



# 1<sup>st</sup> Quarter 2010 Results Presentation May, 2010

# 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.*

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

# 1<sup>st</sup> Quarter 2010 Results Presentation - Agenda

## *Hellenic Postbank History*

### *Financial Review*

- Hellenic Postbank at a Glance
- Income Statement Highlights
- Balance Sheet Highlights
- Recurring Revenue Growth
- Containment of Costs (excluding the one-offs)
- Asset Development in Banking Activities
- Alternative Investments Portfolio – Decrease Strategy
- CDO's Investments Sub-Portfolio – Decrease Strategy
- Loan Portfolio Development
- Deposit Base Remains Solid
- Strong Asset Quality
- Sufficient Capital Base (to fund future growth)

### *Main Operations Drivers Update*

- Expanding products - Palette
- Unique Synergy with Hellenic Post
- Human Recourses Update
- New IT Systems

### *Hellenic Postbank Strategy*

- Targeting Growth and Profitability
- Supporting Business Plan Realization

### *Share's Information*

- Stock Data
- IPO Details
- Share Capital increase
- Geographical Distribution of the TT Hellenic Postbank Branches

### *Contacts*

# Hellenic Postbank History

- Hellenic Postbank established in 1900 in Kreta, in the context of the Hellenic Post Office Organization.
- It started its function in 1902 with a network of 26 branches.
- In 1970 Hellenic Postbank 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 the Greece. The Bank's presence is additionally supported from Hellenic Post Office (ELTA) 820 branches cooperation, as an alternative network which assists selling activities, based on the well product range of the Bank.
- In April 2006 it acquired a full banking license and since then Hellenic Postbank have been operating under the supervision of the Bank of Greece.
- In June 2006, the Bank became an ASE listed company, through a public offer of 34,84% of the existing shares.
- By the end of 2006 the alternative network of Hellenic Posts increased to 839 branches and the existing agreement expanded to lending products.
- Hellenic Postbank 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 2008 the ATM's amounted 191 pieces, of witch 148 were placed at the Bank's network and the rest at the alternative network of Hellenic Post Office.
- On July 11, 2007, the "Hellenic Republic", major shareholder of the Bank, proceeded in a successful sale of 28,173,354 common shares which consisted the 20% of the Bank's outstanding share capital via accelerated book building process to international and Greek qualified investors. The offering took place within the frameworks of State's gradual, privatization program.
- On December 20, 2007, Hellenic Postbank increased its share capital following the exercise of the stock option plan, by 1,366,212 common shares, at the issue price of 3.70 Euro.
- On March, 12 2008, the logo of the bank has changed from "Greek Postal Savings Bank" to "**Hellenic Postbank**", representing the new vision of the Bank "**to establish the Hellenic Postbank as the large Bank that cares, protect and supports the citizens**".
- Hellenic Postbank now supports a full range product mix such as mortgages, personal loans, credit cards, mutual funds and all types of bank deposit / saving activities. The Banking corporation also includes treasury, asset management, private banking and custody activities in its portfolio.
- Enhancement of the Bank's capital adequacy due to the share capital increase amounting to 224,96 mil. Euros (60,800,000 preferred stocks), decided by the EGM held on January, 28<sup>th</sup>, 2009, according to article 1 of law 3723/2008, "For the enhancement of liquidity of the economy in response to the impact of the international financial crisis". Completed on May, 25<sup>th</sup> 2009
- Further enhancement of the Bank's capital adequacy in the frameworks of the share capital increase amounting up to 526,3 mil Euros, decided by the EGM held on April, 22<sup>th</sup>, 2009. Successfully completed on July, 3<sup>rd</sup> 2009.
- Establishment during 2009 of 2 new subsidiaries : Post Insurance Brokerage S.A. and Postbank Green Institute S.A.

## Hellenic Postbank at a Glance

€mm	% growth							IFRS		% growth
	Dec-06	Dec-07	Dec-08	Dec-09	'07-'06	'08-'07	'09-'08	Mar-09	Mar-10	'10-'09
Loans	4,862.81	6,110.36	7,126.07	8,065.47	25.65%	16.62%	13.18%	7,294.04	8,153.24	11.78%
Total assets	12,309.13	13,187.83	14,897.76	17,955.52	7.14%	12.97%	20.52%	15,860.62	17,652.16	11.30%
Deposits and repos	10,725.96	11,155.69	11,211.24	12,632.22	4.01%	0.50%	12.67%	11,989.91	12,504.89	4.30%
Shareholders' equity	868.88	746.44	532.16	1,224.49	(14.09%)	(28.71%)	130.10%	562.90	1,045.96	85.82%
Net Interest Income (NII)	253.57	294.37	321.78	263.30	16.09%	9.31%	(18.18%)	74.27	78.80	6.10%
Total operating income	412.12	293.45	301.91	369.00	(28.79%)	2.88%	22.22%	115.92	52.67	(54.56%)
Income (before tax)	185.44	50.25	2.61	46.74	(72.90%)	(94.80%)	-	56.15	(16.71)	(129.75%)
Net Income (after tax)	137.17	43.45	2.85	22.65	(68.33%)	(93.45%)	-	44.18	(21.05)	(147.65%)
*Net Income (after tax) Adjusted	153.14	-	-	12.11	-	-	-	-	(25.35)	-
<b>Financial Ratios</b>										
Loans / Deposits	45.34%	54.77%	63.56%	63.85%				60.83%	65.20%	
Capital adequacy	11.23%	9.89%	8.59%	17.10%				8.74%	16.89%	
NII / Total Assets	2.06%	2.23%	2.16%	1.47%				1.87%	1.79%	
NII / Total Operating Income	60.76%	100.31%	106.58%	71.35%				64.07%	149.61%	
NPL / Gross Loans	0.46%	0.65%	0.87%	1.22%				0.91%	1.27%	
Loans / Total Assets	38.93%	46.33%	47.83%	44.92%				45.99%	46.19%	
Provisions / Gross Loans	0.61%	0.47%	0.51%	0.50%				0.09%	0.13%	
ROA	1.11%	0.33%	0.02%	0.13%				1.11%	(0.48%)	
*ROA Adjusted	1.24%	-	-	0.07%				-	(0.57%)	
ROE (of common shares)	15.79%	5.82%	0.53%	2.27%				31.40%	(10.26%)	
*ROE Adjusted (of common shares)	17.62%	-	-	1.21%				-	(12.35%)	
Cost / Income	48.54%	73.09%	76.92%	72.13%				77.08%	110.89%	
**Cost / Income Adjusted	-	67.56%	66.75%	69.99%				-	-	

\* (a) Period 2006 adjusted figures excludes the extraordinary reserves taxation, which amounted to 15.97 million Euros.

(b) Period 2009 adjusted figures includes the Preference Shares obligation (10% on the 224.96 mil. Euros Capital), amounted to 10.54 mil. Euros (net, after tax)

(c) Period 2010 adjusted figures includes the Preferences Shares obligation (10% on the 224.96 mil Euros Capital), amounted to 4.30 mil. Euros (net, after tax)

\*\* (a) Period 2007, adjusted figures excludes the one off provision expense, due to personnel legal demands, amounted to 16.05 million Euros (12/2007)

(b) Period 2008, adjusted figures excludes the one off expense, due to voluntary retirement of initials 132 employees, amounted to 15.70 million Euros.

(c) Period 2009, adjusted figures excludes the one-off expense, due to voluntary retirement of 44 employees, amounted to 7.90 mil. Euros.

Note: Ratios calculated on ending balances

Source: consolidated IFRS Financial accounts as of March 31, 2010

## Income Statement Highlights

€mm	Dec-06	Dec-07	Dec-08	Dec-09	% growth			IFRS		% growth '010-'09
					'07-'06	'08-'07	'09-'08	Mar-09	Mar-10	
Net Interest Income	253.57	294.37	321.78	263.30	16.09%	9.31%	(18.18%)	74.27	78.80	6.10%
Net fee and commission income	24.81	11.26	16.78	15.88	(54.61%)	49.02%	(5.37%)	6.00	3.56	(40.67%)
Trading income	126.40	(17.36)	(47.41)	80.56	(113.73%)	173.12%	269.91%	34.13	(31.15)	(191.26%)
Dividend income	4.66	4.14	8.17	7.70	(11.12%)	97.28%	(5.71%)	1.28	1.18	(7.66%)
Other operating income	2.68	1.04	2.58	1.56	(61.01%)	147.12%	(39.65%)	0.24	0.28	15.77%
<b>Total operating income</b>	<b>412.12</b>	<b>293.45</b>	<b>301.91</b>	<b>369.00</b>	<b>(28.79%)</b>	<b>2.88%</b>	<b>22.22%</b>	<b>115.92</b>	<b>52.67</b>	<b>(54.56%)</b>
*Personnel expenses	84.72	101.08	102.88	124.20	19.32%	1.77%	20.73%	24.08	33.27	38.16%
Administrative expenses	85.19	99.31	112.05	118.17	16.59%	12.82%	5.47%	22.87	19.24	(15.85%)
Depreciation	9.14	10.18	10.91	11.36	11.44%	7.15%	4.13%	2.31	2.89	24.98%
Other operating expenses	23.55	3.91	6.39	12.44	(83.38%)	63.14%	94.81%	3.33	2.93	(12.04%)
<b>Operating expenses</b>	<b>202.59</b>	<b>214.49</b>	<b>232.22</b>	<b>266.17</b>	<b>5.88%</b>	<b>8.26%</b>	<b>14.62%</b>	<b>52.59</b>	<b>58.33</b>	<b>10.92%</b>
Provisions for loan losses	24.06	28.71	36.07	40.61	19.33%	25.64%	12.58%	6.54	10.82	65.40%
Other provisions	-	-	31.00	16.18	-	-	(47.82%)	-	0.03	-
Share profit/(loss) from associates	0.03	-	-	0.70	-	-	-	(0.64)	(0.19)	(69.90%)
Regular Income Tax	32.30	6.80	(0.23)	16.81	(78.95%)	(103.43%)	-	11.97	4.35	(63.67%)
Extraordinary Income Tax	15.97	-	-	7.29	-	-	-	-	-	-
<b>Net income (after tax)</b>	<b>137.17</b>	<b>43.45</b>	<b>2.85</b>	<b>22.65</b>	<b>(68.33%)</b>	<b>(93.45%)</b>	-	<b>44.18</b>	<b>(21.05)</b>	-
** Net income (after tax) adjusted	-	-	-	12.11	-	-	-	-	(25.35)	-
<b>Earnings Per Share</b>	<b>0.9739</b>	<b>0.3087</b>	<b>0.0186</b>	<b>0.0476</b>	<b>(68.33%)</b>	<b>(93.45%)</b>	-	<b>0.2803</b>	<b>(0.0877)</b>	-
***Earnings Per Share Adjusted	<b>1.0800</b>	-	-	<b>0.0955</b>	-	-	-	-	<b>(0.0727)</b>	-
Nominal Tax Rate	29.00%	25.00%	25.00%	25.00%				25.00%	24.00%	
Effective Tax Rate	26.02%	13.53%	(8.93%)	51.55%				21.31%	26.02%	
****Effective Tax Rate Adjusted	17.41%	-	-	23.55%					(26.81%)	

\* (a) Period 2007, includes the one off provision expense, due to personnel legal demands, amounted to 16.05 mil. Euros  
 (b) Period 2008, includes the one off expense, due to voluntary retirement of initials 132 employees, amounted to 15.70 mil. Euros

(c) Period 2009, includes the one off expense, due to voluntary retirement of 44 employees, amounted to 7.90 mil. Euros

\*\* (a) Period 2009, includes the Preference Shares obligation (10% on the 224.96 mil. Euros capital), amounted to 10.54 mil. Euros (net after tax)

(b) Period 2010, includes the Preference Shares obligation (10% on the 224.96 mil. Euros capital), amounted to 4.30 mil. Euros (net after tax)

\*\*\* (a) Period 2006, adjusted figures excludes the extraordinary reserves taxation, which amounted to 15.97 million Euros

(b) Period 2009, excludes the Preference Shares obligation (10% on the 224.96 mil. Euros Capital), amounted to 10.54 mil. Euros (net after tax).

(c) Period 2010, excludes the Preferences Shares obligation (10% on the 224.96 mil. Euros Capital), amounted to 4.30 mil. Euros (net after tax).

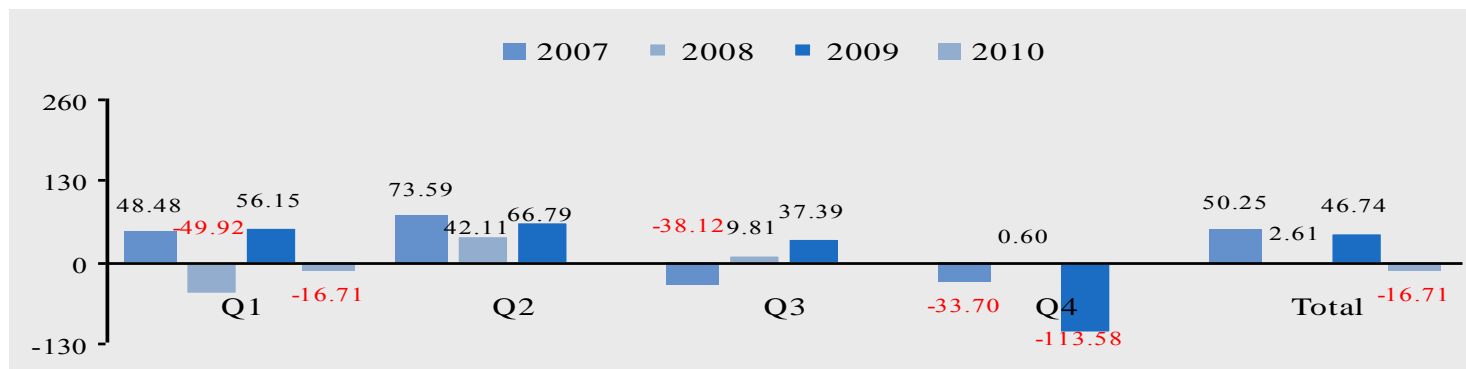
\*\*\*\*(a) Period 2006, adjusted figures excludes the extraordinary reserves taxation, which amounted to 15.97 million Euros

(b) Period 2009 adjusted figures, excludes i) the extraordinary taxation, amounted to 7.29 million Euros, and ii) the unrecognised withholding tax, amounted to 5.80 mil. Euros, due to the new government bill

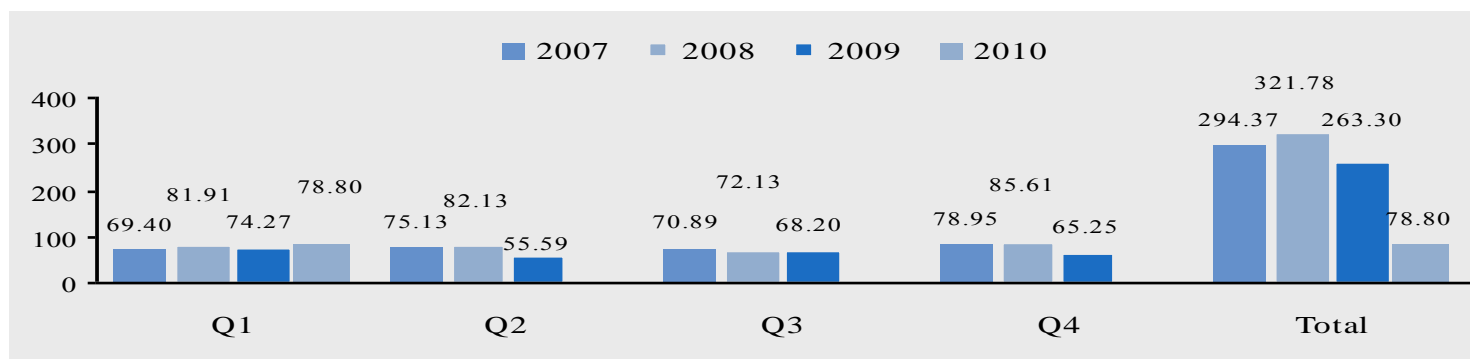
(c) Period 2010 adjusted figures, excludes the unrecognised withholding tax amounting to 8.83 mil. Euros, due to the new government bill

## Income Statement Highlights

### Profits before tax (€mm)



### Net Interest Income (€mm)



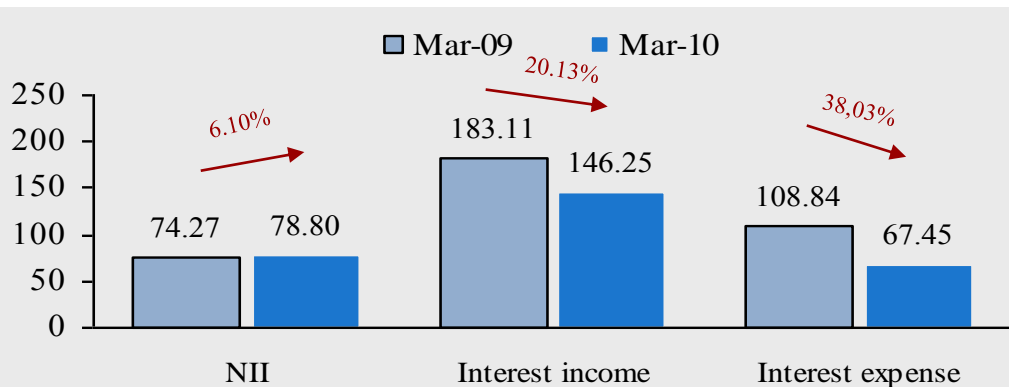
## Balance Sheet Highlights

€mm	% growth							IFRS		% growth 010-'09
	Dec-06	Dec-07	Dec-08	Dec-09	'07-'06	'08-'07	'09-'08	Mar-09	Mar-10	
<b>Assets</b>										
Cash and balances with CB	148.86	129.34	179.94	109.69	(13.12%)	39.13%	(39.04%)	385.14	101.69	(73.60%)
Claims on credit institutions	757.87	2,584.42	3,008.41	2,339.37	241.01%	16.41%	(22.24%)	2,309.43	1,851.26	(19.84%)
Trading portfolio	1,616.36	904.59	456.02	446.09	(44.04%)	(49.59%)	(2.18%)	1,312.63	274.55	(79.08%)
Derivative Investments	11.76	23.00	5.13	6.10	95.57%	(77.68%)	18.90%	6.86	2.36	(65.60%)
Loans, (net of provisions)	4,802.78	6,023.51	7,003.98	7,902.60	25.42%	16.28%	12.83%	7,165.40	7,979.54	11.36%
Available for sale	4,097.04	3,126.80	2,439.20	5,773.76	(23.68%)	(21.99%)	136.71%	2,960.89	5,989.02	102.27%
Held to maturity	490.18	-	1,143.28	450.74	-	-	(60.58%)	1,002.19	447.34	(55.36%)
Investment in associates	-	-	94.59	125.68	-	-	32.88%	94.59	123.68	30.76%
Property, plant and equipment	111.72	112.57	115.25	130.45	0.76%	2.38%	13.19%	125.24	131.21	4.77%
Intangible assets	11.36	10.29	19.81	25.45	(9.45%)	92.62%	28.45%	19.72	24.64	24.98%
Deferred tax assets	32.00	49.14	101.54	157.39	53.56%	106.64%	55.00%	128.18	214.77	67.55%
Other assets	229.19	224.18	330.61	488.19	(2.19%)	47.47%	47.67%	350.36	512.11	46.17%
<b>Total assets</b>	<b>12,309.13</b>	<b>13,187.83</b>	<b>14,897.76</b>	<b>17,955.52</b>	<b>7.14%</b>	<b>12.97%</b>	<b>20.52%</b>	<b>15,860.62</b>	<b>17,652.16</b>	<b>11.30%</b>
<b>Liabilities</b>										
Due to credit institutions	500.00	1,038.03	2,804.68	3,666.97	107.61%	170.19%	30.74%	2,925.30	3,649.99	24.77%
Due to customers	10,725.96	11,155.69	11,211.24	12,632.22	4.01%	0.50%	12.67%	11,989.91	12,504.89	4.30%
Derivative instruments	2.46	10.90	87.64	158.30	343.54%	704.09%	80.62%	123.06	184.34	49.80%
Deferred tax liabilities	38.40	11.74	9.50	35.81	(69.43%)	(19.04%)	276.80%	19.79	44.69	125.88%
Other liabilities	172.89	224.44	240.75	220.41	29.82%	7.27%	(8.45%)	226.17	205.60	(9.10%)
Shareholders' equity	868.88	746.44	532.16	1,224.49	(14.09%)	(28.71%)	130.10%	562.90	1,045.96	85.82%
Minority Interest equity	0.54	0.59	11.79	17.31	9.20%	1,910.84%	46.87%	13.50	16.69	23.64%
<b>Total equity and liabilities</b>	<b>12,309.13</b>	<b>13,187.83</b>	<b>14,897.76</b>	<b>17,955.52</b>	<b>7.14%</b>	<b>12.97%</b>	<b>20.52%</b>	<b>15,860.62</b>	<b>17,652.16</b>	<b>11.30%</b>



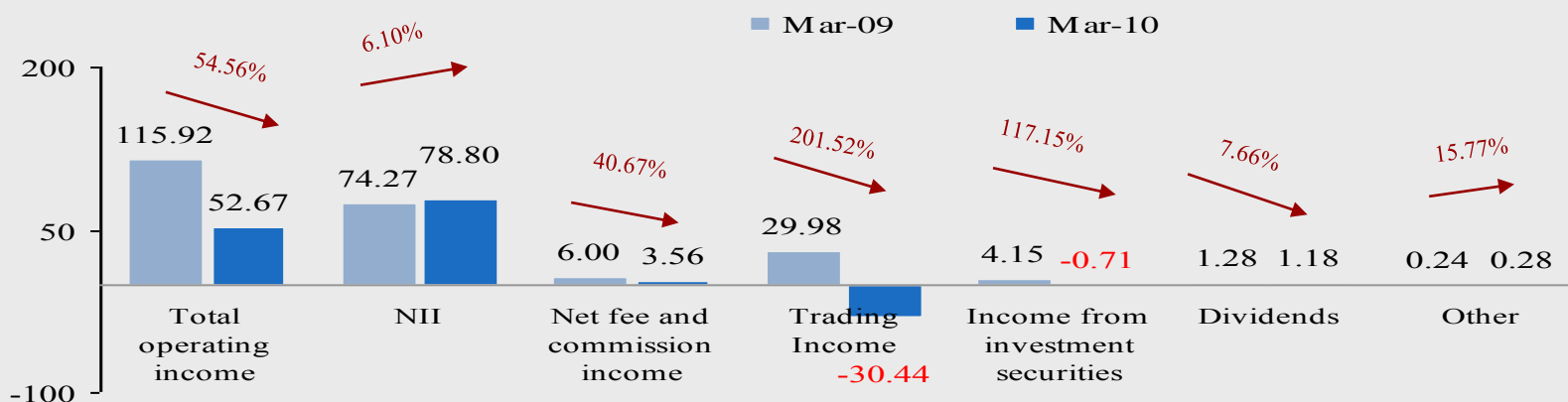
## Recurring Revenue Growth

### Recurring Revenue Growth (€mm)



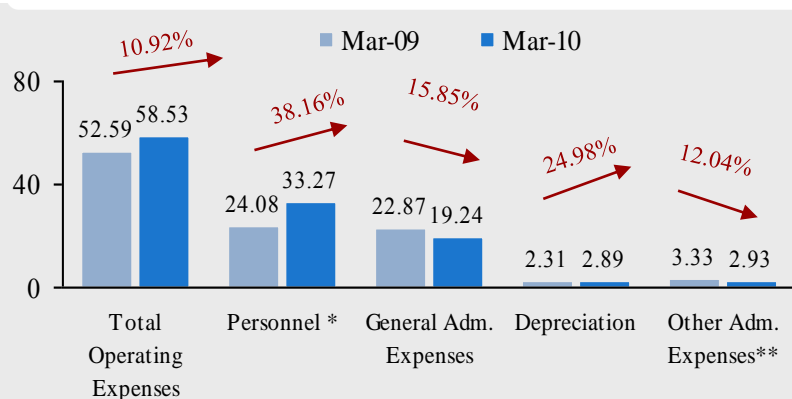
- Net interest income increased by 6.10%, mainly due to the de-escalation of interbank rates, affected to interest income and expense components
- Interest income decreased by 20.13%, mainly due to the interbank rates and balances decrease
- Interest expense decreased by 38.03%, mainly due to the interbank rates decrease and the extension of the scaling rates to saving deposits products despite the increased long tenor time deposits rates offered in the past

### Total Operating Income



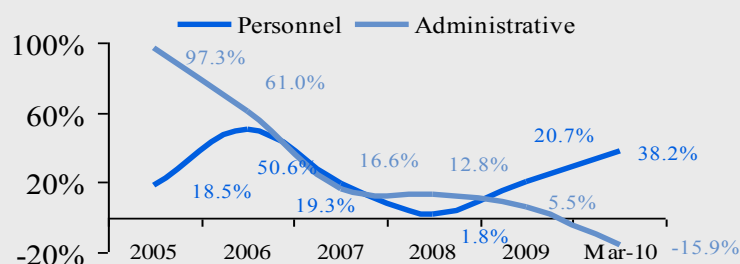
## Containment of “Costs increase” (excluding the one-off’s)

### Total Operating Expenses (€mm)

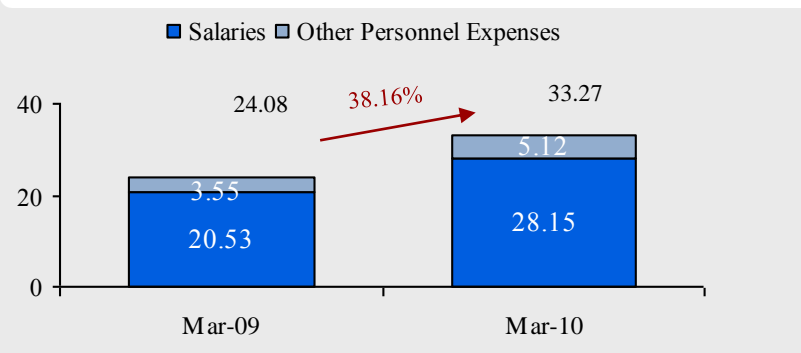


- Total operating expenses (excluding provisions), increased by 10.92%, mainly due to increased personnel cost
- Personnel increase reflects the effect of new employees hired during 2009, replacing part of G&A expenses (third party fees)
- General Administrative expenses decreased by 15.85% mainly due to the 2009 advertisement cost and third party fees

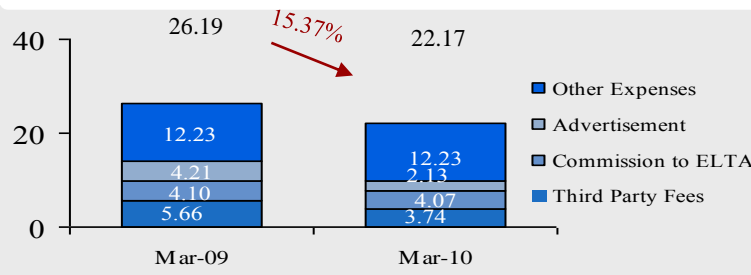
### Evolution of personnel & administrative expenses



### \* Personnel Expenses (€mm)



### G & Other Adm. Expenses (€mm)



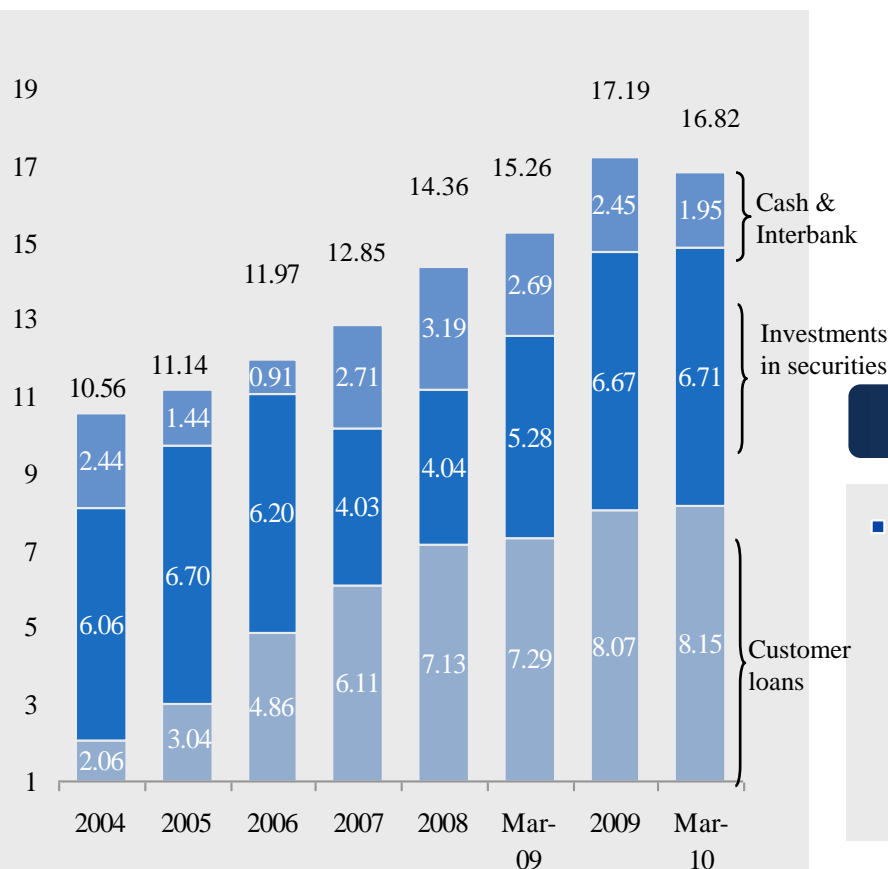
\* Period 2008, includes the one-off expense, due to voluntary retirement of initials 132 employees, amounted to 15.70 million Euros.

Period 2009, includes the one off expense, due to voluntary retirement of 44 employees, amounted to 7.90 mil. Euros

\*\* Includes hedging ineffectiveness result for the period 2009, amounted to 2.54 mil. Euros and for the period 2010 amounted to 2.12 mil. Euros.

## Asset Development in Banking Activities

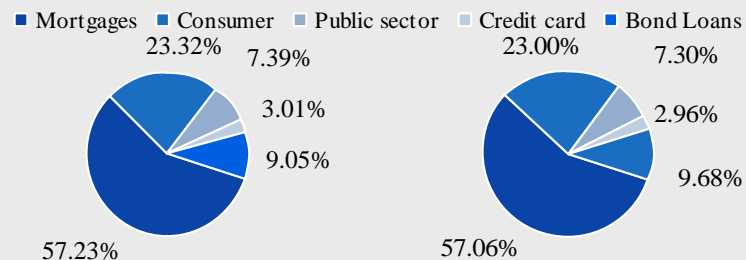
### Asset Breakdown (€bn)



### Asset Side restructure continues

- Loans increased by 1.09%, from December 31, 2009 (including Bond Loans), utilizing properly the interbank placements reduce funds and the new Capital funds
- Investment in securities increased by 0.60%, from December 31, 2009
- Cash & Interbank decreased by 20.26% from December 31, 2009

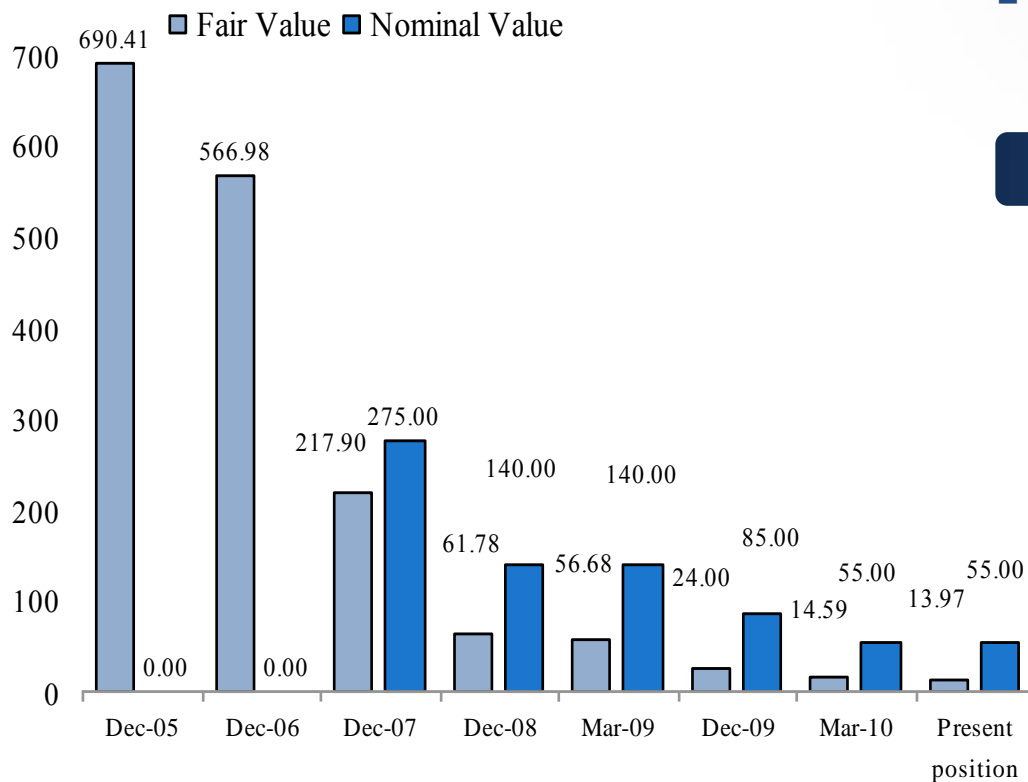
### Gross loan portfolio segmentation (%)



Dec - 2009 : €8,065.47 mm    Mar - 2010 : €8,153.24 mm

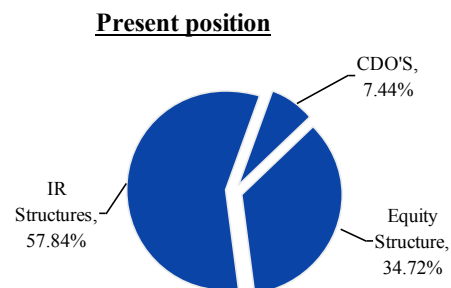
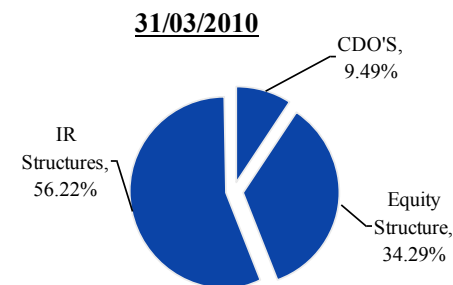
## Alternative Investments Portfolio – Decrease Strategy (in fair values)

Alternative Investments Portfolio - Decrease Plan  
(in mil. €)



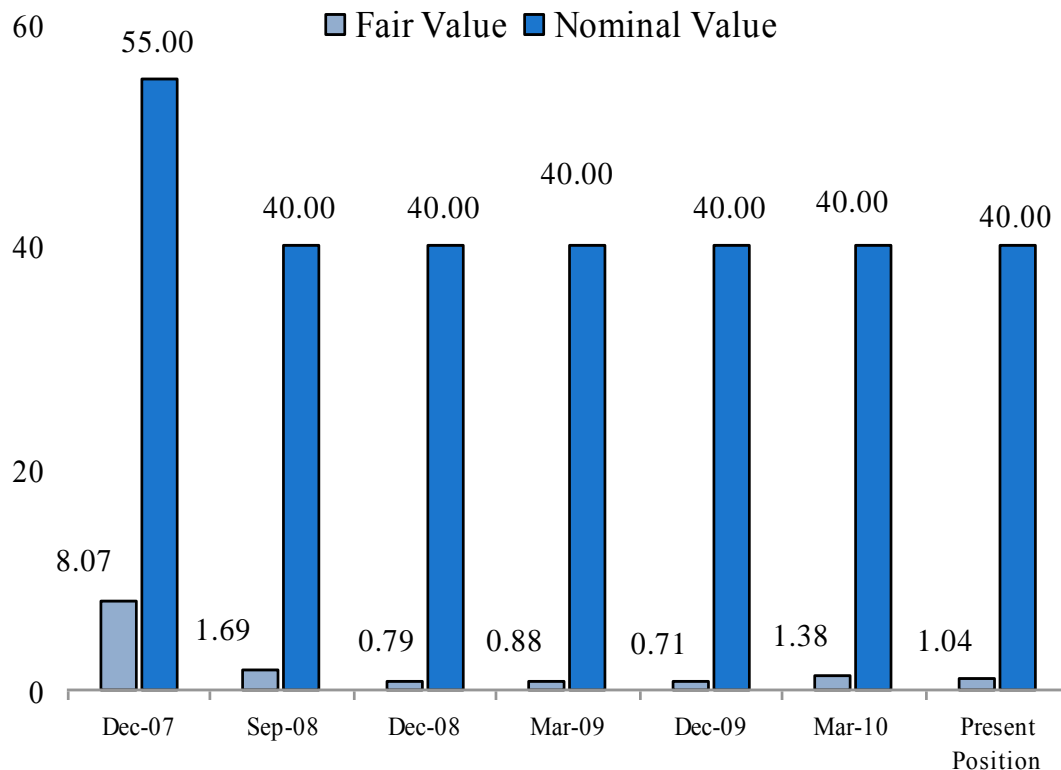
- Continuous decreasing strategy
- 100% of capital guarantees in fair values

### Portfolio Breakdown (in fair values)



## CDO's Investments Sub-Portfolio – Decrease Strategy (in fair values)

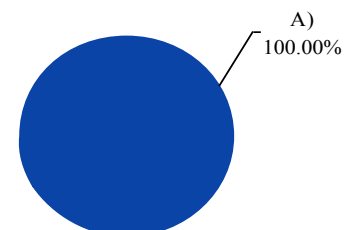
**CDO's Sub-portfolio  
(in mil. €)**



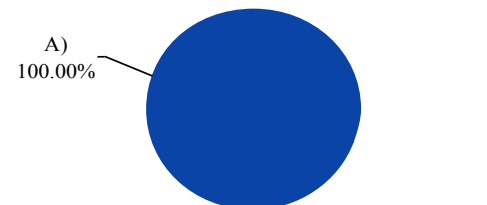
- Continuous decreasing strategy
- Valuations in fair values

### CDO's Breakdown (in fair values)

31/03/2010



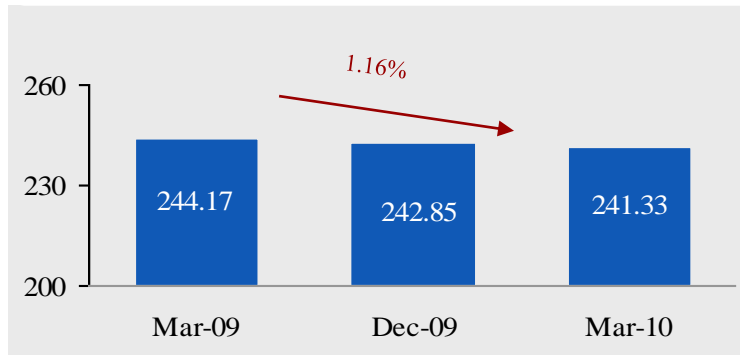
Present position



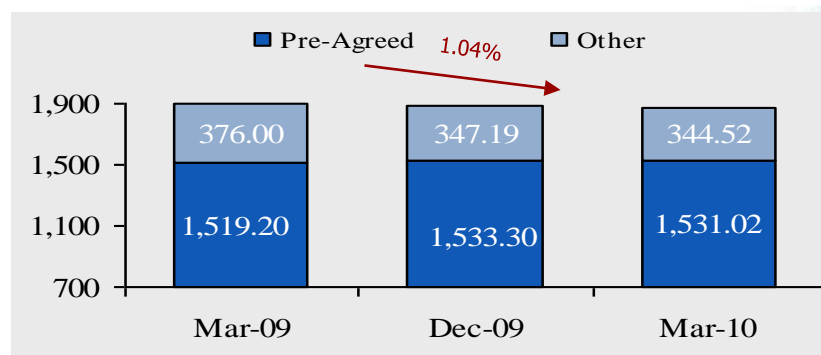
A): US, AAA, Residential Mortgages

## Loan Portfolio Development \*

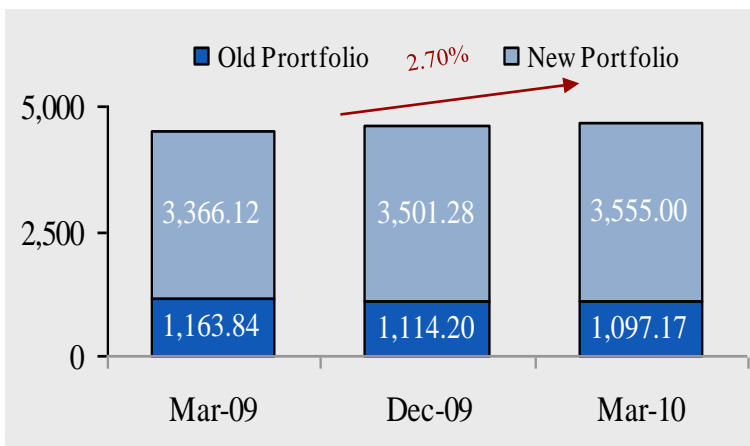
### Credit Cards (€mm)



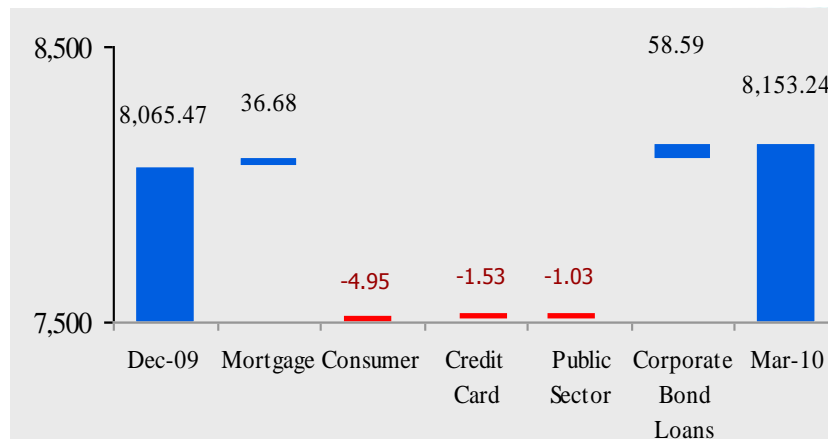
### Consumer Loans (€mm)



### Mortgages (€mm)



### Gross loan portfolio development (€mm)

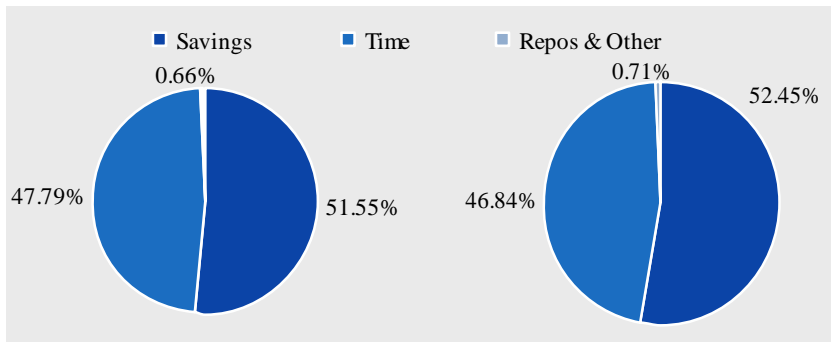


\*Net increase in balances

Source: consolidated IFRS financial accounts as of March 31, 2010

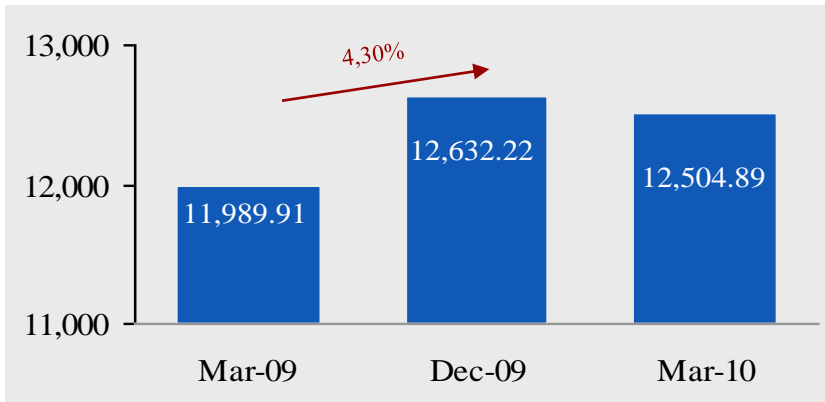
## Deposit Base Remains Solid

### Deposit segmentation (%)

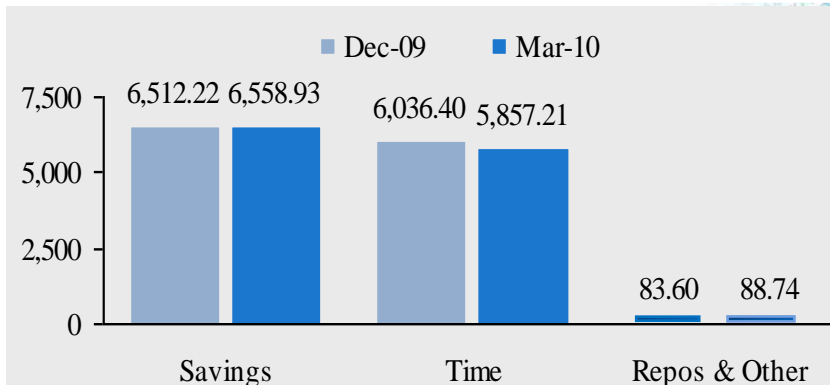


Dec - 2009 : €12,632.22 mm    Mar - 2010 : €12,504.89 mm

### Deposit development (€mm)



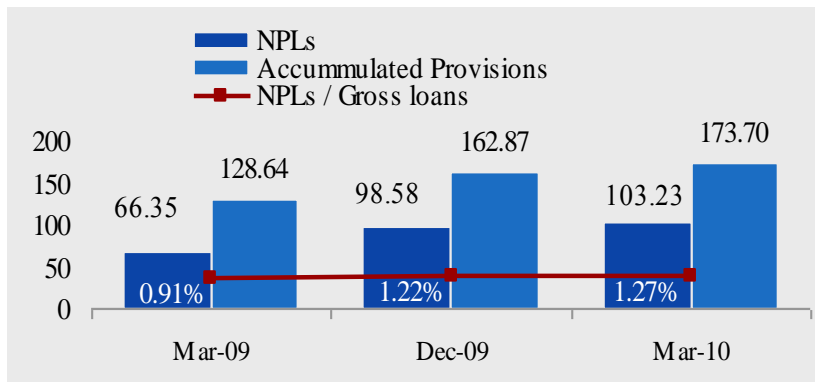
### Deposits by Type (€mm)



- Deposits increased 4.30% y-o-y, but decreased by 1.01% from 31/12/2009
- Approximately 3 mil. active accounts
- Establishment of scaling rates to the saving deposits products

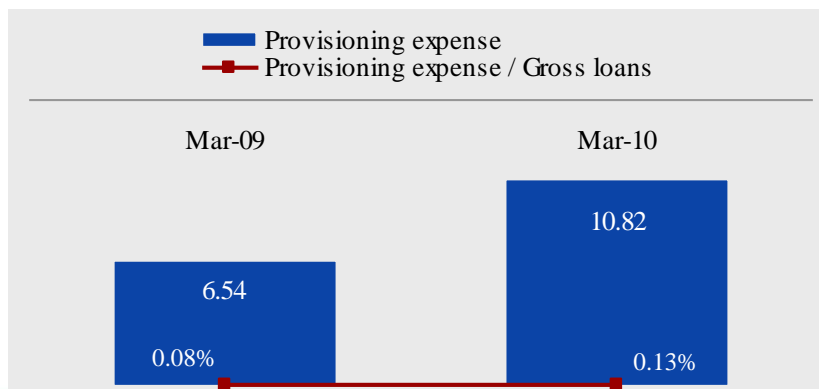
## Strong Asset Quality

### NPLs (€mm)

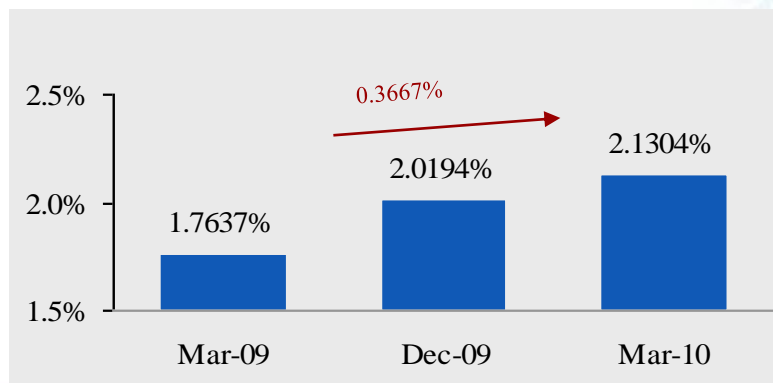


- Hellenic Postbank has very low NPL level with NPL ratio of 1.27% as of March 31, 2010
- Excessive accumulated provisions with NPL coverage ratio at 168.27%
- Provisions are calculated according to the BOG regulations for the minimum reserve requirements

### Provisions coverage overview (%)



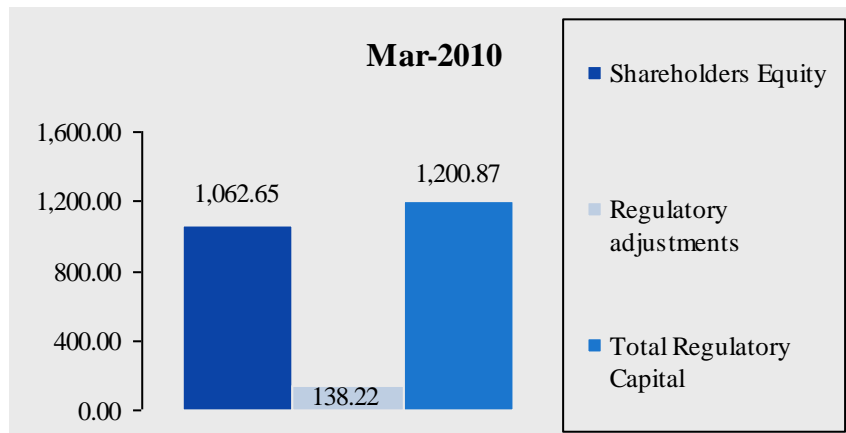
### Accumulated provisions coverage overview (%)



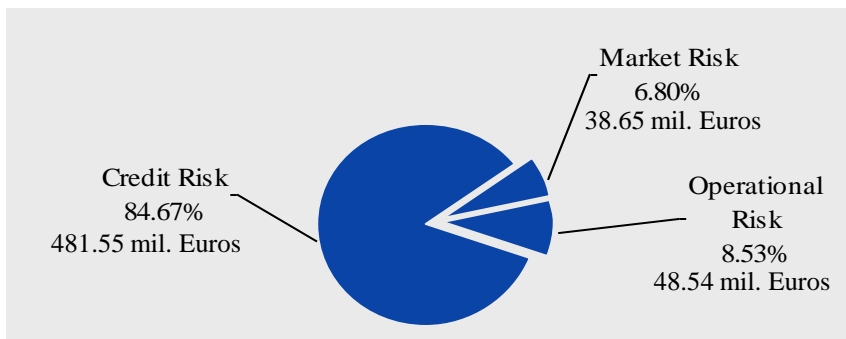


## Sufficient Capital Base (to fund future growth)

### Regulatory Capital (€mm)



### Capital requirements



- Capital adequacy ratio approximately at 16.89% as of March 31, 2010
- Regulatory adjustments to shareholders equity represents:
  - AFS portfolio reserve (minus **-362.24** mil. Euros)
  - Minus : Intangible fixed Assets (24.64 mil. Euros)
  - Minus : Attica Bank participation (123.56 mil. Euros)
  - Other deductions 75.82 mil. Euros
- No non-equity instruments in capital
- Enhancement of the Bank's capital adequacy due to the share capital of preferred shares increase, amounting to 224.96 mil. Euros (60,800,000 preferred stocks), decided by the EGM held on January, 28<sup>th</sup>, 2009, according to article 1 of law 3723/2008, "For the enhancement of liquidity of the economy in response to the impact of the international financial crisis". Completed on May, 25<sup>th</sup> 2009
- Further enhancement of the Bank's capital adequacy in the frameworks of the share capital of common shares increase, amounting up to 526,3 mil Euros, decided by the EGM held on April, 22<sup>th</sup>, 2009. Successfully completed on July, 3<sup>rd</sup> 2009

## 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
  - Grace period up to the first 3 years (interest only) mortgage loan introduced
  - Home equity / debt consolidation products
  - Fixed / floating interest rates
  - Final approval time shortened to 1 month
- Successfully branded products
- Currently exclusively distributed through own branch network and Hellenic Post Office (ELTA)



### Consumer loans

- Typical consumer finance product offering
- Rates starting from 8.45% (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)



### 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 1,800 organisations
  - Low penetration levels (37% approximately)
  - 203,000 loans outstanding approximately
- Interest rates from 6.90% and tenor ranging from 2 to 10 years

### Credit Card offering

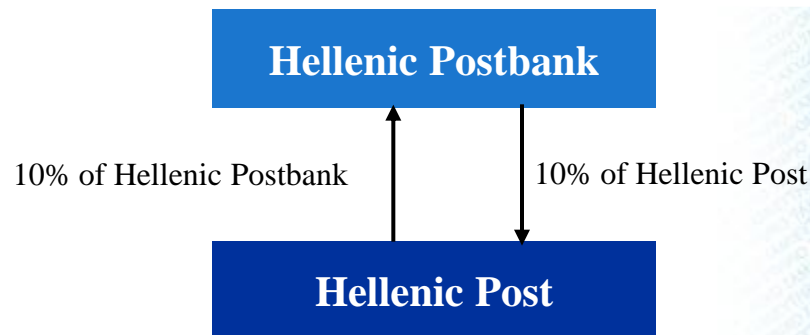
- Member of VISA International
- MasterCard
- Flagship Hellenic Postbank Classic and Hellenic Postbank Gold products
- Annual membership fee and attractive interest rates, from 14,75% to 17,50%
- Balance transfer functionality
- Acquiring POS infrastructure through FirstData Co.
- Direct marketing channel is the biggest contributor to new cards origination



## Unique Synergy with the Hellenic Post

- Historical relationship with Hellenic Post Office, formalised through comprehensive exclusive agreement, entered into 2001
  - Lately expanded up to 2021, subject to renewal
  - Governs personnel issues, branches layout, commission fees and charges, exclusivity
- Historical focus on deposit acceptance through Hellenic Post's 843 branches and distributors as well
  - Cooperation extension envisaged to include Hellenic Postbank's expanded product offering in lending activities. This present moment 310 branches provide loan services.
- Cooperation strengthened through cross-shareholding of 10% in each company effected in April 2006 (sale of existing shares by the Hellenic Republic).

### Cross-shareholding establishment<sup>1</sup>



- Nowadays 47 ATMs operate in different Hellenic Post branches
- The design of the interface between the IT of Hellenic Postbank and Hellenic Post has been completed and is currently in the implementation phase. The roll out of the first pilot branches started at the end of June 2007 and up to now have been connected 441 Hellenic Post branches. The rest of Hellenic Post branches have already been “connected” through call center procedure. Total accounts are held now on the core banking system “PROFITS”.
- A “shop in the shop” plan is going to be implemented during 2010, by creating separate spaces of the Hellenic Postbank into 200-300 Hellenic Post branches and up to now have been created 81 shop in shops.

<sup>1</sup> Ownership structure prior to PSB IPO

## Human Resources Update

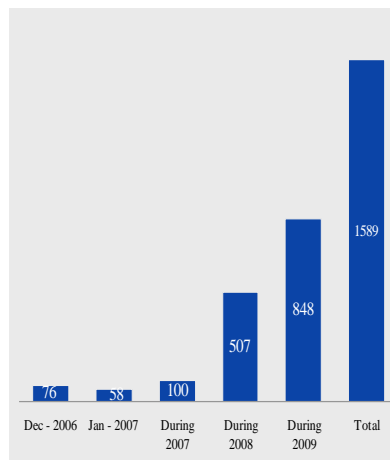
### Headcount will be strengthened with hiring of significant new entry level personnel

- A first group of 134 new employees join the bank during December 2006 and January 2007.
- A second group of 399 banking experienced new employees join the bank, as a result of an Hellenic Postbank competition procedure.
- A third group of 81 runners-up from competition procedure also hired plus 27 for IT
- 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.
- Cost potential save, upon the new hires by replacing the outsourcing personnel
- 1,366,212 new shares were allocated to personnel, through a stock option plan capital increase, by the end of 2007
- 14 Senior management incomers
- Voluntary retirement of initials 132 employees (2008) and 44 employees (2009) out of a target of 176, as a total.
- Voluntary transfer of 61 employees back to other Public Sector Companies (without cost), during 2008-2009
- A fourth group of 848 banking experienced new employees joined the bank in 2009, as a result of an Hellenic Postbank competition procedure and personnel enhancement

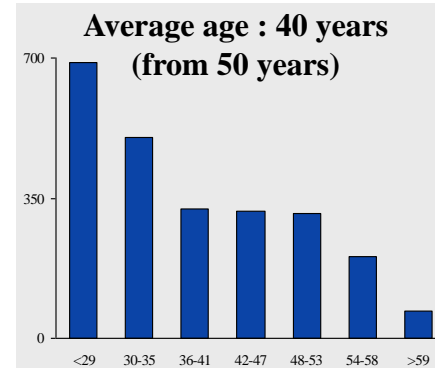
### Facilitated by the hiring of seasoned retail banking executives

- Experienced executive consultants 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.

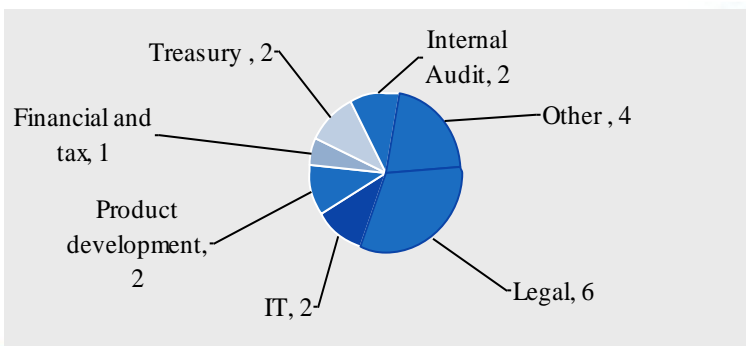
### Planned new hires as a replacement of the existing outsourcing



### Present Position (by age)



### Executive consultants by function



## **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
- Reconciliation system (on a development stage)
- MIS, budgeting and cost allocation (on a development stage)
- Support systems and data warehouse system
- 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)
  - E-banking (on a development stage)

### **Dealing room – BTS VISION**

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

### **Cost Control System (on a development stage)**

- Cost allocation unit
- General and analytical ledger
- Payments have sufficient budget authority and prior verification
- Actual versus budgeted cost follow up

### **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 Hellenic Postbank's PROFITS users

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

## Hellenic Post Bank: targeting growth and profitability

### Identifying the potential

- Wide distribution network with 145 self owned branches
- 247 ATM service point network (in progress last 59 ATM's)
- Additional 843 sales points through Hellenic Post branches
- Large depositor client base
- Historical position in mortgage lending
- High liquidity
- Strong capital / low cost base
- New integrated IT whole banking system
- 2.554 group employees out of which 1.136 with graduate degrees (215 with post-graduate degrees)

### Preparing infrastructure to capture it

- Asset side composition restructuring
- Enriching product palette with simple, honest and profitable products
- Investment portfolio risk decrease
- Strengthening of the relationship with Hellenic Post
- Exploitation of the strong customer base in cross selling activities
- Support the new brand name recognition through effective advertisement campaigns
- Full implementation of the new integrated banking IT system
- Risk Management System establishment (in 2009-2010)
- Cost Control System establishment (in 2009-2010)
- Continuous personnel training and motivation
- Reconciliation system (in 2010)
- Lateral hires of senior executives
- Gradual replacement of 399+81 (runners-up)+27(IT) outsourced personnel with permanent employees (completed in 2008)
- Capital structure optimization and increase
- Reorganization of internal procedures (completed in 2008-2009)
- Full compliance to the regulatory environment
- Organization chart improvement (completed in 2008)

### Targeting future

- Retail loan portfolio controlled growth
- Expansion to the Corporate bond loans market
- Establishment of cross selling activity
- Effective liquidity management
- Increase of client base penetration
- Increase market share in deposits
- Achieving recurring business profitability
- Maintain sufficient liquidity
- Introduce of new banking business areas (i.e. bank assurance, custody, personal banking)

## Supporting Business Plan Realization

### Real asset growth

- Controlled Increase loans / deposits ratio
- Mortgages driving portfolio growth
- Decrease of Investments portfolio risks

### Diversification of income

- Declining share of investment driven trading income
- Growing NII and fee income
- Effective liquidity management
- Expansion to new business areas

### Maintain cost leadership

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

### Targeting

- Enrichment of profitability from the recurring activities
- Continuing growth from product expansion through our own and Post Office network utilization
- Best liquidity utilization
- Capital adequacy
- Market opportunities exploitation

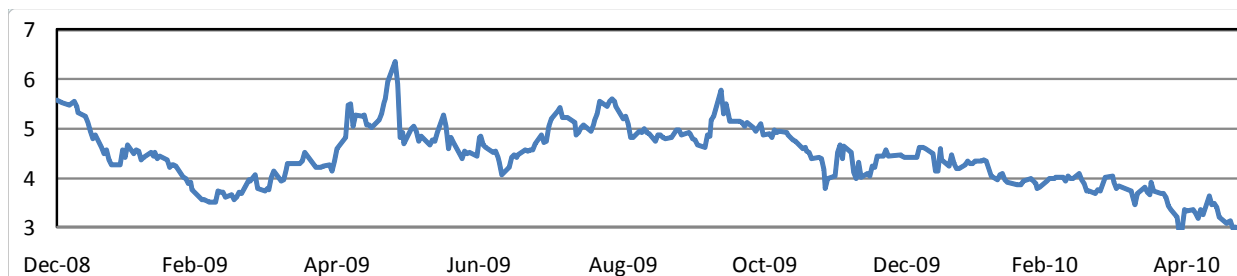
## Stock Data

Common Shares outstanding	284,465,964
Preferred Shares (from 25/05/2009)	60,800,000
Price (27/05/2010)	3.03 Euro
Market capitalization	861.93 mil. Euro
Performance (from 01/01/2010)	-31.60%

### Postbank Shareholder Structure

■ Greek State	34.04%
■ Greek Post Office	10.00%
■ Greek Institutions	20.08%
■ Foreign Institutions	7.87%
■ Other Individuals	26.80%
■ Own Shares	1.21%

### Hellenic Postbank Stock Performance



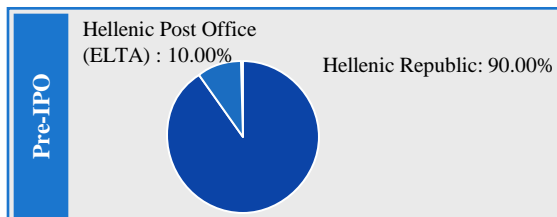
Stock Symbols	
ATHEX	TT
Bloomberg	GPSr.AT
Reuters	TT GA



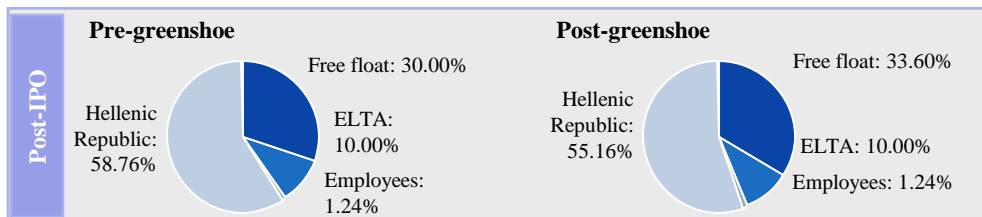
## IPO details (May 2006)

Key offering terms	Comments
Issuer	■ Hellenic Postbank
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	■ 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 Hellenic Post Office (ELTA) pre-IPO to strengthen exclusive product distribution agreement
Shares	■ Ordinary shares
Lock-up	■ 180 days for Hellenic Republic, Hellenic Postbank and Hellenic Post Office (ELTA)
Use of proceeds	■ 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



### Share Capital Increase details (May 2009) – Preferred Shares

#### Key offering terms    Comments

Issuer	■ Hellenic Postbank
Listing	■ Not listed
Distribution	■ Hellenic Republic (Preferred shares)
Shares	■ 60,800,000 preferred shares of nominal value of 3.70 Euros per share
Use of proceeds	■ Law 3723/2008 for liquidity enhancement due to the international credit crisis
Completed Date	■ May 25, 2009

### Share Capital Increase details (July 2009) – Common Shares

#### Key offering terms    Comments

Issuer	■ Hellenic Postbank
Listing	■ Athens Stock Exchange
Distribution	■ Domestic retail offering (ordinary shares)
Shares	■ 142,232,982 ordinary registered shares of nominal value of 3.70 Euros per share
Use of proceeds	■ Strengthen capital base
Pricing Date	■ July 13, 2009
Local Consultants	■ Piraeus Bank S.A. , Investment Bank of Greece S.A.(Marfin Group)

## Geographical distribution of the TT HELLENIC POSTBANK stores

### Prefecture of Attika: 56 stores

Agia Varvara, Agia Paraskevi, Agios Dimitrios, Agios Anargyroi, Athens center (74), Egaleo, Marousi, Vrynes, Gaietsi, Chysada (2), Dafni, Hefisina, Zografos (7), Loupou, Iliou, Kessariani, Kallithea, Keratsini, Kifissia, Korydallios, Koropi, Koukaki, Megara, Menidi, Morfotou, Nea Erythraia, Nea Ionnia, Nea Smyrni, Nea Filadelfeia, Nikka (2), Paleo Falero, Papagou, Piraeus center (3), Peristeri, Petroupoli, Halandri, Halargos, Psyhiko

### Prefecture of Thessaloniki: 17 stores

Agia Triada, Ambelokipi, Thessaloniki, Andigonidon, Ana Toumba, Vaxi, Iraklio (Thessaloniki), Dionisiou, Erossinos, Kalamaria, Thessaloniki central, Leftos Pyrgos, Neapoli, Depo Thessaloniki, Polhmis, Railway station, Stavroupoli, Toumba, Harilaou

### Prefecture of Etoiakarnanias: 3 stores

Agrinio, Messologgi, Nafpaktos

### Prefecture of Argolida: 2 stores

Argos, Nafplio

### Prefecture of Ahaia: 4 stores

Greek Patras army, Gouman Av. Patras, Patras

### Prefecture of Viotia: 2 stores

Thiva, Livadia

### Prefecture of Evolia: 2 stores

Aliveri, Halkida

### Prefecture of Ilia: 2 stores

Amaliada, Pyrgos

### Prefecture of Iraklio: 5 stores

Alkarnassos, Iraklio Kitiis, Moires, Square Koraka Irakliou, Poros, Irakleiou

### Prefecture of Ioannina: 2 stores

Ioannina, Lambrou Tzavella square

### Prefecture of Corfu: 2 stores

Georgiou Theotoki Corfu, Corfu

### Prefecture of Kozani: 2 stores

Kozani, Ptolemaida

### Prefecture of Korinthia: 2 stores

Korinthos, Loutraki

### Prefecture of Lasithia: 2 stores

Agiou Nikolaou, Ierapetra

### Prefecture of Magnisia: 2 stores

Volos, Nea Ionnia Volou

### Prefecture of Pelli: 2 stores

Giannitsa, Edessa

### Prefecture of Fthiotida: 2 stores

Lamia, Betheras square

### Prefecture of Chania: 2 stores

Chania, Chania B'

### 1 store in each of the following cities

Alexandroupoli, Amfissa, Argostoli, Arta, Veroia, Grevena, Drama, Zakynthos, Igoumenitsa, Kavala, Kalamata, Karditsa, Karpenissi, Kastoria, Katerini, Killis, Komotini, Larissa, Lefkada, Milini, Ksanthi, Poligirgos, Preveza, Rethimno, Rhodes, Samos, Serres, Sparta, Syros, Trikala, Tripoli, Florina, Chios



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# 1<sup>st</sup> Quarter 2010 Results Presentation May, 2010