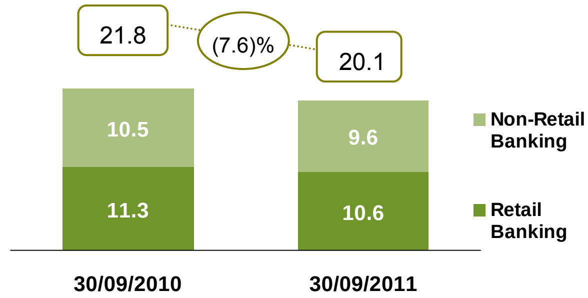
Total loans to households declined by 5.4% y-o-y to €8.4 bn, while lending to SMEs fell by 10.0% y-o-y and corporate lending (including leasing) by 1.9% y-o-y.

The adverse economic environment resulted in an increase of new NPLs to €237.9 mn in Q3 2011 compared €198.2 mn in Q2 2011. This increase, along with the reduction of the total loan book portfolio down by €362.1 mn q-o-q, resulted in an upward swing of the NPL ratio to 15.9% on 30th September 2011, from 14.5% on 30th June 2011.

The Group's 9M 2011 loan impairments stood at €353.6 mn against €275.2 mn in 9M 2010, up 28.5% y-o-y, while in Q3 loan impairments reached €136.0 mn, 21.9% higher than Q2 2011's corresponding figure.

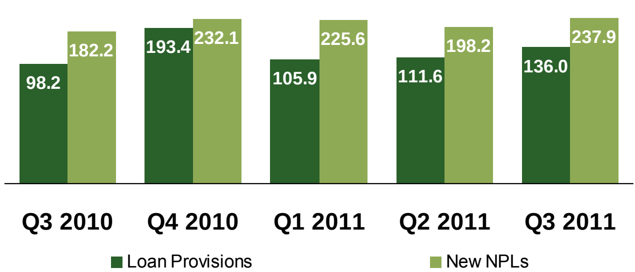
The level of impairment charges is consistent with the guidelines of the Group's Restructuring Plan, which call for a coverage ratio of higher than 50% throughout the period until the end of 2013. As of 30th September 2011, ATE*bank*'s coverage ratio stood at 64.2%.

Loans before provisions (€ bn)

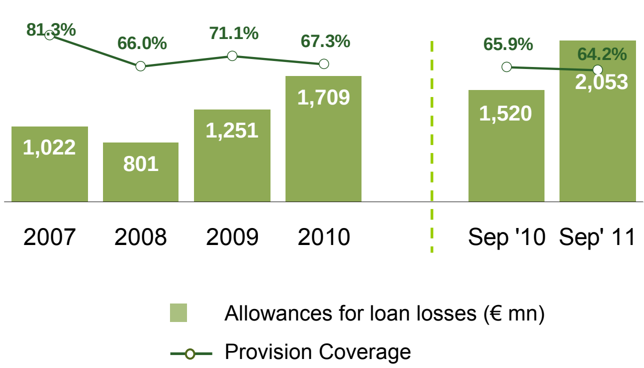


Types of Loans	Balances 30.09.2011	y-o-y (%)
Mortgage Portfolio	6.6 bn	(3.9)%
Consumer Credit	1.8 bn	(10.4)%
Lending to SMEs	2.2 bn	(10.0)%
Lending to the retail Agricultural Sector	2.2 bn	(1.5)%
Corporate Lending & Leasing	4.1 bn	(1.9)%
Public Sector Loans	3.3 bn	(20.0)%

Provisions and new NPLs Formation (€ mn)



Loan Provision Coverage



Liquidity & Capital

Customer deposits were €17.2 bn on 30th September 2011, down 12.7% y-o-y mainly as a result of the prolonged recession which has led to the shrinking of the customers' disposable income. *ATEbank*'s deposits reduction is however smaller than the average market decline (-16.0% according to Bank of Greece data).

Savings deposits shrunk by 17.7% y-o-y (versus the market's 17.1%) to €8.8 bn at the end of the quarter. Term deposits fell 10.5% y-o-y to €6.6 bn compared to a drop of 11.7% for the market. Finally, sight deposits increased by 10.4% y-o-y at the end of September 2011 against the market's reduction of 16.9% y-o-y.

ATE*bank*'s deposit mix continued to be favorable for yet another quarter, with 62% of the deposit portfolio consisting of savings and sight deposits and the remaining 38% of term deposits, supporting its competitive advantage of low deposit cost.

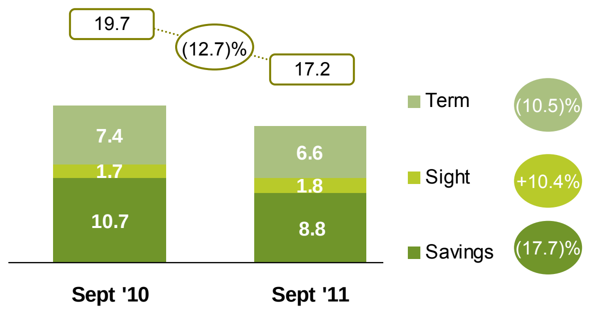
Despite the decrease of deposits, ATE*bank*'s lending deleveraging kept the loans to deposits ratio at a satisfactory level (104.1%) in comparison to the market average. The funding by the Eurosystem was reduced to €6.6 bn from €7.3 bn the previous quarter.

Despite the June 2011 €585mn boost of the capital position of the Bank (through the combination of the €1.26 bn rights issue and the repayment of €675mn preference shares), the decision to participate in the GGBs exchange program (initial PSI) resulted again in a significant deterioration of its capital base (CAD ratio in 30 September 2011 at 4.3%).

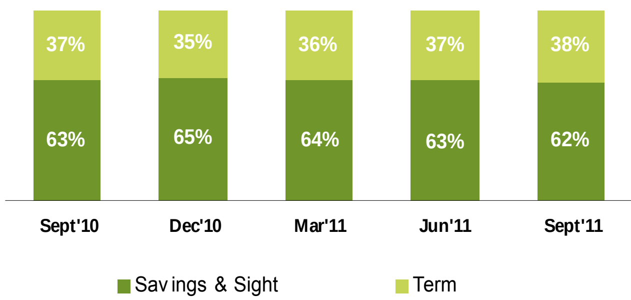
In order for the Group to adjust itself to the minimum regulatory capital requirements (as of the 30th June 2011 figures), ATE*bank's* EGM on November 15th, 2011, decided to proceed with a €290 mn share capital increase.

The conclusion of the new GGBs exchange program details (PSI+), coupled with the worsening forecast for the Greek economy and the possible findings of the on-going Blackrock's loan book review require of the Group to update its existing Restructuring Plan. The Greek state, as the major shareholder of ATEbank, in consultation with the European Commission and the EC/ECB/IMF mission, and in cooperation with the Bank's management, will consider all appropriate options regarding the adjustment of the Group's capital position into the new economic and regulatory environment.

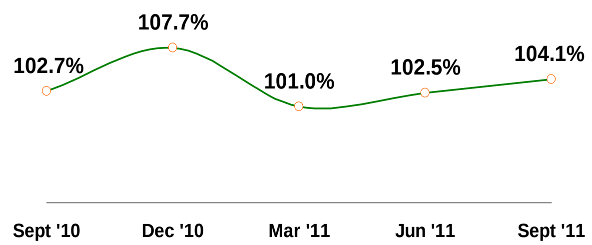
Customer Deposits (€ bn)



Deposits by type



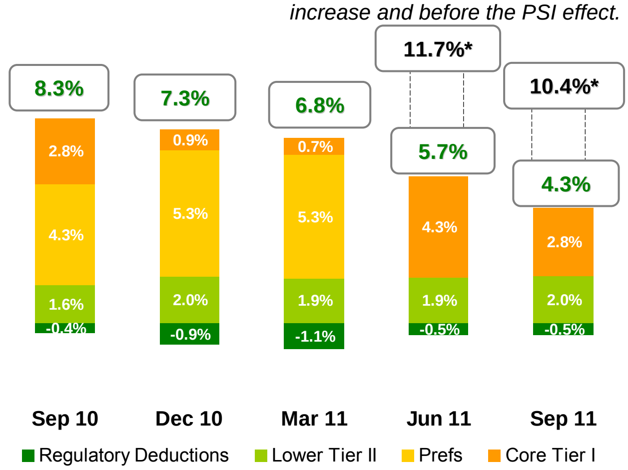
Loan to deposit ratio (%)



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

Capital Adequacy

**Total CAD ratio after the initial capital increase and before the PSI effect.*



Annex

Income Statement			
in € mn	Group		
	9M 2011	9M 2010	9M 2011 - 9M 2010 (%)
Net interest income	529.7	575.9	*(8.0)%*
Net fee and commission income	34.8	47.9	*(27.4)%*
Gains & losses from financial transactions	(86.8)	(87,0)	*(0.2)%*
Other income	41.8	43.6	*(4.1)%*
Operating income	519.6	580.4	*(10.5)%*
Operating expenses	(386.4)	(431.4)	*(10.4)%*
Loan impairments	(353.6)	(275.2)	*28.5%*
Impairment of GGBs	(843.9)	-	-
Impairment of other assets	(2.6)	(7.0)	*(62.7)%*
Income from associates	(5.9)	1.0	-
Profit / (Loss) before tax	(1,072.8)	(132.1)	-
Discontinued operations	24.6	(1.5)	-
Tax	13.4	16.5	*(18.4)%*
Profit / (Loss) after tax and minorities	**(1,030.0)**	**(117.2)**	-

Assets				
in € mn	Group			
	30/09/2011	31/12/2010	30/09/2010	Sept. 2011 - Sept. 2010 (%)
Cash & balances with central bank	753.1	873.9	869.8	*(13.4)%*
Due from other banks	1.039.2	1,042.7	2,403.3	*(56.8)%*
Securities portfolio	4.174.1	5,598.7	5,722.2	*(27.1)%*
Derivatives	12.7	21.0	28.7	*(55.5)%*
Loans and advances to customers after provisions	17.941.4	21,202.8	20,276.4	*(11.5)%*
Investments in associates	177.5	174.3	173.9	*2.1%*
Other assets	2,417.8	2,307.3	2,362.5	*2.3%*
Total assets	**26,515.8**	**31,220.7**	**31,836.8**	***(16.7)%***

Total liabilities & shareholders' equity				
in € mn	Group			
	30/09/2011	31/12/2010	30/09/2010	Sept. 2011 - Sept. 2010 (%)
Due to banks	7,506.5	9,247.0	9,111.1	*(17.6)%*
Due to customers	17,238.8	19,682.6	19,734.6	*(12.7)%*
Other liabilities	1,256.7	1,292.4	1,765.3	*(28.8)%*
Subordinated loans	249.5	249.2	249.1	*0.2%*
Liabilities	**26,251.5**	**30,471.2**	**30,860.0**	***(14.9)%***
Share capital	760.6	1,326.9	1,326.9	*(42.7)%*
Treasury shares	(10.1)	(8.3)	(8.3)	*20.6%*
Share premium	636.7	92.7	92.7	-
Other reserves	(137.5)	(274.2)	(370.5)	*(62.9)%*
Income for the period	(1,030.0)	(438.0)	(117.2)	-
Total equity	**219.8**	**699.1**	**923.5**	***(76.2)%***
Minority interest	44.4	50.3	53.2	*(16.6)%*
Total liabilities & shareholders' equity	**26,515.8**	**31,220.7**	**31,836.8**	***(16.7)%***

Notes:

- *Various figures of the 2010 financial statements have been reclassified for comparability purposes.*
- *The Financial statements will be published in the press on the 30th of Novenber2011.*

Athens, 29 November 2011