

# Greek Postal Savings Bank



**First Half 2006 Results Presentation**

**September 5, 2006**

# First Half 2006 Results Presentation - Agenda

*Our vision is to create the preferred financial services provider by offering value products to Greece's working class*

Postal Savings Bank at Glance  
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Balance Sheet Highlights  
Robust Revenue Growth  
Expense Growth in Line with Expectations  
Asset Development in Banking Activities  
Loan Portfolio Development  
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# Postal Savings Bank at a Glance

€mm	IFRS			Growth 'Dec 05-Jun 06
	Dec-04	Dec-05	Jun-06	
<b>Basic Financials</b>				
Loans	2,044	3,013	3,991	32.5%
Total assets	10,913	11,565	11,426	(1.2)%
Deposits and repos	9,275	9,954	10,230	2.8%
Shareholders' equity	1,168	865	826.5	(4.4%)
Total operating income	256.8	296.4	223.2	32.8%
Net income	132.0	122.5	80.0	51.3%
<b>Financials Ratios</b>				
Loans / Deposits	22.21%	30.58%	39.51%	
NII / Assets	2.2%	2.1%	2.1%	
ROA	1.21%	1.06%	1.40%	
ROE	11.3%	14.2%	19.4%	
Cost / Income	31.7%	43.0%	44.9%	
Provisions / Gross Loans	0.20%	0.63%	0.49%	
NPL / Gross Loans	0.14%	0.22%	0.36%	
Capital adequacy	21.5%	13.1%	13.3%	

Source: IFRS financial accounts as of June 30, 2006

Note: Ratios calculated on ending balances



# Income Statement Highlights

€mm	First Half 05	First Half 06	% growth	Q2 05	Q2 06	% growth
Net Interest Income	114.7	120.5	5.1%	56.5	58.4	3.4%
Net fee and commission income	2.2	10.4	365.2%	1.7	9.6	474.9%
Trading income	(14.2)	81.5	N/A	(21.5)	(1.4)	N/A
Dividend income	3.4	3.5	3.5%	3.1	3.0	(0.7)%
Other operating income	4.9	7.2	47.9%	2.4	4.2	76.6%
<b>Total operating income</b>	<b>111.0</b>	<b>223.1</b>	<b>101.0%</b>	<b>42.2</b>	<b>73.9</b>	<b>75.2%</b>
Personnel expenses	26.1	34.6	32.5%	12.9	18.1	40.9%
Administrative expenses	21.1	38.1	81.0%	10.2	22.3	119.2%
Depreciation	2.4	4.4	87.3%	1.2	2.3	87.6%
Other operating expenses	6.1	23.1	280.1%	3.0	12.4	308.9%
<b>Operating expenses</b>	<b>55.6</b>	<b>100.2</b>	<b>80.3%</b>	<b>27.3</b>	<b>55.1</b>	<b>102.0%</b>
Provisions for loan losses	7.0	19.9	186.9%	4.2	11.5	172.3%
Tax	9.1	23.0	151.5%	1.8	1.3	(28.8)%
<b>Net income</b>	<b>39.3</b>	<b>80.0</b>	<b>103.4%</b>	<b>8.8</b>	<b>5.9</b>	<b>(32.9)%</b>
<b>Earnings Per Share</b>	<b>0.24</b>	<b>0.57</b>	<b>137.5%</b>	<b>0.05</b>	<b>0.04</b>	<b>(20.0%)</b>
Calculated on Number of Shares						

Source: IFRS financial accounts as of June 30, 2006

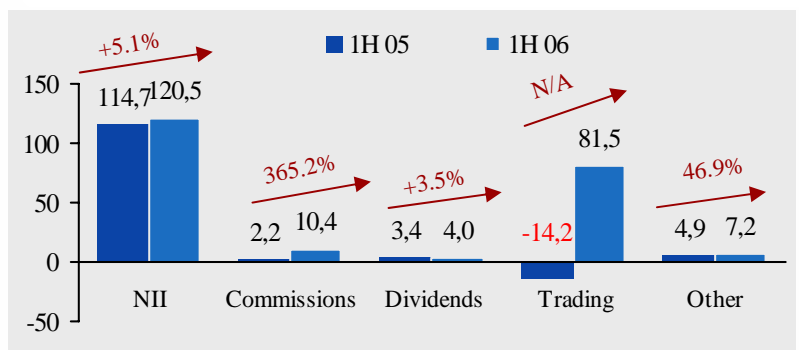
## Balance Sheet Highlights

€mm	Dec-05	Jun-06	% growth
<b>Assets</b>			
Cash and balances with CB	191.3	306.3	60.2%
Claims on credit institutions	1,249.3	597.3	(52.2)%
Loans and advances to customers	3,013.3	3,991.1	32.5%
Derivative Investments	0.8	12.5	N/A
Trading portfolio	1,593.1	1,415.4	(11.2)%
Available for sale	4,618.9	4,263.6	(7.7)%
Held to maturity	491.8	491.0	(0.2)%
Property, plant and equipment	110.8	111.2	0.5%
Deferred tax assets	36.2	24.6	(32.0)%
Other assets	259.1	212.9	(17.8)%
<b>Total assets</b>	<b>11,564.6</b>	<b>11,425.9</b>	<b>(1.2)%</b>
<b>Liabilities</b>			
Due to credit institutions	0.0	100.0	100%
Due to customers	9,953.8	10,230.3	2.8%
Derivative instruments	66.6	9.9	(85.1)%
Deferred tax liabilities	67.7	35.7	(47.5)%
Other liabilities	611.4	223.6	(47.1)%
Shareholders' equity	864.9	826.5	(4.5)%
<b>Total equity and liabilities</b>	<b>11,564.6</b>	<b>11,425.9</b>	<b>(1.2)%</b>

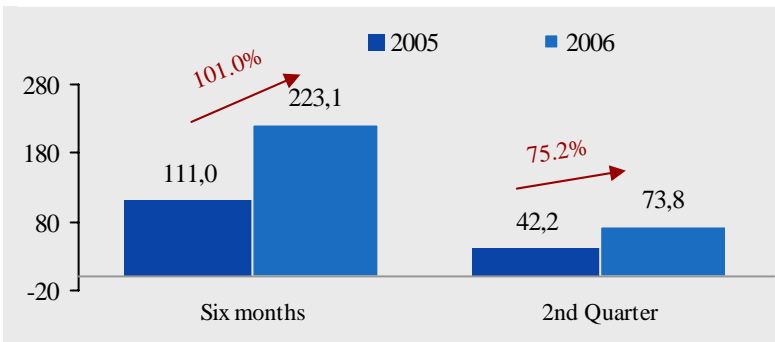
Source: IFRS financial accounts as of June 30, 2006

# Robust Revenue Growth

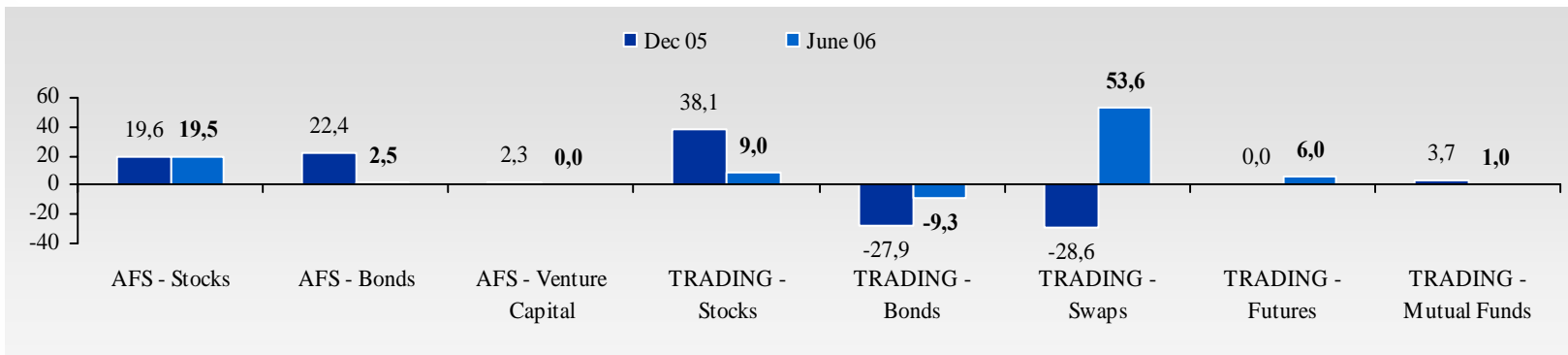
## Revenue Growth (€mm)



## Total Operating Income (€mm)



## Trading Income (€mm)



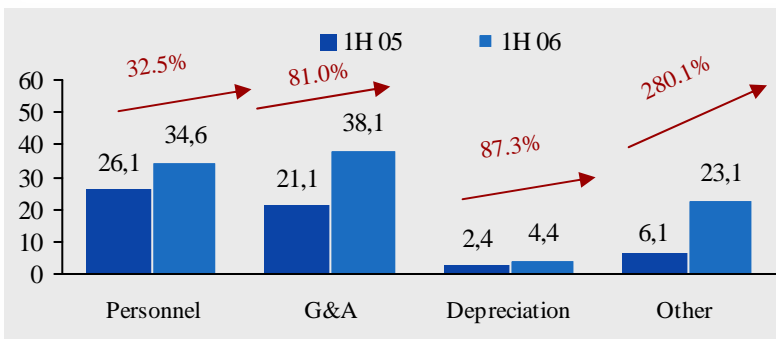
Source: IFRS financial accounts as of June 30, 2006



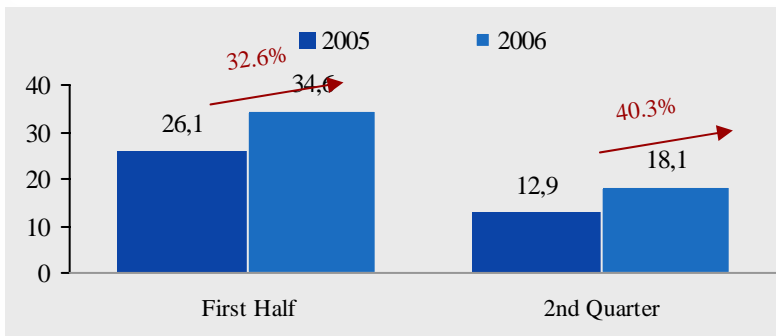


# Expense Growth in Line with Expectations

## Operating Cost (€mm)



## Personnel Expenses (€mm)



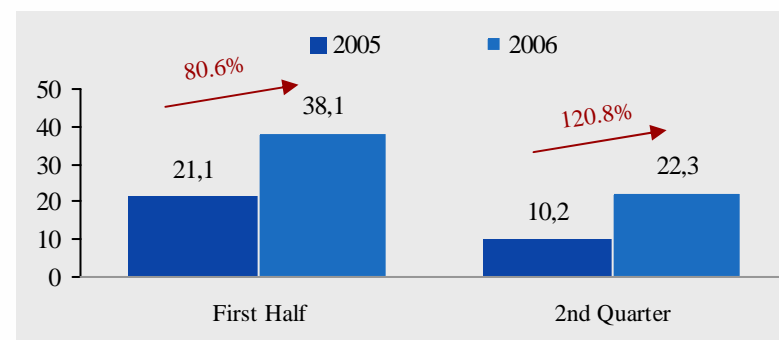
Source: IFRS financial accounts as of June 30, 2006

Non recurring expenses, (included in June 30, 2006 results)

- New IT System implementation expenses, €1,22m
- Consulting/auditing/listing expenses/e.t.c. expenses, related to the IPO, €2.38m
- Personnel overtimes, due to the IPO & new IT System implementation, €2,11m
- Personnel training & traveling expenses, due to the new IT System implementation, €1,08m
- Personnel outsourcing, related to the business increase, €1,15m
- V.A.T. expense related to the above expenses, €0,63m
- Initial contribution to the Deposits Guarantee Fund, €20,32.

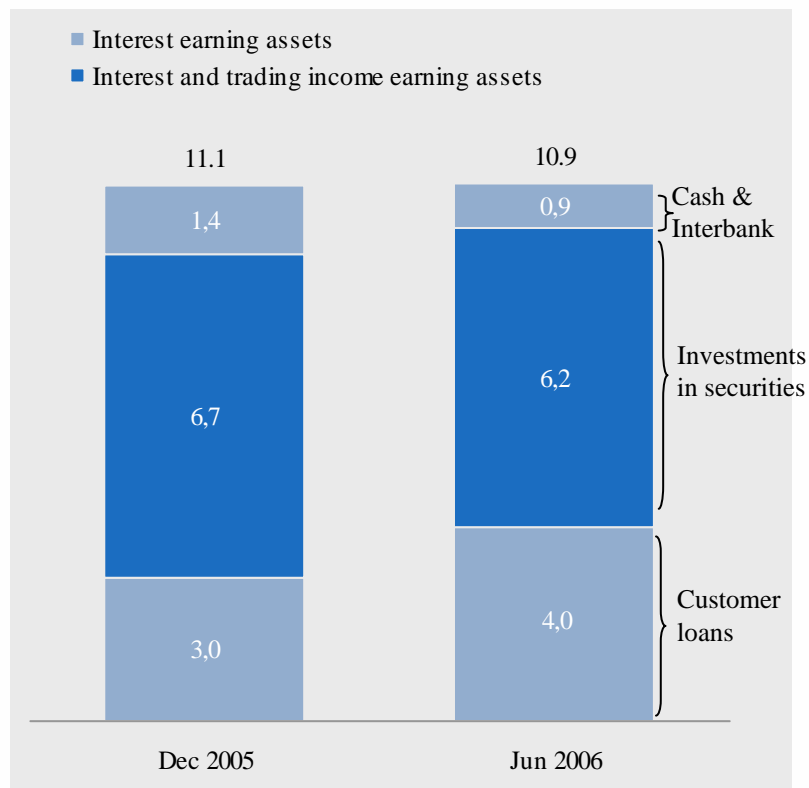
Total one off items for 1H 2006, €28,89m, which are projected to rise up to €33,49m by the end of the year 2006.

## G&A Expenses (€mm)



# Asset Development in Banking Activities

## Asset Breakdown of Postal Savings Bank (€bn)

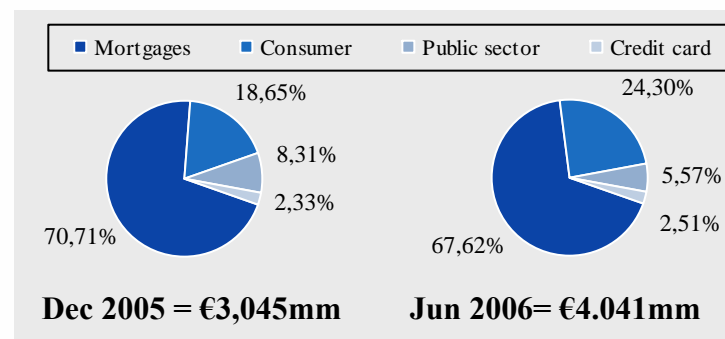


Source: IFRS financial accounts as of June 30, 2006

Asset Site restructure continuous

- Customer Loans increased by 32.5%
- Investment in securities decreased by 7.8%
- Cash & Interbank decreased by 37.2%

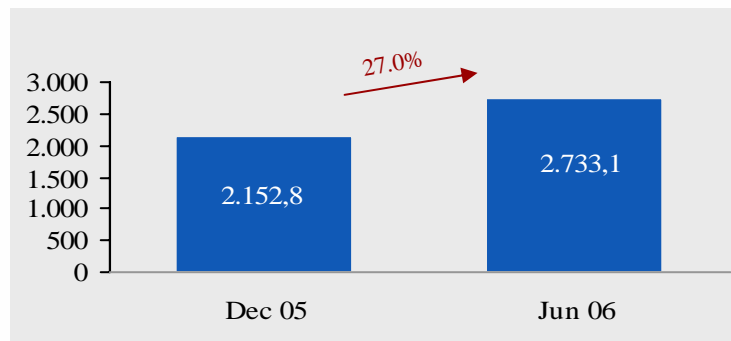
## Gross loan portfolio segmentation (%)



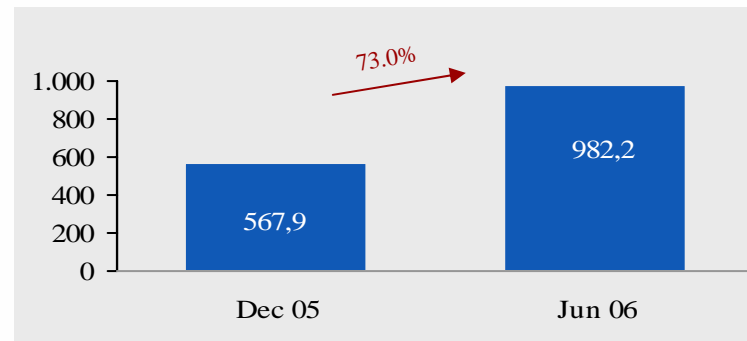


# Loan Portfolio Development

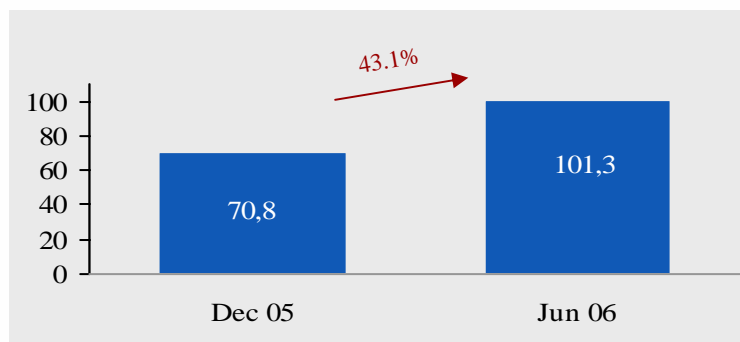
## Mortgages (€mm)



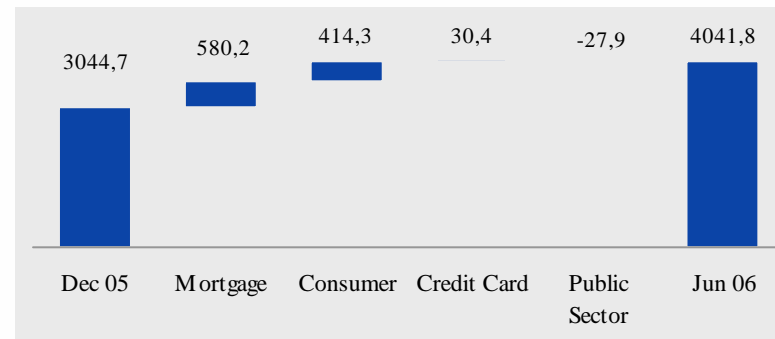
## Consumer Loans (€mm)



## Credit Cards (€mm)



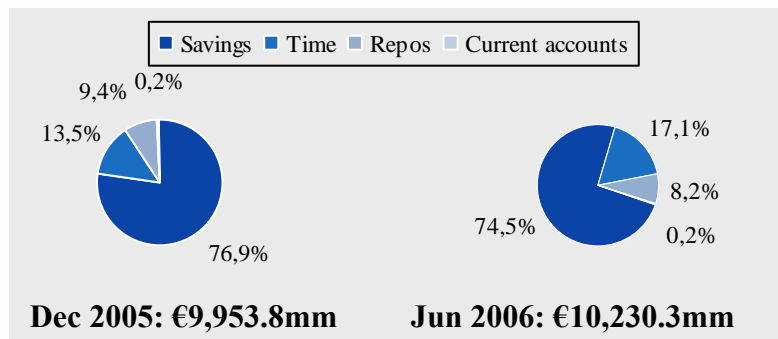
## Gross loan portfolio development (€mm)



Net increase in balances  
Source: IFRS financial accounts as of June 30, 2006

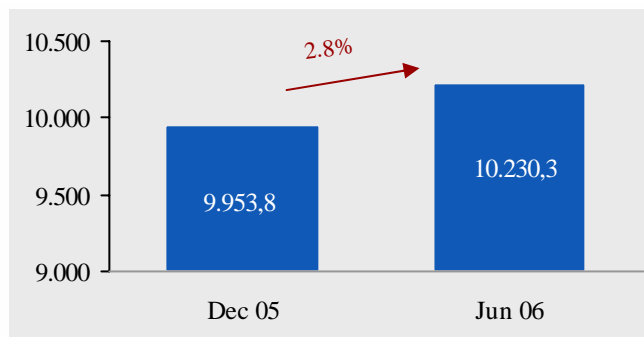
# Deposit Base Remains Solid

## PSB deposit segmentation (%)

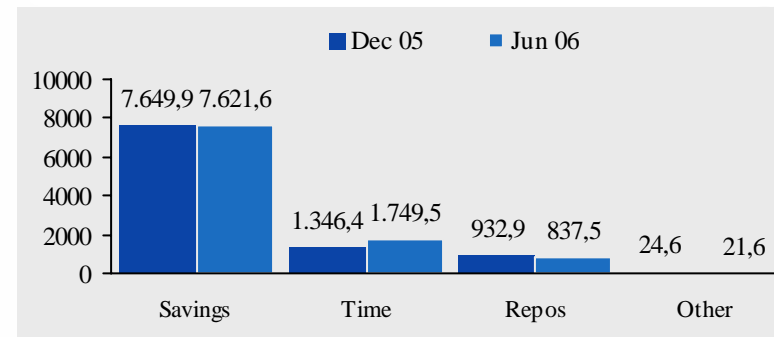


- Non-aggressive Deposits increase 2.8% to 10,230.3 mil Euro at June 30, 2006 from 9,953.8 mil Euro at year end 2005
- Approximately 2.8 million active accounts
- No reprising during ECB rate hikes

## Deposit development (€mm)



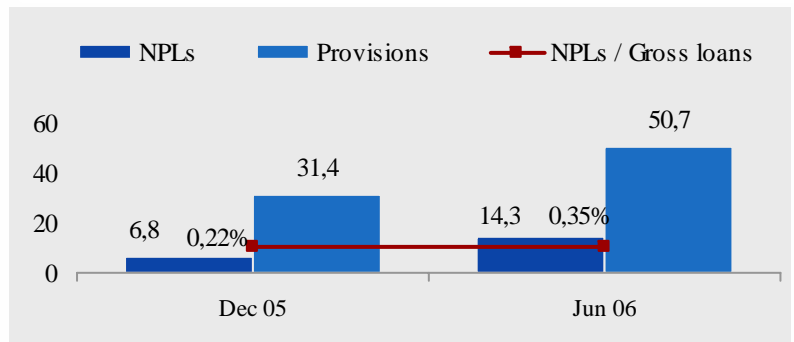
## Deposits by Type (€mm)



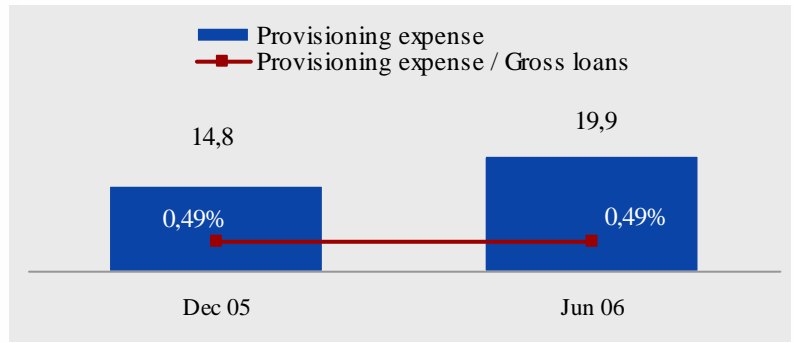
Source: IFRS financial accounts as June 30, 2006

# Strong Asset Quality

## NPLs (€mm)

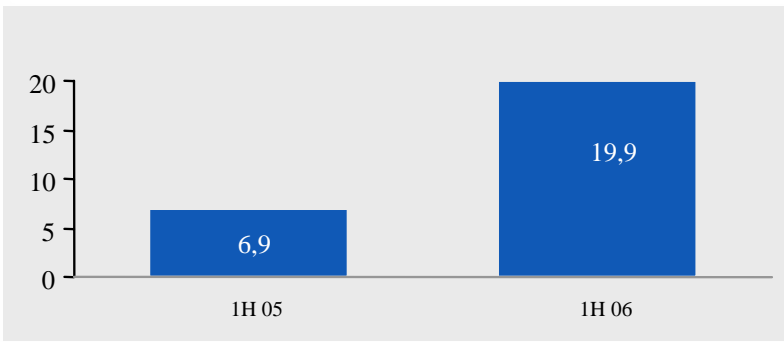


## Provisions coverage overview (€mm)



- PSB has very low NPL levels with NPL ratio of 0.35% as of June 30, 2006.
- Excessive accumulated provisions with NPL coverage ratio at more than 350%
- Provisions are calculated according to the BOG regulations for the minimum reserve requires

## Provisions coverage overview (€mm)



Source: IFRS financial accounts as of June 30, 2006



# Main Drivers Update

## ■ Marketing Campaign

The Greek Postal Savings Bank continued its marketing effort on enhancing the bank's corporate profile. Marketing expenses came in at 2.6 mil Euro as of June 30 of 2006, up 56.8% from the first six months of 2005, a trend expected to continue for the rest of the year. The marketing effort under way is evaluated favourably given the PSB's continued growth of banking operations.

## ■ New Hires

A first group of 150 new employees is expected to join the bank during October 2006, and the second group of approximately 500 new employees is expected in early 2007.

## ■ Successful IPO

The company concluded its Initial Public Offering in June 2006, and was listed in the Athens Exchange. A total of 49,080,000 were offered, out of which 60% to foreign investors and 40% to domestic investors.

## ■ New IT System

The implementation of the new IT system is at its final stage, and is expected to be operational in last quarter 2006.



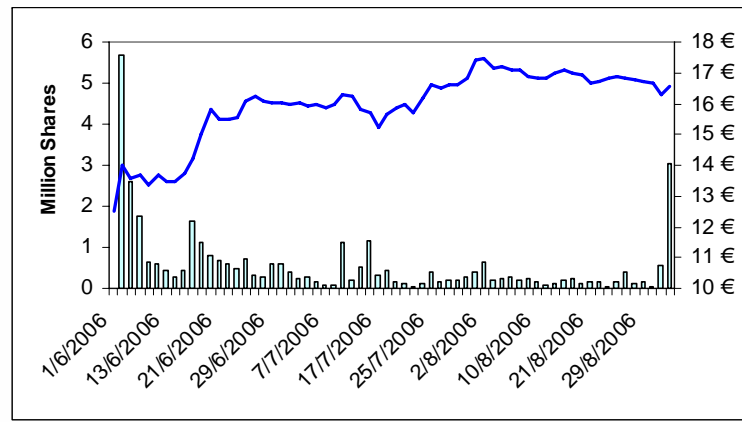
# Stock Data

<b>Shares outstanding</b>	<b>140,866,770</b>	<b>Stock Symbols</b>	
<b>Price (4/9/2006)</b>	<b>16.60 Euro</b>	<b>ATHEX</b>	<b>TT</b>
<b>Performance (from 6/6/2006)</b>	<b>32.8%</b>	<b>Bloomberg</b>	<b>GPSr.AT</b>
<b>Market capitalization</b>	<b>2,338.4 mil Euro</b>	<b>Reuters</b>	<b>TT GA</b>
<b>Average Daily Trading volume</b>	<b>1,291,274</b>		

## PSB Shareholder Structure

- **Greek State**                    **55.16%**
- **Greek Post Office**           **10.00%**
- **Greek Institutions**           **2.92%**
- **Foreign Institutions**       **18.52%**
- **Other Retail**                    **13.40%**

## PSB Stock Performance



# Contacts

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