



# ANNUAL BULLETIN

Drafted pursuant to Decision No. 7/372/15.2.2006 of the Board of Directors of the Capital Market Commission,  
including updated data as of 31.12.2007

ATHENS, APRIL 2008



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**1**

# **Consolidated Financial Statements of ATEbank as at 31 December 2007**



# Board of Director's Report

## BOARD OF DIRECTOR'S REPORT

*During 2007, Greek banks acted in a favorable, still slightly aggravating economic environment, due to the deceleration of the international growth rate, which has been influencing Greek economy, by the end of the year. As a result, the growth rate of Greek economy relatively receded to 3.6%, in the last quarter of 2007, which led to an average real growth rate of 4.0%, in 2007, versus 4.2%, in 2006.*

*Additionally, since August 2007, the crises of the American financial markets, due to the high risk mortgage loans impact, ended up to an increase in interest rates, at the international markets, in the cost of money, as well as in the write offs of a part of the assets of some American and European financial groups, which had negative repercussions on their profits and stock prices.*

*Despite the relevant aggravation of the international financial environment, Greek banks have generally increased their profitability, during 2007, due to the continuous dynamic increase in the domestic market of financial goods and services and especially loans, for one more year, their expansion in the markets of southeastern Europe and in the region of Eastern Mediterranean, the realization of non recurrent profits, their satisfactory liquidity and finally their non-exposure to financial products, associated with the high risk mortgage loans. It must be noted, though, that especially by the end of the second quarter of 2007, Greek banks performed in an environment of increasing interest rates and particularly deposit rates, which contributed to the increase in the cost of money and the decrease in interest margins.*

*In this framework, during 2007, ATE Bank continued its efforts to reinforce its presence in the domestic market, by providing new products and services and by accelerating the realization of the program of network expansion in Attica and Thessalonica, according to which 7 new branches operated. Also, it continued to improve the efficiency and profitability of the Group, to improve the bank's technical infrastructure, by completing the construction of the new EDP Centre, to expand in the Balkan region by increasing the share capital of ATEBANK Romania and its participation in the increase in the share capital of AIKBANKA Serbia and finally to minimize its participation in non financial companies, by starting the selling procedure of Rodopi S.A. and Etanal S.A., which will be accomplished by the 4th of February 2008.*

*As a result, the Group attained a high profitability and improved its financial ratios.*

*In particular:*

### **ATEbank Group**

*The after tax profits and minority interests totaled € 241.4 million, on 31/12/2007, increased by 28.1%, as compared to 2006. This can be attributed to the increase in operating income by 8.1%, the associate profit share by 123.8%, the reduction of tax by 26.0%, despite the increase in the operating expenses by 6.5% and the impairment losses by 27.6%.*

*The increase in the operating income by € 71.7 million, which amounted to € 950.7 million is attributed to the increase in income from investments (€ 36.7 million), in net trading income (€ 29.3 million), in net fee and commission income (€ 4.0 million), while the increase in net interest income (€ 14.1 million) was relatively limited, due to the increase in interest expense (€ 131.1 million), as a result of the increase in deposit rates, according to the policy of the bank to maintain its competitive position in the deposits market and support its liquidity.*

## Board of Director's Report

Total assets of ABG Group amounted to € 24,273.3 million, increased by 13.3%, while loans and advances to customers, after writing off loans amounting to € 461.4 million and before deducing provisions, amounted to € 17,764.0 million, increased by 19.1%. This increase is attributed to the rise in loans to the public sector by € 1,207.2 million or 30.4%, mortgage loans by € 1,049.1 million or 26.0%, loans to enterprises by € 392.0 million or 15.3% (27.9% before provisions), consumer loans by € 240.4 million or 45.9%, credit cards by € 35.8 million or 13.1% (22.3% before provisions) and SME's by € 30.6 million or 3.5%. On the other hand, there was a reduction in agricultural loans by € 125.4 million or 5.4%, due to the increased payments at the end of the year.

Group's deposits to customers totaled € 20,630.0 million, increased by 14.0%, due to the increase in time deposits, including repos) by € 1,617.9 million or 34.4%, sight deposits by € 714.9 million or 43.2%, saving deposits by € 171.3 million or 1.5% and current accounts by € 36.5 million or 22.1%.

Total shareholders' equity of the Group amounted to € 1,521.1 million, increased by €125.3 million or 9.0 %, mainly due to after tax profits and minority interests, which totaled € 245.9 million.

The positive financial results of ATE group, in 2007, are depicted in the improvement of its financial ratios:

- ROA amounted to 1.09%, versus 0.93%, in 2006
- ROE amounted to 17.36% after minority interests (16.94% before deducing minority interests), versus 15.45% (15.20% before deducing minority interests), in 2006, respectively.
- % NPL's was reduced to 7.08%, versus 10.76% the previous year.
- Operating expenses to operating income improved to 59.75%, versus 60.65% while,
- NIM was reduced to 3.24%, versus 3.37% the previous year, due to the increase in interest expenses.

Regarding its social role, ATE Group contributed to the direct support of the fire afflicted areas, in 2007, by providing them with a financial aid, amounting to € 2,500,000, at the "Special fund of contingency cases", offering its services to the residents of the afflicted areas, through its network, not only during the week but on Saturdays, as well, so as the public subsidy to be promptly distributed to the afflicted and forage to be directly handed out to the stock breeders of these regions.

The positive financial results of the group were mainly formed by the expansion of ATEbank's activities and its increased profitability, which was strengthened by the promotion of new products in the retail banking sector, the improvement of the quality of its loan's portfolio, the more efficient management of its funds and the retention of its operating cost.

### **ATEbank**

The profitability of the bank, on 31/12/2007 reached € 211.1 million, posting an increase by € 49.7 million or 30.8%, as compared to 2006. This increase is attributed to the increase in operating income by € 63.2 million, the reduction of taxes by € 23.1 million or 28.7%, despite the increase in provisions by €18.8 million or 31.4% and operating expenses by € 17.9 million or 3.9%. The increase in operating income is due to the increase in income from investments by € 38.2 million or 86.2%, in net trading income by € 29.3 million or 205.2% and in net fee and commission income by € 1.9 million or 2.9%. On the other hand, net interest income decreased by €4.6 million or 0.8%, due to the increase in interest expense, as a result of the increase in deposit rates, according to the policy of the bank to maintain its competitive position in the deposit market and support its liquidity.

## Board of Director's Report

*The business priorities set by the Group's Administration, for 2008, are:*

- *The further reinforcement of the Bank's capital adequacy, through the restructuring of its assets and by the issuance of a bond loan, according to AGBG 2587/2007.*
- *The further improvement of the bank's share in the market of mortgage loans, and its significant increase in the market of consumer loans, credit cards and SME's, as well as the attraction of new "big customers".*
- *The retention of its share in deposits market by increasing the percentage of low cost deposits.*
- *The further improvement of the quality of its loans and the further reduction of the index of non performing loans and provisions for bad loans, at market levels.*
- *The attempt to minimize its participation in non efficient investments, in consolidated subsidiaries and affiliates.*
- *The expansion of its banking activities in the countries of S.E. Europe.*

*As a result of the improvement of ATEbank's profitability and according to its dividend policy, the BoD decided to propose the distribution of a € 0.10 dividend per share, at the General Meeting of the Shareholders, for the fiscal year 2007, in which the interim dividend, that was paid in December 2007, according to the BoD's decision of 21/11/2007, amounting to € 0.05 per share, versus € 0.09 for the fiscal year 2006, is included.*

*The Chairman of the Board of Directors  
Dimitrios Miliakos*



# Explanatory Report

## **EXPLANATORY REPORT** TO THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF AGRICULTURAL BANK OF GREECE SA IN ACCORDANCE WITH ARTICLE 11 (A) OF LAW 3371/2005

This explanatory report of the Board of Directors to the Ordinary General Meeting of the Bank's Shareholders contains detailed information with regard to the issues under Article 11 (a) paragraph (1) of Law 3371/2005, as it is effective today.

### **I. Structure of the Bank's share capital**

The Bank's share capital stands at six hundred fifty one million nine hundred nineteen thousand nine hundred ninety nine euros and sixty eight cents (EUR 651 919 999.68) and is divided into nine hundred five million four hundred forty four thousand four hundred forty four (905 444 444) ordinary nominal shares with a face value of seventy two cents (EUR 0.72) each".

The Bank's shareholders rights deriving from the Bank's shares are proportional to the capital percentage corresponding to the fully paid value of each share. Each share provides all the rights provided for by the Law and the Bank's Articles of Incorporation, and more specifically:

- the right to dividend from the Bank's annual profits or profits at liquidation. 35% of the net profit of each period after deducting only the statutory reserve, is distributed to shareholders as a first dividend, while an additional dividend may be distributed if so decided by the General Meeting. All shareholders whose particulars appear in the Shareholder Register kept by the Bank on the date on which dividend beneficiaries are determined, are entitled to dividends. The dividend of each share is paid within two (2) months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and terms of payment are communicated in the Press. The right to receive dividend payments is written off and the respective sum goes to the Greek Government after 5 years have elapsed from the close of the year in which the General Meeting approved such dividend distribution;
- the right to withdraw the contribution at the time of liquidation or respectively of the capital amortization corresponding to each share, if so decided by the General Meeting;
- the right of preemption at each increase of the Bank's share capital in cash and the taking of new shares;
- the right to receive a copy of the financial statements, of the report of chartered auditors and of that of the Bank's BoD;
- the right to participate in the General Meeting, which includes the following individual rights: right to authorize, attend, participate in debates, submit suggestions with regard to the items on the agenda, record opinions in the minutes and vote;
- The General Meeting of the Bank's Shareholders retains all its rights during liquidation (in accordance with Article 36 (4) of the Bank's Articles of Incorporation).

Shareholder liability is limited to the face value of the shares they hold.

### **II. Restrictions to the transfer of the Bank's shares**

The Bank's shares are transferred according to the Law and no restriction are set to their transfer by the Articles of Incorporation, given that they are dematerialized shares listed in the ASE.

## Explanatory Report

### **III. Considerable direct or indirect holdings in the sense of Presidential Decree 51/1992**

The Greek Government holds, direct and indirect (through DEKA) as the Bank's shareholder, 77.31% of its overall number of shares.

### **IV. Shares granting special control rights**

There are no shares providing their holders with special control rights.

### **V. Restrictions to the right to vote**

No provision is made in the Bank's Articles of Incorporation for restrictions to the right of vote arising from its shares.

### **VI. Agreements of the Bank's shareholders**

It is not known to the Bank if there are any agreements among its shareholders imposing restrictions to the transfer of its shares or to the exercising of the rights to vote arising from such shares.

### **VII. Rules for appointing and replacing BoD members and modifying the Articles of Incorporation**

The rules provided for in the Bank's Articles of Incorporation on the appointment and replacement of BoD members and the amendment to its Articles of Incorporation are not different than those provided for in Codified Law 2190/1920, as it is effective.

### **VIII. BoD authorization to issue new or buy treasury shares**

BoD in accordance with Article 29, paragraph 3, Law 2190/1920 is authorized from the General Meeting of shareholders, as long as the last forms a quorum of 2/3 of fully paid capital stock, for the implementation of their decision relative with the increase of capital stock.

In accordance with the provisions of Article 16 of Law 2190/1920, as it is effective after modifications, BoD may, after approbation of the General Meeting of shareholders, acquire treasury shares through the ASE up to 10% of the Banks' shares.

### **IX. Significant agreements that enter into force, are modified or expire as a result of audit change following a public proposal**

There are no agreements that enter into force, modified or expire as a result of change of the control of the Bank after a public proposal

### **X. Agreements with members of the Board of Directors or the Bank's personnel**

There are no agreements between the Bank and members of its Board of Directors or its personnel providing for the payment of compensation in case of resignation or dismissal on no serious grounds or termination of term or employment as a result of a public proposal.

On behalf of the Bank's BoD

**Mr. Dimitrios Miliakos**  
**BoD Chairman**

# Independent Auditors' Report



**KPMG Kyriacou**  
3 Stratigou Tombra Street  
Aghia Paraskevi  
GR – 153 42 Athens Greece



**BAKER TILLY HELLAS**

Certified Public Accountants-  
Consultants A.E.  
396, Messoghion Avenue  
153 41 Aghia Paraskevi  
SOEL Reg.No: 148

## **INDEPENDENT AUDITORS' REPORT**

(TRANSLATED FROM THE ORIGINAL IN GREEK)

To the Shareholders of  
ATE BANK A.E.

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of ATE BANK A.E. (the Bank ) which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and the fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards, which are harmonized with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independent Auditors' Report

### Opinion

In our opinion, the consolidated Financial Statements give a true and fair view, of the consolidated financial position of the Bank as of 31 December 2007, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

### Report on Other Legal and Regulatory Requirements

The Board of Director's report is consistent with the consolidated Financial Statements.

Athens, 4 March 2008

KPMG Certified Auditors A.E.

Baker Tilly Hellas A.E.

Nick Vouniseas  
Certified Auditor Accountant  
AM SOEL 18701

Ioannis Kalogeropoulos  
Certified Auditor Accountant  
AM SOEL 10741

# Consolidated income statement

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	Note	1/1 -31/12/2007	1/1 -31/12/2006
Interest and similar income		1.011.236	866.108
Interest expense and similar charges		(396.326)	(265.249)
<b>Net interest income</b>	<b>7</b>	<b>614.910</b>	<b>600.859</b>
Fee and commission income		107.520	99.134
Fee and commission expenses		(23.024)	(18.595)
<b>Net fee and commission income</b>	<b>8</b>	<b>84.496</b>	<b>80.539</b>
Net trading income	<b>9</b>	45.532	16.242
Net gain/(loss) on disposal of non-trading financial instruments	<b>10</b>	83.604	46.947
Dividend income	<b>11</b>	26.887	25.773
Other operating income	<b>12</b>	95.239	108.646
<b>Operating income</b>		<b>950.668</b>	<b>879.006</b>
Impairment losses	<b>13</b>	(79.948)	(62.670)
Operating expenses	<b>14</b>	(568.048)	(533.141)
<b>Operating profit</b>		<b>302.672</b>	<b>283.195</b>
Share of profit of associates		13.990	6.255
<b>Profit before tax</b>		<b>316.662</b>	<b>289.450</b>
Income tax expense	<b>15</b>	(70.731)	(95.652)
<b>Profit after tax</b>		<b>245.931</b>	<b>193.798</b>
Attributable to:			
<b>Equity holders of the Bank</b>		<b>241.413</b>	<b>188.419</b>
<b>Minority interest</b>		<b>4.518</b>	<b>5.379</b>
Basic and diluted earnings per share (expressed in Euro per share)	<b>16</b>	0,27	0,21

The Consolidated Financial Statements on pages 1 to 57 have been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union and have been approved by the Board of Directors as of 4 March 2008 and are signed by:

The Governor

The Deputy Governor

The Head of Finance Department

Dimitrios Miliakos

Vasilios Drougkas

Christos Stokas

The accompanying notes (pages from 5 to 57) are an integral part of these consolidated financial statements.

# Consolidated balance sheet

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	Note	31/12/2007	31/12/2006
<b>Assets</b>			
Cash and balances with the Central Bank	17	1.206.251	947.172
Loans and advances to banks	18	715.100	1.316.540
Trading securities	19	539.609	579.135
Derivative financial instruments	20	45.788	20.358
Loans and advances to customers	21	16.744.440	13.512.244
Available-for-sale securities	22	1.492.316	1.538.704
Held-to-maturity securities	23	1.216.632	1.279.610
Investments in associates	24	185.631	149.759
Investment property	25	174.765	186.175
Property, plant and equipment	26	514.611	492.393
Intangible assets	27	32.568	35.410
Deferred tax asset	28	325.557	393.037
Other assets	29	1.080.075	963.702
<b>Total assets</b>		<b>24.273.343</b>	<b>21.414.239</b>
<b>Liabilities</b>			
Deposits from banks	30	850.545	151.028
Deposits from customers	31	20.630.039	18.089.296
Derivative financial instruments	20	12.867	49.592
Provision for employee benefits	32	54.869	334.579
Other liabilities	33	402.117	412.056
Subordinated loans	34	195.141	394.973
Insurance reserves	35	606.707	586.910
<b>Total liabilities</b>		<b>22.752.285</b>	<b>20.018.434</b>
<b>Equity</b>			
Share capital	36	651.920	651.920
Treasury shares		(8.319)	(8.320)
Share premium		94.231	94.714
Reserves	37	283.551	384.613
Accumulated surplus / (deficit)		439.112	209.538
<b>Equity attributable to the Bank's equity holders</b>		<b>1.460.495</b>	<b>1.332.465</b>
Minority interests		60.563	63.340
<b>Total equity</b>		<b>1.521.058</b>	<b>1.395.805</b>
<b>Total equity and liabilities</b>		<b>24.273.343</b>	<b>21.414.239</b>

The accompanying notes (pages from 5 to 57) are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	Share capital	Treasury shares	Share premium	Reserves	Accumulated surplus / (deficit)	Minority interests	Total
<b>Balance at 1/1/2006</b>	<b>1.729.399</b>	<b>(33.291)</b>	<b>95.275</b>	<b>381.386</b>	<b>(1.000.868)</b>	<b>51.506</b>	<b>1.223.407</b>
Profit for the period 1/1 - 31/12/2006	0	0	0	0	188.419	5.379	193.798
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	90.142	0	(2.218)	87.924
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(26.063)	0	0	(26.063)
Deferred tax on entries recognized directly to equity	0	0	(561)	0	0	0	(561)
Dividends paid	0	0	0	0	(63.381)	(466)	(63.847)
Transfer to reserves	0	0	0	(61.757)	61.757	0	0
Purchases and percentage variation of group participation	0	0	0	(1.474)	312	9.139	7.977
Exchange differences	0	0	0	2.379	0	0	2.379
(Purchases) / sales of treasury shares	0	24.971	0	0	(8.908)	0	16.063
Share capital reduction	(1.032.207)	0	0	0	1.032.207	0	0
Share capital return	(45.272)	0	0	0	0	0	(45.272)
<b>Balance at 31/12/2006</b>	<b>651.920</b>	<b>(8.320)</b>	<b>94.714</b>	<b>384.613</b>	<b>209.538</b>	<b>63.340</b>	<b>1.395.805</b>
Profit for the period 1/1 - 31/12/2007	0	0	0	0	241.413	4.518	245.931
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	41.508	0	(1.436)	40.072
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(66.413)	0	0	(66.413)
Deferred tax on entries recognized directly to equity	0	0	(483)	0	0	0	(483)
Transfer to reserves due to distribution	0	0	0	(68.845)	68.845	0	0
Entries recognized directly to equity	0	0	0	0	140	0	140
Dividends paid	0	0	0	0	(81.490)	(1.227)	(82.717)
Purchases and percentage variation of group participation	0	0	0	1	666	(3.385)	(2.718)
Exchange rate differences	0	0	0	(7.313)	0	(1.247)	(8.560)
(Purchases) / sales of treasury shares	0	1	0	0	0	0	1
<b>Balance at 31/12/2007</b>	<b>651.920</b>	<b>(8.319)</b>	<b>94.231</b>	<b>283.551</b>	<b>439.112</b>	<b>60.563</b>	<b>1.521.058</b>

The accompanying notes (pages from 5 to 57) are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	31/12/2007	31/12/2006
<b>Operating activities</b>		
Profit before tax	316.662	289.450
<b>Adjustment for:</b>		
Depreciation and amortization	35.679	39.648
Impairment losses	79.948	62.670
Changes in provisions	(29.084)	(9.869)
Change in fair value of trading investments	(25.413)	(14.685)
(Gain)/loss on the sale of investments, property and equipment	(156.985)	(68.838)
<b>Changes in operating assets and liabilities</b>		
Net (increase)/decrease in loans and advances to banks	565.885	1.067.225
Net (increase)/decrease in trading securities	77.302	(235.100)
Net (increase)/decrease in loans and advances to customers	(3.323.626)	(1.069.805)
Net (increase)/decrease in other assets	(80.554)	(18.552)
Net increase/(decrease) in deposits from banks	699.517	(104.384)
Net increase/(decrease) in deposits from customers	2.540.743	493.247
Net increase/(decrease) in other liabilities	(483.665)	69.690
<b>Cash flows from operating activities</b>	<b>216.409</b>	<b>500.697</b>
<b>Investing activities</b>		
Acquisition of intangible assets, property and equipment	(66.930)	(114.582)
Proceeds from the sale of intangible assets, property and equipment	28.375	25.384
(Purchases)/Proceeds of held to maturity portfolio	62.978	109.377
(Purchases)/Sales of available for sale portfolio	103.734	(130.925)
Dividends received	22.885	21.742
Purchases of subsidiaries and associates	(23.642)	(105.028)
<b>Cash flows from investing activities</b>	<b>127.400</b>	<b>(194.032)</b>
<b>Financing activities</b>		
Share capital return - Dividends paid	(82.717)	(108.653)
Proceeds/(Purchases) of treasury shares	1	16.063
<b>Cash flows from financing activities</b>	<b>(82.716)</b>	<b>(92.590)</b>
Effect of exchange rate changes on cash and cash equivalent	(2.014)	(838)
<b>Net increase/(decrease) in cash flows</b>	<b>259.079</b>	<b>213.237</b>
Cash and cash equivalents at 1 January	947.172	733.935
<b>Cash and cash equivalents at 31 December</b>	<b>1.206.251</b>	<b>947.172</b>

The accompanying notes (pages from 5 to 57) are an integral part of these consolidated financial statements.

# Notes of the Consolidated Financial Statements

## 1. GENERAL INFORMATION

The Agricultural Bank of Greece's Group, "the Group" provides primarily financial and banking services to individuals and businesses. At the same time it also holds an important presence in the industrial sector.

The Group's parent company is the Agricultural Bank, (the Bank or ATE), which was founded in 1929 while its shares have been listed in the Athens Stock Exchange in 2000 and are included in the FTSE 20 Index (index for Large Capitalization Companies).

The Bank's registered office is at 23 Panepistimiou Str. in the municipality of Athens. The duration of the Bank is 100 years, that is until 2091 which can be extended by decision of the shareholders in a general meeting. The purpose of the Bank, according to the Article of Association is to provide banking services on its own behalf, on behalf of third parties, that contribute to the modernization and growth of the economy and more specifically the agricultural sector.

The Group besides the mother company includes the following subsidiary companies:

(Amounts in thousand Euro)

Name of Subsidiary	Activity	Percentage of Participation	
		31/12/2007	31/12/2006
<b>Financial Sector</b>			
FIRST BUSINESS BANK	Bank	49,00%	49,00%
A.T.E. LEASING A.E.	Leasing	99,91%	99,91%
A.T.E. CARDS A.E.	Credit Cards Management	99,68%	99,69%
A.T.E. A.X.E.P.E.Y.	Brokerage Services	94,68%	94,745%
A.T.E. AEDAK	Mutual Funds Management	92,68%	92,76%
ABG INSURANCE A.E.	Insurance Company	84,08%	84,26%
ATE TECHNIKI PLIROFORIKI	Real Estate	91,42%	91,44%
ATE RENT	Leasing	99,11%	99,12%
A.B.G. FINANCE INTERNATIONAL P.L.C.	Finance	100,00%	100,00%
ATEbank ROMANIA S.A.	Bank	87,21%	69,01%
AIK BANKA	Bank	20,83%	20,66%
<b>Non-Financial Sector</b>			
HELLENIC SUGAR COMPANY	Sugar Production	82,33%	82,33%
SEKAP	Cigarette Production	45,12%	45,12%
DODONI	Dairy Production	67,77%	67,77%
ELVIZ	Feedstuff Production	99,82%	99,82%
RODOPI	Dairy Production	75,41%	75,41%
ETANAL	Pisciculture Management	75,00%	75,00%
ATE ADVERTISING	Advertising	64,88%	64,91%
ATEExcelixi	Educational services	99,20%	-

## Notes of the Consolidated Financial Statements

The Bank has a network of 470 branches in Greece and 13 abroad, 12 of which through the acquisition of the Bank in Romania, ATEbank Romania (former MINDBANK), and 1 in Germany, which offer to the clients a wide range of banking activities. The Bank also has 893 ATMs (Automatic Teller Machines), while 45% of the branches are privately owned.

The Group has 9.547 employees of whom 6.962 in the banking and finance sector.

The term of the 11 membered Bank's Board of Directors, elected by the Shareholders' General Meeting on May 23, 2007 ends in 2010 and as at 31 December 2007, it consists of:

CHAIRMAN (Executive member):	Dimitrios I. Miliakos
VICE CHAIRMAN (Executive member):	Vasilios T. Drougas
VICE CHAIRMAN (Executive member):	Panagiotis N. Varagis
NON-EXECUTIVE MEMBERS:	Grigorios T. Konstantinidis Panagiotis K. Drosos Ioannis N. Katsaounis Vasilios S. Beredimas Ioannis M. Tsagkarakis Grigorios I. Alexiadis
NON-EXECUTIVE INDEPENDENT MEMBERS:	Sotiris A. Revithis Nikolaos K. Balios

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 Statement of compliance

The financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union.

The financial statements were approved by the Board of Directors on 4 March 2008 and are available on the web address [www.atebank.gr](http://www.atebank.gr).

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following financial instruments which are presented at fair value: available for sale financial instruments, trading portfolio financial instruments and derivative financial instruments.

### 2.3 Functional currency

These financial statements are presented in euro, which is the Group's functional currency. Except as indicated, financial information presented in thousands of euro.

# Notes of the Consolidated Financial Statements

## 2.4 Use of estimation and judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Deviations to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

## 3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by ATE Group entities.

### 3.1 Investments in subsidiaries and associates

#### (a) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. In the consolidated financial statements subsidiaries are consolidated according to the method of full consolidation and their financial statements are included from the date that control commences.

#### (b) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are included in the consolidated financial statements on an equity accounted basis.

#### (c) Special purpose entities (SPEs)

Special purpose entities are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of particular assets, or the execution of a specific borrowing or lending transaction. The financial statements of special purpose entities are included in the consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity.

#### (d) Funds management

The Group manages funds as mutual funds and other form of investments on behalf of third parties. The financial statements of those financial institutions are not included in these consolidated financial statements unless the Group owns the funds that manage.

# Notes of the Consolidated Financial Statements

## **(e) Transactions eliminated on consolidation**

Intercompany balances and any gains or losses or income and expenses arising from intercompany transactions, are eliminated in the preparation of the consolidated financial statements. Gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **3.2 Foreign currency transactions**

Transactions in foreign currencies are translated to euro at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized to the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies, that are stated at fair value are translated to euro at the foreign exchange rates ruling at the dates that the values were determined. Foreign exchange differences arising from the valuation of non-monetary assets and liabilities at the end of the year are recognized on profit or loss, except differences arising on the translation of monetary assets and liabilities which constitute part of an investment in a subsidiary operation in another country and the financial instruments as cash flow hedge which are recognized directly in equity.

## **3.3 Foreign entities**

The financial position of all the Group entities that have a functional currency different from the presentation currency is translated into EUR according to the exchange rate prevailing on the balance sheet date of the consolidated financial statements. Profit and loss items are translated into EUR according to the average year exchange rates of the measurement currencies against EUR.

Exchange differences resulting from the translation of the foreign entities financial statements are transferred directly to equity in the currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the income statement.

## **3.4 Interest income and expense**

Interest income and expense is recognized in the income statement as it accrues, taking into account the effective yield of the instrument or the applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the future cash receipts or payments through the expected life of the financial instrument.

Once a financial asset or a group of financial assets has been written off as a result of an impairment loss, account of interest ceases.

# Notes of the Consolidated Financial Statements

## 3.5 Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commission and fees arising from third party transactions, are recognized in the income statement upon the completion of the underlying transaction. Portfolio management fees and other management advisory and service fees are recognized in the income statement according to the applicable service contracts , usually on a proportional basis.

## 3.6 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities as well as derivative instruments and includes gain and losses from the valuation of the trading portfolio at fair value (shares, bonds, derivative instruments etc.) and foreign exchange differences.

## 3.7 Net investment income

Net investment income comprises exclusively gain or losses from the sale of financial instruments that have been categorized as available for sale. The fair value differences of these financial instruments are recognized directly in equity. Foreign exchange differences arising from the valuation of these financial instruments are also recognized in this account. When these investments are sold accumulated gains or losses that have been recognized directly to equity are transferred to the income statement.

## 3.8 Dividend income

Dividend income is recognized in the income statement on the date that the dividend is approved from the appointed bodies of the companies which in most cases is the General Shareholders Meeting. The account includes dividend income from trading portfolio as well as dividend income from investment portfolio.

## 3.9 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

## Notes of the Consolidated Financial Statements

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which tax asset can be utilized. Deferred tax assets are reduced to the extent that it is probable that the related tax benefit will not be realized.

Current tax includes tax that relates to payment of dividend according to the proposal of the Management.

### 3.10 Financial assets

#### Initial Recognition

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

*Financial assets at fair value through profit or loss:* This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges.

*Loans and receivables:* Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money directly to a debtor with no intention of trading the receivable.

*Held-to-maturity investments:* are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the intent and ability to hold to maturity. Were the Group to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

*Available-for-sale investments:* are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, and available-for-sale are recognized at trade date – the date on which the Group commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership.

#### Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

# Notes of the Consolidated Financial Statements

## **Valuation**

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

## **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal enforceable right to offset recognized amounts and the transactions are intended to settle on a net basis.

### **3.11 Impairment of financial assets**

(a) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or a group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- a. significant financial difficulty of the obligor;
- b. a breach of contract, such as a default or delinquency in interest or principal payments;
- c. the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- d. it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- e. observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group; including:
  - adverse changes in the payment status of borrower in the group; or
  - national or local economic conditions that correlate with defaults on the assets in the group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

## Notes of the Consolidated Financial Statements

If there is objective evidence that an impairment loss on financial assets has been incurred, the amount of loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. If a loan or a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralized loan reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effect of conditions in the historical period that do not exist currently.

The methodology and assumptions used of estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience using historical data.

When a loan is uncollectible, it is written-off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

### (b) Assets carried at fair value

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument

## Notes of the Consolidated Financial Statements

classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

### 3.12 Derivative financial instruments and hedging accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contracts is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the items being hedged. The Group designates certain derivatives as either (a) hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge); or (b) hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

*Fair value hedge* – Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

*Cash flow hedge* – The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged items will affect profit or loss.

## Notes of the Consolidated Financial Statements

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting, the changes in the fair value are recognized immediately in the income statement.

### 3.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand and not pledged balances held with the Central Bank with maturities of less than three months from the Balance Sheet date.

### 3.14 Repurchase agreements

The Group enters into agreements for the purchases (sales) of investments and to resell (repurchase) substantially the identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security.

Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale or held to maturity as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase considerations is recognized on an accrual basis over the period of the transaction and is included in interest.

### 3.15 Property, plant and equipment

Land and buildings are used by the Group either for branches or for administrative purposes. All property, plant and equipment is stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method over their expected useful life, as follows:

Buildings	40-70	years
Furniture and other equipment	5-8	years
Machinery	7-14	years
Vehicles	7-9	years

Leasehold improvements are depreciated over either the useful life of the improvement or the duration of the lease whichever is the shorter.

# Notes of the Consolidated Financial Statements

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is higher of the asset's fair value less costs to sell and value in use.

Gain and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income statement.

Certain items of property, plant and equipment that had been revalued to fair value prior to 1 January 2004, the date of transition to IFRSs, are valued on deemed cost. Deemed cost is considered the revalued amount which constitutes the cost of acquisition.

### 3.16 Investment property

Properties held by the Group either to earn rental income, capital appreciation, or both, are classified as investment property. Investment property is accounted for in a similar manner as property, plant and equipment (Note 3.14).

The Group includes as investment property, property acquired resulting from the foreclosure of non-performing customer loans.

### 3.17 Intangible assets

Intangible assets include goodwill arising from the acquisition of subsidiaries as well as software which is stated at cost less accumulated amortisation.

#### (a) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Positive goodwill is a non amortized intangible asset which is assessed on each balance sheet date for impairment.

Negative goodwill is recognised immediately in profit or loss.

Goodwill should be allocated to the cash generating units on the acquisition date. In case that there are difficulties in the immediate allocation of the fair value of assets, this can be postponed but should be performed within twelve months from the acquisition date.

#### (b) Software

Amortization is charged over the estimated useful life, which the Group has defined to three years. Expenditure incurred to maintain software programs is recognized in the income statement of the year. On the contrary expenditure incurred to enhance or improve the performance of the software as well as expenditure incurred for conversion of the software are incorporated in the cost value of the asset under the condition that these can be measured with accuracy.

# Notes of the Consolidated Financial Statements

## 3.18 Leases

### The Group as the lessor

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the present value of the minimum lease payments of the arrangement is presented within loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease loans are subject to the same impairment testing as applied to customer loans and advances as described in note 3.11.

### The Group as the lessee

Lease agreements that the lessor transfers the use of an asset for a predetermined period without transferring the risks and rewards incidental to ownership are classified as operational leases. In this case the Group doesn't recognize the leased assets on the balance sheet. The operational lease payments (lease payments made that correspond to the use of the leased asset free of any incentives given by the lessor) are recognised on the income statement during the life of the contract.

In case where the Group is the lessee under a finance lease, fixed assets under the finance lease are recognised as assets and the respective obligation for the lease payments as a liability on the balance sheet. At the inception of the lease, fixed assets leased under finance leases are recognised on the balance sheet at amounts equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Leased assets are depreciated over their useful life, if it is longer than the lease term, only if it is expected that the ownership of the leased assets will pass to the Group at the end of the lease term. Finance lease payments are apportioned between the capital element and the finance charge.

The capital element is used as a reduction of the outstanding liability and the finance charge at the income statement is allocated to periods during the lease term.

## 3.19 Provisions

A provision is recognized in the balance sheet when the Group has a present legal obligation or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate has been made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

## 3.20 Employee benefits

### (a) Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

# Notes of the Consolidated Financial Statements

## (b) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return of service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on Greek State bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When benefits are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the income statement.

All actuarial gains and losses as at 1 January 2004, the date of transition to IFRSs were recognized. In respect of actuarial gains or losses that arise subsequent to 1 January 2004 in calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized.

## 3.21 Share capital

### (a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax from the proceeds.

### (b) Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability in the period in which they are approved by the shareholders.

### (c) Treasury shares

When share capital recognized as equity is repurchased, the amount of the consideration paid including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction of total equity. Where such shares are subsequently sold or re-issued any consideration is included in shareholders' equity.

## 3.22 Earnings per share

The Group presents basic and diluted earnings per share (EPS) figures for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

# Notes of the Consolidated Financial Statements

## 3.23 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

## 3.24 Insurance Contracts

As of 1<sup>st</sup> January 2005 risk from insurance contracts is segregated according to IFRS 4, and contracts are classified as insurance or investment contracts. The Insurance company of the Group has both life insurance contracts and non-life insurance contracts.

Insurance contracts are defined as those contracts that contain significant insurance risk at the inception of the contract which is transferred from the insured party to the insurance company and the insurance company agrees to indemnify the insured party when a determined doubtful future event occurs that has a negative effect on the insured party.

Premiums from insurance contracts are recognized as revenue (written premium) on a pro rata basis over the related policy duration.

The premiums are reported before the deduction of the related commissions.

### a) Acquisition costs

Commissions and other acquisition costs incurred during the financial period for securing new investment contracts and or renewing existing contracts but which are related to subsequent financial periods are reported in the balance sheet account "Other Assets" and are amortized over the life of the contract.

### b) Insurance reserves

Insurance reserves are the insurance company's net contractual obligations that are originated from the insurance contracts, and include the mathematical reserves, the unearned premium reserves and outstanding claims reserve.

Mathematical reserves contain the life insurance and are the difference created between the present value of the cash obligations that the insurance company has taken up for every life insurance contract and the premiums owed by the policy holder which are payable to the insurance company. This difference is calculated using the approved from the corresponding authority technical base (mortality table, technical interest rate) at the beginning of the contract. If loss is ascertained when the liability adequacy test is performed, extra reserve is charged.

Unearned premium reserves include the ratio of written premiums that relate to future periods.

The outstanding claims reserve incorporates a reserve for incurred but not reported claims to the insurance company at balance sheet date (I.B.N.R.). The calculation of insurance reserves conducted on balance sheet date is in accordance to Law 400/1970 and the relevant decisions of the Ministry of Development.

The change in insurance reserves concerns the increase/decrease in relation to the prior year insurance reserves. The company's portion on the change of insurance reserves is transferred to the income statement and the remaining amount is debited in the reinsurance account according to the reinsurance treaties.

# Notes of the Consolidated Financial Statements

## c) Liability Adequacy Test

At each reporting date a liability adequacy test is performed by the Group's insurance company to ensure the adequacy of the unearned premiums according to IFRS 4. In performing the test current best estimates of future contractual cash flows claims from insurance contracts are used.

Any inadequacy is immediately charged to the income statement increasing the equivalent inadequate reserve.

The company derecognises a financial obligation arising from an insurance contract when its either fulfilled, expired or terminated.

## d) Reinsurance treaties

The benefits resulting for the insurance company from the reinsurance treaties are recognized in the asset account "Receivables from reinsurers". Liabilities to the reinsurers mainly represent the payable reinsurance premiums. The company reviews whether the receivables from the reinsurers have been impaired at the financial statement date and if this is the case it reduces their accounting value and recognizes the impairment loss in the income statement.

## 3.25 Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes and appropriate share of overheads based on normal operating capacity.

## 3.26 New standards

Some of the new standards, amendments and interpretations issued, which are not effective for the financial period ended as at 31 December 2007, and have not been adopted for the preparation of these financial statements are the following:

### **IFRS 8 «Operating segments» Effective for annual periods on or after 1.1.2009.**

This standard introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Group's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Bank's Management in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business segments (note 6).

### **IFRIC 11 IFRS 2 «Bank and Treasury Shares Transactions» Effective for annual periods on or after 1.3.2007**

Requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments are obtained. IFRIC 11 will become mandatory for the Group's 2008 financial statements, with retrospective application required. It is not expected to have any impact on the Group's financial statements.

## Notes of the Consolidated Financial Statements

### **IFRIC 12 «Service Concession Arrangements» Effective for annual periods on or after 1.1.2008**

Provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12, which becomes mandatory for the Group's 2008 financial statements, is not expected to have any effect on the financial statements.

### **IFRIC 13 «Customer loyalty programs» Effective for annual periods on or after 1.1.2009**

Addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programs for their customers. It relates to customer loyalty programs under which the customer can redeem credits for awards such as free or discounted goods or services. It is not expected to have any impact on the Group's financial statements.

### **IFRIC 14 – IAS 19 «The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction» Effective for annual periods on or after 1.1.2008**

Clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also addresses when a minimum funding requirement might give rise to a liability. IFRIC 14 will become mandatory for the Group's 2008 financial statements, with retrospective application required. The Group has not yet determined the potential effect of the interpretation.

### **Revised IAS 23 «Borrowing Costs» Effective for annual periods on or after 1.1.2009**

Revised IAS 23 removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly to attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Group's 2009 financial statements and will constitute a change in accounting policy for the Group.

### **Amendment of IAS 1 «Presentation of financial statements» Effective for annual periods on or after 1.1.2009**

The adoption of this standard by the European Union and the Group will affect the presentation of financial statements.

### **Amendment of IAS 27 «Consolidated and Separate Financial Statements» and IFRS 3 «Business Combinations» Effective for annual periods on or after 1.7.2009**

The main changes from the amended standards refer to changes in ownership interests, non-controlling interests (should absorb the total losses incurred attributable to their interest) and costs incurred by the acquirer during the acquisition (they should be expensed).

The adoption of this standard by the European Union and the Group will affect the presentation of financial statements.

# Notes of the Consolidated Financial Statements

## Amendment of IFRS 2 «Share based payments» Effective for annual periods on or after 1.1.2009

Rules for measuring the grant date fair value of the share-based payments are clarified together with the accounting treatment in the cases that a failure to meet the conditions is arisen.

The Group is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

## Amendment of IAS 32 «Financial instruments: Presentation» Effective for annual periods on or after 1.1.2009

Financial instruments that otherwise meet the definition of financial liability but also contain the right for the holder to put them back to issuer, under specific conditions, are classified as equity.

The Group is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

## 4. RISK MANAGEMENT

This note provides details of the Group's exposures to risks and describes the methods used by management to control risk. The most important types of financial risk to which the Group is exposed are credit risk, liquidity risk, market risk, operational risk and insurance risk.

Operational activity and profitability of the Group are directly conjunct with financial risk management.

The risk management framework of the Group has been determined in compliance with the Bank Of Greece directive 2577/06 and is shortly presented as below:

The **Board of Directors** has overall responsibility for the establishment of the Group's risk management framework and has established the **Assets and Liabilities Committee** (ALCO) and the **Risk Management Committee**.

The **Risk Management Committee** is responsible for developing and monitoring the Group's management policies as set by the Bank Of Greece directive 2577/06.

Within the Bank's Internal Audit system's framework, the **Risk Management Department** operates as an independent unit, which through the directions of the Risk Management Committee and the Board of Directors, has the responsibility for planning, implementation and overseeing the effectiveness of the risk management system. Risk management controls and procedures are succumbed to the **Internal Audit Department** regular supervisions and reviews.

The overview and monitoring of Financial instruments risks such as Credit, Liquidity, Currency, Market and Operational are constantly evolved and improved.

Risk management policies and systems are reviewed on annual basis, in order to reflect changes in offering products, market prospects and international conditions.

# Notes of the Consolidated Financial Statements

## 4.1 Credit risk

The Group takes an exposure to credit risk, which is the risk that a counterparty will be unable to pay an amount in full when due. The Group's overall exposure to credit risk, is influenced mainly results from the approved credit limits and financing of corporate and retail credit, from the Group's investment and transaction activities, from trading activities in the derivative markets, as well as from the settlement of financial instruments. The level of risk associated with any credit exposure depends on various factors, including the general economic and market conditions prevailing, the debtors' financial condition, the amount, the type, and duration of the exposure, as well as the presence of any collateral/security (guarantees).

For more effective risk management, the development of standard procedures is implemented, which is analyzed according to international practice in the following three steps:

- Assessment and determination of credit risk on an higher level. This procedure is related with the Group's overall estimation and measurement of exposure to credit risk on all financial instruments, as well as the determination of the accepted level of credit risk undertaken.
- Assessment and measurement of credit risk on the client's assessment and approval level. This procedure concerns the determination of risk in the financing activities on a daily basis, and is performed by the authorized client Departments of the Group (Branches and Divisions).
- Credit risk monitoring during the contractual financing. This procedure is related with the assurance of proper fulfilling or taking the right measures in case of defaulting on the client's contractual financing obligations.

The Group sets the undertaken credit risk level by determining acceptable credit risk limits which are approved by decisions of the Group's related authorized Departments.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these credit limits where appropriate.

For credit risk management, the Group has applied a credit rating model, which consists of 11 grades, which correspond to the different levels of credit risk, the collateral/security or any other guarantees.

The basic principles of the Group's credit risk management are:

- Every financing should be approved by the Bank's related authorities (General Loan Meeting, Central Client Department Meeting, Head of Central Client Department, Branch).
- Every financing approval should be made under the evaluation of the customer's creditworthiness and risk assessment.
- The total financing amount approved by the unit, should not exceed the monthly credit risk level set for the unit.
- Every material change in financing such as duration, collateral or general term in the initial contract, should be approved by the Group's relevant authority level.

## Notes of the Consolidated Financial Statements

- The Central Client Departments apply strictly the financing procedures manual and internal directives, in order to make their approvals. Internal directives report the procedures which should be applied for issues such as credit limits per customer, credit risk limits, customer evaluation based on a criteria total, collateral/security evaluation, etc.
- Counterparty's approval of credit limits and lines of credit management, should be consistent with the Group's credit risk policies as well as with the regulatory framework requirements.

### 4.1.1 Credit risk measurement

#### Loans and advances

Credit risk of loans and advances consists of the following risks:

- Counterparty risk
- Collateral/security risk
- Product risk

Basic factor of the financing approval procedure, constitutes the evaluation of the customer's creditworthiness and the credit risk assessment derived from this financing.

For customers' creditworthiness evaluation, as mentioned above, an 11th-grade credit rating model is applied under the new credit risk management framework of procedures and monitoring the customers' behavior.

The model initially set on 2000, is on line with the Group's main Information Technology system and is constantly evolved and improved on an annual basis.

There are different methods of scoring the customers' creditworthiness according to the grade in which they are included:

- Agricultural credit Scoring
- Private credit Scoring
- Small and medium sized entities credit Scoring
- Entities credit Scoring

The credit scoring methods constitute evaluation standards of the customers' creditworthiness, which assess information of the customers' initial claim and their behavior thereafter (mixed standards). The Group, is expected to develop more creditworthiness standards for the retail credit in Group basis, both for application scoring and behavioral scoring.

The credit scoring methods are used for financing assessment which is included in the corporate portfolio of the Group and are segregated according to the type and the size of the firm.

According to the scoring method applied, the customer's scoring is combined with the probability of defaulting on his contractual obligations and the expected loss of the non performing loan is calculated.

## Notes of the Consolidated Financial Statements

The calculation of the expected loss is presented on a real time on-line system and is based on the estimation of the probability of defaulting on the customer's contractual obligations, on collateral/security, on duration and on other transaction characteristics.

### **Other credit risk products**

For the credit risk estimation of other financial products (besides loans and advances), mainly, external ratings from international rating agencies are used. According to the product type, other factors such as the country risk, the existence of any collateral/security, the transaction characteristics, are taken into account.

### **4.1.2 Credit risk monitoring and management**

#### **a) Limits**

The Group has applied credit limits in order to manage and control its credit risk exposure and concentration. Specifically, monthly credit limits per financing approval unit have been set, and their monitoring is applied on a real time on-line system through the internal credit rating model. The overall credit risk limit is a result of the combined calculation of the counterparty's creditworthiness and the existence and quality of collateral/security which reduce the undertaken credit risk level.

Credit risk limits are revaluated on an annual or more often basis and the amount balances along with the customers' behavior are closely monitored by the Group's account officers.

In order to manage and control the credit risk derived from financing in the corporate, agricultural and private sector, personal guarantee limits according to the counterparties' creditworthiness have been applied.

Apart from that, credit limits according to the counterparties' credit lines ratings, against exposure to financial institutions or countries, have been applied.

Additionally, the credit risk of the Group, is controlled through the implementation of limits on daily positions on financial instruments.

#### **b) Risk mitigation techniques**

The Group, in order to minimize the overall credit risk undertaken, requires collateral/security, specifically when the counterparty's creditworthiness is not well, or when it is estimated that the financing or credit limit amount exceeds the personal guarantee limit every time set.

Specific directions and orders concerning acceptable collateral/security have been issued and applied, and their valuation is carefully calculated at the time of approval but also with constant revaluations according to the type of collateral/security. The value which is accounted and calculated in order to minimize the level of risk assumed, is reduced by a specific ratio (haircut), which differs according to the type of collateral/security and is applied in order to offset the value impairment risk in case of mandatory liquidation of the Group's claims as well as any probable litigation fees.

## Notes of the Consolidated Financial Statements

Collateral/security undertaken include the following main categories:

1. Mortgages on real estate property
2. Pledged
  - Deposits
  - Cheques
  - Stocks
  - Bonds or other financial instruments
  - Mutual fund shares
3. Bank letters of guarantee
4. Assignments of claims against quality certifications

### 4.1.3. Stress test

Stress tests scenarios are used for the calculation of changes in the estimated loss and capital adequacy of the Group in case of extreme financial / market conditions, for better risk management purposes.

The Group according to the Bank of Greece Directives systematically runs annual credit risk **stress testing exercises**. Moreover, credit risk stress testing exercises for extreme financial / market conditions have been run, the results of which have been taken into account for the calculation of the final amount of allowance for uncollectibility.

### 4.1.4. Allowance for uncollectibility policies

The Group applies allowance for uncollectibility policies which aim to the estimation of an adequate amount of allowance which offset the expected loss of uncollectibility. The internal grade credit rating model is used for the estimation of allowance for uncollectibility. Allowance for uncollectibility overall exceeds the minimum regulatory required, as set by the Bank of Greece Decree 2442/99. Apart from the above, the Group when required, estimates collectively provisions against risks which are not specifically determined.

The tables below present the Group's maximum exposure to credit risk as at 31.12.2007 and 31.12.2006 concerning loans and advances to customers, loans and advances to banks and investment securities, without the calculation of any collateral/security or other guarantees and according to their credit scoring. The credit lines are based on their carrying amount.

## Notes of the Consolidated Financial Statements

### a) Loans and advances to customers

(Amounts in thousand Euro)

Grade		31/12/2007		31/12/2006	
		Loans and advances to customers	Allowance for uncollectibility	Loans and advances to customers	Allowance for uncollectibility
<i>Neither past nor impaired</i>					
A1-A3	Acceptable risk	3.417.036	0	2.475.115	0
B1-B3	Low-fair-risk	3.903.709	0	3.304.297	0
Γ1-Γ2	Mid-fair risk	2.082.362	0	1.601.880	0
Δ1	High-fair risk	1.328.399	0	1.114.420	0
E1	Watch list	381.477	0	300.936	0
Z1	Impaired	19.428	0	8.962	0
<b>Total</b>		<b>11.132.411</b>	<b>0</b>	<b>8.805.609</b>	<b>0</b>
<i>Individually impaired</i>					
A1-A3	Acceptable risk	1.123.399	(8.163)	838.497	(3.432)
B1-B3	Low-fair-risk	1.207.780	(32.234)	1.082.332	(27.468)
Γ1-Γ2	Mid-fair risk	1.047.602	(106.893)	882.616	(73.408)
Δ1	High-fair risk	753.800	(36.756)	682.979	(143.455)
E1	Watch list	807.069	(172.910)	792.065	(237.463)
Z1	Impaired	680.560	(661.531)	1.027.669	(916.690)
<b>Total</b>		<b>5.620.210</b>	<b>(1.018.487)</b>	<b>5.306.158</b>	<b>(1.401.916)</b>
<i>Collectively impaired</i>					
A1-A3	Acceptable risk	47.057	(594)	20.250	(691)
B1-B3	Low-fair-risk	38.360	(440)	14.610	(478)
Γ1-Γ2	Mid-fair risk	4.901	(71)	764	(26)
Δ1	High-fair risk	0	0	0	0
E1	Watch list	475	(7)	0	0
Z1	Impaired	60	(1)	0	0
<b>Total</b>		<b>90.853</b>	<b>(1.113)</b>	<b>35.624</b>	<b>(1.195)</b>
<i>Past due but not impaired</i>					
A1-A3	Acceptable risk	89.673	0	84.593	0
B1-B3	Low-fair-risk	152.256	0	119.765	0
Γ1-Γ2	Mid-fair risk	197.616	0	141.732	0
Δ1	High-fair risk	189.362	0	125.786	0
E1	Watch list	187.937	0	182.561	0
Z1	Impaired	103.722	0	113.527	0
<b>Total</b>		<b>920.566</b>	<b>0</b>	<b>767.964</b>	<b>0</b>
<i>Past due comprises</i>					
30-90 days		306.876	0	216.901	0
90-180 days		85.471	0	74.082	0
180 days+		528.219	0	476.981	0
<b>Total</b>		<b>920.566</b>	<b>0</b>	<b>767.964</b>	<b>0</b>
<i>Renegotiations</i>		1.375.768	0	1.527.713	0
<b>Total</b>		<b>17.764.040</b>	<b>(1.019.600)</b>	<b>14.915.355</b>	<b>(1.403.111)</b>

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### b) Loans and advances to banks

(Amounts in thousand Euro)

Grade		31/12/2007		31/12/2006	
		Loans and advances to banks	Allowance for uncollectibility	Loans and advances to banks	Allowance for uncollectibility
<i>Neither past nor impaired</i>					
A1-A3	Acceptable risk	715.100	0	1.316.540	0
B1-B3	Low-fair-risk	0	0	0	0
F1-F2	Mid-fair risk	0	0	0	0
Δ1	High-fair risk	0	0	0	0
E1	Watch list	0	0	0	0
Z1	Impaired	0	0	0	0
<b>Total</b>		<b>715.100</b>	<b>0</b>	<b>1.316.540</b>	<b>0</b>

### c) Investment securities

(Amounts in thousand Euro)

Grade		31/12/2007		31/12/2006	
		Investment securities	Provision for impairment	Investment securities	Provision for impairment
<i>Neither past nor impaired</i>					
A1-A3	Acceptable risk	1.541.559	0	1.672.236	0
B1-B3	Low-fair-risk	299.957	0	268.194	0
F1-F2	Mid-fair risk	11.475	0	14.900	0
Δ1	High-fair risk	5.815	0	6.816	0
E1	Watch list	0	0	0	0
Z1	Impaired	0	0	0	0
<b>Total</b>		<b>1.858.806</b>	<b>0</b>	<b>1.962.146</b>	<b>0</b>

## Notes of the Consolidated Financial Statements

### Impairment of loans and advances to banks and customers and investment securities

Impaired loans and investment securities are those for which the Group considers that the counterparty will not be able to meet interest and capital repayment of his contractual obligations.

### Past due but not impaired

Loans and investment securities of which interest and capital repayment are past due, while the Group asserts based on the existed collateral/security and the time due, that there is no need for an allowance for uncollectibility record.

### Renegotiations

This category includes loans the terms of which have been renegotiated due to the counterparty's financial adverse and remain to this category whether they are thereafter performed or not.

### Allowance for uncollectibility

Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk

Allowance for uncollectibility consist of the allowance for loans and advances which are assessed on an individual basis as material, and of the allowance for loans and advances which are included in categories with similar credit risk characteristics and are collectively assessed.

### Write offs

The Group writes off a loan or an investment security when it is asserted as uncollectible or due to the counterparty's adjective financial adverse in fulfilling his contractual obligations, or when the collateral/security liquidation amount is not adequate for the repayment of his contractual remaining obligation. The Group continues the monitoring of its write-offs for the case of potential recovery.

The Group undertakes collateral/security or and guarantees against its customers' credit risk, reducing the overall credit risk and assuring the on time repayment of its claims. The fair value of collateral/security and guarantees is revaluated regularly. The accepted collateral/security and the respective fair value per category is presented in the table below:

## Notes of the Consolidated Financial Statements

(Amounts in thousand Euro)

	31/12/2007		31/12/2006	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
<b>Against neither past due nor impaired</b>				
1. Property	7.868.015	0	6.616.528	0
2. Cheques-Cash	131.448	0	135.115	0
3. Debt securities-Equity	20.207	0	49.908	0
4. Other	922.152	0	649.671	0
5. Sovereign guarantees	6.567.208	0	7.313.708	0
6. Machinery	82.563	0	158.054	0
<b>Total</b>	<b>15.591.593</b>	<b>0</b>	<b>14.922.984</b>	<b>0</b>
<b>Against individually impaired</b>				
1. Property	1.635.740	0	1.365.515	0
2. Cheques-Cash	135.893	0	107.365	0
3. Debt securities-Equity	138.088	0	69.665	0
4. Other	328.827	0	335.175	0
5. Sovereign guarantees	223.396	0	562.033	0
6. Machinery	77.060	0	101.027	0
<b>Total</b>	<b>2.539.004</b>	<b>0</b>	<b>2.540.780</b>	<b>0</b>
<b>Against collectively impaired</b>				
1. Property	403	0	10.168	0
2. Cheques-Cash	0	0	0	0
3. Debt securities-Equity	0	0	0	0
4. Other	2.050	0	2.964	0
5. Sovereign guarantees	0	0	0	0
6. Machinery	881	0	3.098	0
<b>Total</b>	<b>3.334</b>	<b>0</b>	<b>16.230</b>	<b>0</b>
<b>Against past due but not impaired</b>				
1. Property	1.145.714	0	902.550	0
2. Cheques-Cash	5.384	0	5.548	0
3. Debt securities-Equity	43.866	0	11.013	0
4. Other	79.534	0	90.410	0
5. Sovereign guarantees	195.418	0	1.108.454	0
6. Machinery	20.616	0	19.980	0
<b>Total</b>	<b>1.490.532</b>	<b>0</b>	<b>2.137.955</b>	<b>0</b>
<b>Total</b>	<b>19.624.463</b>	<b>0</b>	<b>19.617.949</b>	<b>0</b>

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The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

### (Amounts in thousand Euro)

	Loans and advances to customers		Loans and advances to banks		Available for-sale - securities		Held-to-maturity securities	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Concentration by sector</b>								
- Corporate	3.321.516	2.496.622	0	0	175.661	205.159	0	0
- Sovereign	5.182.598	3.964.726	0	0	340.741	322.793	1.188.632	1.268.610
- Bank	127.375	141.624	715.100	1.316.540	125.772	154.584	28.000	11.000
- Retail	8.112.951	6.909.272	0	0	0	0	0	0
	<b>16.744.440</b>	<b>13.512.244</b>	<b>715.100</b>	<b>1.316.540</b>	<b>642.174</b>	<b>682.536</b>	<b>1.216.632</b>	<b>1.279.610</b>
<b>Concentration by location</b>								
- Greece	16.628.466	13.474.722	335.146	244.647	358.436	375.251	1.205.632	1.268.610
- Europe	115.974	37.522	362.992	892.605	236.219	254.277	11.000	11.000
- America	0	0	9.991	66.495	0	0	0	0
- Other	0	0	6.971	112.793	47.519	53.008	0	0
	<b>16.744.440</b>	<b>13.512.244</b>	<b>715.100</b>	<b>1.316.540</b>	<b>642.174</b>	<b>682.536</b>	<b>1.216.632</b>	<b>1.279.610</b>

The concentration risk per geographical sector for loans and advances to customers and banks, is based on the region to which the Group operates and it is highly correlated to the counterparty's registered office, while for investment securities according to the issuers registered office.

### 4.2 Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group applies modern methods for measuring market risk, such as "Value at Risk" model.

The value at risk valuation estimates the maximum possible loss in the net present value of the portfolio that can occur in a set time period and for a given confidence level, nevertheless it can not measure losses that can arise from extreme financial conditions. The Group uses a confidence level of 99% in order to carry out value at risk valuation (using the Monte Carlo method) for the daily time horizon.

The trading portfolio of the Group consists of bonds, shares and derivatives. The value at risk price for the whole trading portfolio as at 31 December 2007 was EUR 3,286 million (2006: EUR 1,767 million) and of which EUR 0,021 million (2006: EUR 0,006 million) related to interest rate risk, EUR 3,020 million (2005: EUR 1,435 million) for market risk and EUR 2,238 million (2005: EUR 1,494 million) for foreign exchange risk. Due to the structure of the trading portfolio as of 31 December 2007 and the level of diversification a reduction of the value-at-risk of EUR 1,993 million (2006: EUR 1,168 million) has been accomplished.

## Notes of the Consolidated Financial Statements

The Group also applies a program based on backtesting the value at risk analysis by comparing daily the actual change in the value of the portfolio due to the changes in market prices with the respective value-at-risk figure. In 2007 there were 4 cases where the actual change in the value of the portfolio was larger than the Value-at-Risk estimate, while in 2006 2 instances have been observed.

The above are summarized as follows:

**(Amounts in thousand Euro)**

	At 31 December	Average	Maximum	Minimum
<b>2007</b>				
Foreign currency risk	2.238	761	2.781	72
Interest rate risk	21	14	58	2
Other price risk	3.020	2.809	4.022	1.781
Covariance	(1.993)	(914)	(4.103)	(96)
	<b>3.287</b>	<b>2.670</b>	<b>2.758</b>	<b>1.759</b>
<b>2006</b>				
Foreign currency risk	1.494	1.915	5.267	1.273
Interest rate risk	6	39	112	6
Other price risk	1.435	1.720	3.296	1.136
Covariance	(1.168)	(1.422)	(4.372)	(683)
	<b>1.767</b>	<b>2.252</b>	<b>4.303</b>	<b>1.732</b>

### 4.3 Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both the risks of being unable to fund assets at appropriate maturities and rates, and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Group has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, debt securities and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Group strategy.

The Group calculates and monitors the liquidity ratio "Liquid Assets / Total Liabilities". Liquid assets include cash and cash equivalent as well as investment grade debt securities for which there is an active and liquid market and those loans and advance to banks that their maturity is within next month. Total liabilities include deposits from banks and customers as well as other liabilities with maturity within a year.

The Group maintains a portfolio of non-trading securities that may be used for liquidity purposes according to 532/2006 of the Bank of Greece directive. Exertion of this ability would increase the above ratio up to 20 bp at the reference date.

## Notes of the Consolidated Financial Statements

Details of the reported Group ratio of net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

	31/12/2007	31/12/2006
At 31 December	10,87%	14,28%
Average for the period	14,79%	16,88%
Maximum for the period	20,30%	21,90%
Minimum for the period	10,87%	14,28%

The table below shows the undiscounted cash flows on the Group's financial liabilities and unrecognized loan commitments on the basis of their earliest possible contractual maturity. Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or saving accounts) are assigned to the time band up to one month. The expected cash flows on these instruments may vary significantly from this analysis. The gross nominal inflow / (outflow) disclosed in the table below is the contractual, undiscounted cash flow on the financial liability or commitment. Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal enforceable right to offset recognized amounts and the transactions are intended to be settled on a net basis.

(Amounts in thousand Euro)

	31/12/2007						
	Carrying amount	Gross nominal (inflow) / outflow	Less than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	More than 1 year
<i>Non-derivative liabilities</i>							
Deposits from banks	850.545	844.276	802.097	32.004	0	0	10.175
Deposits from customers	20.630.039	20.803.989	17.117.442	1.831.439	1.078.202	774.495	2.411
Subordinated liabilities	195.141	220.742	0	2.704	2.684	5.376	209.978
	<b>21.675.725</b>	<b>21.869.007</b>	<b>17.919.539</b>	<b>1.866.147</b>	<b>1.080.886</b>	<b>779.871</b>	<b>222.564</b>
<i>Derivative liabilities</i>							
Trading: outflow	12.867	86.301	82.301	0	0	0	4.000
Trading: inflow	(45.788)	(97.089)	(82.157)	(840)	(723)	(730)	(12.639)
Risk management: outflow	0	208.293	5.060	11.724	6.870	20.421	164.218
Risk management: inflow	0	(248.188)	(6.019)	(14.744)	(8.763)	(24.579)	(194.083)
	<b>(32.921)</b>	<b>(50.683)</b>	<b>(815)</b>	<b>(3.860)</b>	<b>(2.616)</b>	<b>(4.888)</b>	<b>(38.504)</b>
<i>Unrecognized loan commitments</i>							
	<b>21.642.804</b>	<b>21.818.324</b>	<b>17.918.724</b>	<b>1.862.287</b>	<b>1.078.270</b>	<b>774.983</b>	<b>184.060</b>

## Notes of the Consolidated Financial Statements

31/12/2006

	Carrying amount	Gross nominal (inflow) / outflow	Less than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	More than 1 year
<i>Non-derivative liabilities</i>							
Deposits from banks	151.028	151.233	104.123	38.261	0	2.541	6.308
Deposits from customers	18.089.296	18.200.385	15.327.603	1.169.554	886.921	811.010	5.297
Subordinated liabilities	394.973	442.449	0	4.778	4.778	210.053	219.035
	<b>18.635.297</b>	<b>18.794.067</b>	<b>15.431.726</b>	<b>1.212.593</b>	<b>891.699</b>	<b>1.023.604</b>	<b>230.640</b>
<i>Derivative liabilities</i>							
Trading: outflow	49.592	45.988	34.033	2.890	921	0	8.144
Trading: inflow	(20.358)	(52.036)	(34.462)	(4.252)	(1.355)	0	(11.967)
Risk management: outflow	0	223.822	5.960	19.362	17.350	9.055	172.095
Risk management: inflow	0	(246.574)	(5.786)	(20.312)	(18.769)	(9.795)	(191.912)
	<b>29.234</b>	<b>(28.800)</b>	<b>(255)</b>	<b>(2.312)</b>	<b>(1.853)</b>	<b>(740)</b>	<b>(23.640)</b>
<i>Unrecognized loan commitments</i>							
	<b>18.664.531</b>	<b>18.765.267</b>	<b>15.431.471</b>	<b>1.210.281</b>	<b>889.846</b>	<b>1.022.864</b>	<b>207.000</b>

The following table provides an analysis of the Group's assets and liabilities into relevant maturity groupings based on the remaining periods to repayment (the amounts are expressed in thousands of Euro):

## Notes of the Consolidated Financial Statements

### At 31 December 2007

Assets	Up to 1 month	1 - 3 months	3- 12 months	1 - 5 years	Over 5 years	Total
Cash and balances with Central Bank	1.206.251	0	0	0	0	1.206.251
Loans and advances to banks	641.081	74.019	0	0	0	715.100
Trading securities	105.937	20.517	1.545	128.136	283.474	539.609
Derivative financial instruments	45.788	0	0	0	0	45.788
Loans and advances to customers	315.170	512.752	2.238.658	6.173.114	7.504.746	16.744.440
Available-for-sale securities	836.182	472	16.799	136.956	501.907	1.492.316
Held-to-maturity portfolio	0	0	1.047.542	12.110	156.980	1.216.632
Investments in associates	0	0	0	0	185.631	185.631
Investment property	0	0	0	0	174.765	174.765
Property, plant and equipment	0	0	0	0	514.611	514.611
Intangible assets	0	0	0	0	32.568	32.568
Deferred tax asset	0	0	0	0	325.557	325.557
Other assets	82.125	91.594	688.747	22.149	195.460	1.080.075
<b>Total assets</b>	<b>3.232.534</b>	<b>699.354</b>	<b>3.993.291</b>	<b>6.472.465</b>	<b>9.875.699</b>	<b>24.273.343</b>
<b>Liabilities</b>						
Deposits from banks	762.689	26.431	37.532	20.159	3.734	850.545
Deposits from customers	17.130.424	1.715.000	1.782.203	2.412	0	20.630.039
Derivative financial instruments	12.867	0	0	0	0	12.867
Provision for employee benefits	191	0	153	3.670	50.855	54.869
Other liabilities	91.811	41.024	223.563	0	652.426	1.008.824
Subordinated loans	0	0	0	0	195.141	195.141
<b>Total liabilities</b>	<b>17.997.982</b>	<b>1.782.455</b>	<b>2.043.451</b>	<b>26.241</b>	<b>902.156</b>	<b>22.752.285</b>
<b>Net liquidity gap</b>	<b>(14.765.448)</b>	<b>(1.083.101)</b>	<b>1.949.840</b>	<b>6.446.224</b>	<b>8.973.544</b>	<b>1.521.058</b>

### At 31 December 2006

<b>Total assets</b>	3.259.496	917.073	2.692.643	5.295.728	9.249.299	21.414.239
<b>Total liabilities</b>	15.530.836	1.181.095	1.950.996	124.696	1.230.811	20.018.434
<b>Net liquidity gap</b>	<b>(12.271.340)</b>	<b>(264.022)</b>	<b>741.647</b>	<b>5.171.032</b>	<b>8.018.488</b>	<b>1.395.805</b>

#### 4.4 Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its financial position and cash flows. The Board of Directors set limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarizes the Group's exposure to foreign currency exchange risk at 31 December 2007. Included in the table are the Group's assets and liabilities at carrying amounts, categorized by currency (the amounts are expressed in thousands of Euro):

## Notes of the Consolidated Financial Statements

Assets	EUR	USD	GBP	OTHER	Total
Cash and balances with Central Bank	1.187.733	5.384	1.260	11.874	1.206.251
Loans and advances to banks	492.522	91.001	36.974	94.603	715.100
Trading securities	505.881	13.211	0	20.517	539.609
Derivative financial instruments	45.788	0	0	0	45.788
Loans and advances to customers	16.546.979	69.064	0	128.397	16.744.440
Available-for-sale securities	1.451.791	33.691	0	6.834	1.492.316
Held-to-maturity portfolio	1.216.632	0	0	0	1.216.632
Investments in associates	185.631	0	0	0	185.631
Investment property	174.765	0	0	0	174.765
Property, plant and equipment	493.133	0	0	21.478	514.611
Intangible assets	31.744	0	0	824	32.568
Deferred tax asset	325.557	0	0	0	325.557
Other assets	1.051.659	0	4	28.412	1.080.075
<b>Total assets</b>	<b>23.709.815</b>	<b>212.351</b>	<b>38.238</b>	<b>312.939</b>	<b>24.273.343</b>
<b>Liabilities</b>					
Deposits from banks	778.698	5.486	0	66.361	850.545
Deposits from customers	20.294.309	185.309	18.809	131.612	20.630.039
Derivative financial instruments	12.867	0	0	0	12.867
Provision for employee benefits	54.869	0	0	0	54.869
Other liabilities	1.003.824	3.850	236	914	1.008.824
Subordinated loans	195.141	0	0	0	195.141
<b>Total liabilities</b>	<b>22.339.708</b>	<b>194.645</b>	<b>19.045</b>	<b>198.887</b>	<b>22.752.285</b>
<b>Net on balance sheet position</b>	<b>1.370.108</b>	<b>17.706</b>	<b>19.193</b>	<b>114.052</b>	<b>1.521.058</b>
<b>Net off balance sheet position</b>	<b>1.769.286</b>	<b>0</b>	<b>0</b>	<b>27.486</b>	<b>1.796.772</b>

### At 31 December 2006

<b>Total assets</b>	20.881.925	270.576	37.759	223.979	21.414.239
<b>Total liabilities</b>	19.666.019	222.014	19.409	110.992	20.018.434
<b>Net on balance sheet position</b>	<b>1.215.906</b>	<b>48.562</b>	<b>18.350</b>	<b>112.987</b>	<b>1.395.805</b>
<b>Net off balance sheet position</b>	<b>2.334.286</b>	<b>0</b>	<b>0</b>	<b>36.797</b>	<b>2.371.083</b>

### 4.5 Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets, including investments, and interest bearing liabilities mature or reprice at different times or differing amounts.

The Group applies an interest rate risk management policy that relies on simple maturity and repricing schedules (Interest Rate Gap Analysis).

## Notes of the Consolidated Financial Statements

The table below summarizes the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates. Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or saving accounts) are assigned to the time band up to one month (amounts are expressed in thousands of Euro):

### At 31 December 2007

Assets	Up to 1 month	1 - 3 months	3- 12 months	1 - 5 years	Over 5 years	Non- interest bearing	Total
Cash and balances with Central Bank	1.206.251	0	0	0	0	0	1.206.251
Loans and advances to banks	632.066	83.034	0	0	0	0	715.100
Trading securities	20.531	0	1.771	128.136	283.248	105.923	539.609
Derivative financial instruments	45.788	0	0	0	0	0	45.788
Loans and advances to customers	10.942.373	734.407	1.339.836	2.586.164	1.141.660	0	16.744.440
Available-for-sale securities	75.044	224.064	135.709	52.925	214.071	790.503	1.492.316
Held-to-maturity portfolio	32.287	0	1.133.963	21.110	29.272	0	1.216.632
Investments in associates	0	0	0	0	0	185.631	185.631
Investment property	0	0	0	0	0	174.765	174.765
Property, plant and equipment	0	0	0	0	0	514.611	514.611
Intangible assets	0	0	0	0	0	32.568	32.568
Deferred tax asset	0	0	0	0	0	325.557	325.557
Other assets	475	0	0	0	0	1.079.600	1.080.075
<b>Total assets</b>	<b>12.954.815</b>	<b>1.041.505</b>	<b>2.611.279</b>	<b>2.788.335</b>	<b>1.668.251</b>	<b>3.209.158</b>	<b>24.273.343</b>
<b>Liabilities</b>							
Deposits from banks	793.688	26.431	25.926	2.783	0	1.717	850.545
Deposits from customers	17.130.498	1.714.358	1.782.772	2.411	0	0	20.630.039
Derivative financial instruments	12.867	0	0	0	0	0	12.867
Provision for employee benefits	0	0	0	0	0	54.869	54.869
Other liabilities	764	1.301	144.013	0	0	862.746	1.008.824
Subordinated loans	0	195.141	0	0	0	0	195.141
<b>Total liabilities</b>	<b>17.937.817</b>	<b>1.937.231</b>	<b>1.952.711</b>	<b>5.194</b>	<b>0</b>	<b>919.332</b>	<b>22.752.285</b>
<b>Total interest sensitivity gap</b>	<b>(4.983.002)</b>	<b>(895.726)</b>	<b>658.568</b>	<b>2.783.141</b>	<b>1.668.251</b>	<b>2.289.827</b>	<b>1.521.058</b>

### At 31 December 2006

<b>Total assets</b>	9.671.468	887.937	1.910.237	2.235.510	3.570.497	3.138.590	21.414.239
<b>Total liabilities</b>	15.500.227	1.554.902	1.770.256	14.099	0	1.178.950	20.018.434
<b>Total interest sensitivity gap</b>	<b>(5.828.759)</b>	<b>(666.965)</b>	<b>139.981</b>	<b>2.221.411</b>	<b>3.570.497</b>	<b>1.959.640</b>	<b>1.395.805</b>

## Notes of the Consolidated Financial Statements

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves worldwide and a 50 bp rise or fall in the greater than 12-month portion of all yield curves.

### (Amounts in thousand Euro)

	100 bp parallel increase	100 bp parallel decrease	50 bp increase after 1 year	50 bp decrease after 1 year
<b>2007</b>				
At 31 December	(246.324)	236.247	(150.218)	150.375
Average for the period	(200.016)	191.816	(122.114)	122.242
Maximum for the period	(246.324)	236.247	(150.218)	150.375
Minimum for the period	(163.785)	157.055	(100.127)	100.232
	<b>(856.449)</b>	<b>821.365</b>	<b>(522.677)</b>	<b>523.224</b>
<b>2006</b>				
At 31 December	(191.793)	177.208	(155.606)	107.435
Average for the period	(147.562)	136.207	(119.893)	82.740
Maximum for the period	(191.793)	177.208	(155.606)	107.435
Minimum for the period	(94.689)	87.196	(77.202)	53.220
	<b>(625.837)</b>	<b>577.819</b>	<b>(508.307)</b>	<b>350.830</b>

### 4.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations and are faced by all business entities.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

## Notes of the Consolidated Financial Statements

Group's standards for the management of operational risk include:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

### 4.7 Insurance cover risk

The risk for any insurance contract is the possibility of the underwriting cover risk to incur and the uncertainty of the indemnity amount. Insurance cover risk is, by the nature of the contracts, likely and therefore unpredictable.

The major risk for the Group in a contract portfolio, the pricing and underwriting cover estimation of which are based on the probability theory, is the excess amount of indemnities over loss contingencies. Such thing could incur in the case where the incidence and the amount of underwriting loss is larger than the initially estimated.

The Group has adopted such an insurance policy in order to minimize the insurance cover risk. Thus, the claims that may rise by the insured clients should not exceed and if possible to be less than the expected claims of the insurance market.

The aggregate portfolio of underwriting cover risks comprises an excess number of different insurance risks and each insurance risk bracket includes a large number of similar insurance contracts. The result of such a portfolio is the risk diversification and the risk reduction. The insurance cover risk is also reduced through the reinsurance.

## Notes of the Consolidated Financial Statements

### 4.8 Fair values of financial assets and liabilities

The following table summarizes the fair values and the carrying amounts of those financial assets and liabilities that are not presented on the Group's balance sheet at their fair value.

(Amounts in thousand Euro)

31/12/2007

	Trading	Designated at fair value	Held-to- maturity	Loans and receivables	Available - for- sale	Other mortized acost	Total carrying value	Fair value
<b>Cash and balances</b>								
with Central Bank	0	0	0	0	0	1.206.251	<b>1.206.251</b>	1.206.251
<b>Loans and advances</b>								
to banks	0	0	0	715.100	0	0	<b>715.100</b>	789.289
Trading securities	539.609	0	0	0	0	0	<b>539.609</b>	539.609
<b>Derivative financial</b>								
instruments	45.788	0	0	0	0	0	<b>45.788</b>	45.788
<b>Loans and advances</b>								
to customers	0	1.396.727	0	0	0	15.347.713	<b>16.744.440</b>	18.237.803
<b>Available-for-</b>								
sale securities	0	0	0	0	1.492.316	0	<b>1.492.316</b>	1.492.316
<b>Held-to-maturity</b>								
securities	0	0	1.216.632	0	0	0	<b>1.216.632</b>	1.175.392
	<b>585.397</b>	<b>1.396.727</b>	<b>1.216.632</b>	<b>715.100</b>	<b>1.492.316</b>	<b>16.553.964</b>	<b>21.960.136</b>	<b>23.486.448</b>
<b>Deposits from banks</b>								
Deposits from banks	0	0	0	0	0	850.545	<b>850.545</b>	821.452
<b>Deposits from customers</b>								
Deposits from customers	0	0	0	0	0	20.630.039	<b>20.630.039</b>	20.686.857
<b>Derivative</b>								
financial instruments	12.867	0	0	0	0	0	<b>12.867</b>	12.867
Subordinated loans	0	0	0	0	0	195.141	<b>195.141</b>	199.219
	<b>12.867</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21.675.725</b>	<b>21.688.592</b>	<b>21.720.395</b>

## Notes of the Consolidated Financial Statements

31/12/2006

	Trading	Designated at fair value	Held-to- maturity	Loans and receivables	Available - for- sale	Other amortized acost	Total carrying value	Fair value
Cash and balances								
with Central Bank	0	0	0	0	0	947.172	947.172	947.172
Loans and advances								
to banks	0	0	0	1.316.540	0	0	1.316.540	1.415.902
Trading securities	579.135	0	0	0	0	0	579.135	579.135
Derivative financial								
instruments	20.358	0	0	0	0	0	20.358	20.358
Loans and advances								
to customers	0	1.497.197	0	0	0	12.015.047	13.512.244	14.788.682
Available-for-								
sale securities	0	0	0	0	1.538.704	0	1.538.704	1.538.704
Held-to-maturity securities	0	0	1.279.610	0	0	0	1.279.610	1.254.015
	<b>599.493</b>	<b>1.497.197</b>	<b>1.279.610</b>	<b>1.316.540</b>	<b>1.538.704</b>	<b>12.962.219</b>	<b>19.193.763</b>	<b>20.543.968</b>
Deposits from banks								
Deposits from banks	0	0	0	0	0	151.028	151.028	101.952
Deposits from customers								
Deposits from customers	0	0	0	0	0	18.089.296	18.089.296	18.128.039
Derivative financial								
instruments	49.592	0	0	0	0	0	49.592	49.592
Subordinated loans	0	0	0	0	0	394.973	394.973	402.527
	<b>49.592</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18.635.297</b>	<b>18.684.889</b>	<b>18.682.110</b>

- The fair value of loans and advances to banks and due to banks is based on discounting cash flows using money market rates for debts with similar remaining maturity.
- The fair value of loans and advances to customers is estimated by discounting expected future cash flows using suitable interest rates for instruments with similar maturity.
- The fair value for held to maturity portfolio is estimated using market prices.
- The fair value of due to customers is based on discounted cash flows using appropriate money market rates for instruments with similar maturity.

## 4.9 Capital management and capital adequacy

The Group's objectives when managing capital, which is a broader concept than the "equity" on the face of the balance sheets, are:

- To comply with the capital requirements set by the regulators of the Banking markets where the Bank operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the Bank of Greece. The required information is filed with the Authority on a quarterly basis.

Capital adequacy for the Group is measured according to the relevant direction of the Bank of Greece (Directive of the Bank of Greece 2563/05), that applies the direction of the European Union relating to the capital adequacy of financial institutions and investment companies). According to the abovementioned direction subsidiaries that are either financial institutions or investment companies are consolidated according to the full consolidation method, while companies that belong to the insurance, industrial and commercial sector are consolidated using the equity method.

The Group's regulatory capital is divided into two tiers:

- Tier 1 capital
- Tier 2 capital

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of –and reflecting an estimate of credit, market and other risks associated with–each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarizes the composition of regulatory capital of the Bank for the years ended 31 December 2007 and 2006 respectively.

## Notes of the Consolidated Financial Statements

<b>Tier 1 Capital</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
Total equity	1.497.787	1.369.353
Less: Intangible assets	(32.381)	(35.119)
Less: Proposed dividends	(90.000)	(81.490)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(297.333)	(83.108)
	<b>1.078.073</b>	<b>1.169.636</b>
<b>Tier 2 Capital</b>		
Supplementary capital	199.616	398.768
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(209.198)	(334.532)
	<b>(9.582)</b>	<b>64.236</b>
<b>Regulatory capital</b>	<b>1.068.491</b>	<b>1.233.872</b>
<b>Risk-weighted assets</b>	<b>12.584.085</b>	<b>11.099.580</b>
<b>Capital adequacy ratio</b>	<b>8,49%</b>	<b>11,12%</b>

The capital ratio for the Group, is estimated to 11,12% which is much higher than the regulatory limit of 8% set by the Bank of Greece directive. The capital ratio for the Group as of 31.12.2006 raised to 11,10% regarding the estimation of 11,12%.

### 5. CRITICAL ACCOUNTING ESTIMATES, AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Group upon preparing the financial statements makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

#### 5.1 Fair Value

For the presentation of assets and liabilities at fair value, the Group used current market prices for every financial instrument. For those assets and liabilities that their current market price was not available, the values that were derived by applying valuation methods do not differ much from their carrying values. Specifically:

1. The listed securities are valued at fair value, which is determined according to the current market price on the day of the balance sheet date.
2. Non listed securities are valued at cost of acquisition less any impairment.
3. Land and property is presented at deemed cost, which does not differ substantially from fair value

## 5.2 Impairment losses on loans and advances to customers

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. If such evidence exists, the recoverable amount of the financial asset or group of financial assets is calculated and an impairment provision is accounted. The impairment is recorded in the income statement. The estimates, judgments and the methodology implemented are assessed regularly so as the deviations between the impairment provision and the actual losses incurred are minimized.

## 5.3 Fair value of derivatives

The fair value of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. Those models even though are dependent on measurable data, they require estimates and judgments (i.e. so as to determine volatility and credit risk). Those estimates and judgments are assessed regularly and when market conditions change. Changes in the estimates for the above derivatives can change the fair value of financial investments published.

## 5.4 Impairment of available for sale portfolio

The available for sale portfolio is measured at fair value with any changes in fair value recorded in a corresponding reserve. Impairment arises when there is a significant or prolonged decline in fair value below its cost. At such case the corresponding reserve is transferred to the income statement. Furthermore, estimates are used to determine the fair value of securities which are not quoted in active markets.

For these financial instruments, fair value is calculated using financial models along with estimates for future segment variations and prospects, as well as the financial condition of the companies that are included in the Group's portfolio.

## 5.5 Income tax

The Group is subject to income tax according to the tax legislation in Greece. The Group's tax obligations will be considered to be final after the completion of the relevant tax audit.

Due to the method that the tax obligations are finalized in Greece the Group remains contingent liable to additional taxes and penalties which may be assessed upon such examination. The Group has accounted a provision for the unaudited fiscal years due to historical data. Any differences that may arise from the tax audits for the unaudited fiscal years will be accounted in the year that will rise.

## 5.6 Guaranteed technical interest rate of insurance reserves

In life insurance contracts, due to long term coverage, interest rate is a major factor for the calculation of insurance premium. The interest rate, the calculation is based upon, is referred as guaranteed technical interest rate. A failure in the estimation of the guaranteed technical interest rate for the calculation of mathematical reserves is one of the factors which result in deficit or surplus in the mathematical reserves.

The Group in order to mitigate that risk, prices with lower guaranteed interest rate than the maximum limit set by the Ministry of Development.

## Notes of the Consolidated Financial Statements

### 5.7 Reserves for outstanding claims

For the assessment of the adequacy of the outstanding claims reserves the Insurance company of the Group used the chain ladder / link ratio method, which is based on the hypothesis that the ratio observed in the past between accumulated losses (outstanding and paid) will be repeated in the future.

For the conduct of the relevant audit, data of the last five years were used.

### 5.8 Government grants

For the accounting of the government grant referring to the restructuring of the sugar production process, the Management of the Group ascertained that: a) there is reasonable certainty that its subsidiary company, the Hellenic Sugar Company, has the ability to comply with the terms and conditions set by the European Union regulations and b) that the subsidy will be received.

## 6. SEGMENT REPORTING

The segments that are considered to be as most representative for the Group's business activity is the financial sector that includes banking activities, mutual fund management and leasing activities, the insurance sector and the manufacturing sector.

### Business sector analysis

(Amounts in thousand Euro)

	31/12/2007			
	Financial sector	Insurance sector	Commercial and industrial sector	Total
Net interest income	596.011	16.860	2.212	615.083
Net fee and commission income	86.411	179	(300)	86.290
Net trading income	126.316	2.829	(9)	129.136
Dividend income	25.995	826	66	26.887
Other operating income	35.887	34.952	55.091	125.930
<b>Total operating income</b>	<b>870.620</b>	<b>55.646</b>	<b>57.060</b>	<b>983.326</b>
Impairment losses	(79.948)	0	0	(79.948)
Operating expenses	(510.206)	(40.255)	(50.245)	(600.706)
<b>Operating Results</b>	<b>280.466</b>	<b>15.391</b>	<b>6.815</b>	<b>302.672</b>
Income from associates	13.990	0	0	13.990
<b>Profit before tax</b>	<b>294.456</b>	<b>15.391</b>	<b>6.815</b>	<b>316.662</b>
Income tax expense	(58.285)	(2.315)	(10.131)	(70.731)
Intercompany transactions per sector	19.002	(7.811)	(11.191)	0
<b>Profit after tax</b>	<b>255.173</b>	<b>5.265</b>	<b>(14.507)</b>	<b>245.931</b>
Total assets per sector	24.725.626	696.033	544.573	25.966.232
Intercompany transactions per sector	(1.579.773)	(100.210)	(12.906)	(1.692.889)
Net equity and liabilities per sector	24.725.626	696.033	544.573	25.966.232
Intercompany transactions per sector	1.367.926	17.999	306.964	1.692.889

## Notes of the Consolidated Financial Statements

(Amounts in thousand Euro)	31/12/2006			
	Financial sector	Insurance sector	Commercial and industrial sector	Total
Net interest income	596.151	16.260	(12.245)	600.166
Net fee and commission income	83.344	263	301	83.908
Net trading income	65.436	3.789	772	69.997
Dividend income	24.863	858	52	25.773
Other operating income	44.648	34.674	53.096	132.418
<b>Total operating income</b>	<b>814.442</b>	<b>55.844</b>	<b>41.976</b>	<b>912.262</b>
Impairment losses	(62.670)	0	0	(62.670)
Operating expenses	(488.345)	(43.401)	(27.843)	(559.589)
<b>Operating Results</b>	<b>263.427</b>	<b>12.443</b>	<b>14.133</b>	<b>290.003</b>
Income from associates	6.255	0	0	6.255
<b>Profit before tax</b>	<b>269.682</b>	<b>12.443</b>	<b>14.133</b>	<b>296.258</b>
<b>Income tax expense</b>	<b>(83.835)</b>	<b>(822)</b>	<b>(10.995)</b>	<b>(95.652)</b>
<b>Intercompany transactions per sector</b>	<b>(10.094)</b>	<b>(7.876)</b>	<b>11.162</b>	<b>(6.808)</b>
<b>Profit after tax</b>	<b>175.753</b>	<b>3.745</b>	<b>14.300</b>	<b>193.798</b>
Total assets per sector	21.783.369	672.091	584.878	23.040.338
Intercompany transactions per sector	(1.473.873)	(138.971)	(13.255)	(1.626.099)
Net equity and liabilities per sector	21.783.369	672.091	584.878	23.040.338
Intercompany transactions per sector	1.316.092	23.004	287.003	1.626.099

### 7. NET INTEREST INCOME

(Amounts in thousand Euro)	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>Interest and similar income:</b>		
Loans and advances to customers	830.908	683.252
Loans to banks	77.139	81.494
Finance leases	19.232	16.476
Debt instruments	83.957	84.886
	<b>1.011.236</b>	<b>866.108</b>
<b>Interest expense and similar charges:</b>		
Customer deposits	(356.866)	(242.608)
Bank deposits	(18.421)	(6.468)
Subordinated loans	(21.039)	(16.173)
	<b>(396.326)</b>	<b>(265.249)</b>
<b>Net interest income</b>	<b>614.910</b>	<b>600.859</b>

## Notes of the Consolidated Financial Statements

### 8. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>Fee and commission income</b>		
Loans and advances to customers	24.955	22.192
Money transfers	15.106	14.387
Mutual funds	6.979	7.955
Letters of guarantee	5.350	6.469
Equity brokerage	5.093	5.089
Credit cards	7.804	6.852
Import-exports	1.052	1.181
Other	41.181	35.009
	<b>107.520</b>	<b>99.134</b>
<b>Fee and commission expenses</b>		
Contribution to Savings Guarantee Fund	(10.801)	(10.064)
Other	(12.223)	(8.531)
	<b>(23.024)</b>	<b>(18.595)</b>
<b>Net fee and commission income</b>	<b>84.496</b>	<b>80.539</b>

### 9. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>Trading portfolio</b>		
<b>Gain minus Losses</b>		
Derivative financial instruments	10.045	(2.797)
<b>Foreign exchange differences</b>	<b>(5.488)</b>	<b>(5.113)</b>
<b>Sales</b>		
Equity instruments	11.355	9.702
Debt instruments	639	(235)
Mutual Funds	3.568	0
<b>Revaluation</b>		
Equity instruments	194	6.544
Debt instruments	11.975	10.374
Mutual Funds	0	27
Derivative financial instruments	13.244	(2.260)
	<b>45.532</b>	<b>16.242</b>

## Notes of the Consolidated Financial Statements

### 10. NET GAIN / (LOSS) ON DISPOSAL OF NON TRADING FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>Financial assets available for sale</b>		
<b>From sale</b>		
Equity instruments	71.307	42.976
Debt instruments	810	524
Mutual Funds	373	1.268
Other	11.197	2.035
<b>Impairment</b>		
Equity instruments	(83)	144
	<b>83.604</b>	<b>46.947</b>

Amount of approximately EUR 71,1 million of the period 1/1 – 31/12/2007 (1/1 – 31/12/2006: 41,8 million), was derived from the disposal of a part of the available for sale securities of listed firms in the Athens Stock Exchange.

### 11. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Trading securities	4.002	4.031
Available for sale securities	22.885	21.742
	<b>26.887</b>	<b>25.773</b>

### 12. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Gross profit on sale of goods and services (12a)	38.483	36.620
Insurance activities (12b)	24.801	24.177
Gain from the sale of fixed assets	10.816	9.110
Income from investment property	3.691	3.765
Income from sequential activities	4.708	7.919
Telecommunication fees	405	2.848
Other	12.335	24.207
	<b>95.239</b>	<b>108.646</b>

## Notes of the Consolidated Financial Statements

### 12a. Gross profit on sale of goods and services

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Sales	332.875	487.941
Less: Cost of goods sold	(274.467)	(425.679)
Gross profit	58.408	62.262
Distribution expenses	(19.348)	(25.492)
Other related expenses	(577)	(150)
	<b>38.483</b>	<b>36.620</b>

### 12b. Insurance activities

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>NON LIFE</b>		
Premiums and other related income	121.437	110.996
Less: Reinsurance fees and similar expenses	(31.280)	(29.192)
Acquisition fees	(15.197)	(11.205)
Claim indemnities	(57.379)	(50.877)
Reinsurers' participation	9.679	5.969
	<b>27.260</b>	<b>25.691</b>
<b>LIFE</b>		
Premiums and other related income	55.045	53.999
Less: Reinsurance fees and similar expenses	(1.233)	(1.263)
Acquisition fees	(8.826)	(8.017)
Claim indemnities	(48.313)	(46.861)
Reinsurers' participation	868	628
	<b>(2.459)</b>	<b>(1.514)</b>
	<b>24.801</b>	<b>24.177</b>

### 13. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Loans and advances to customers	(78.102)	(62.670)
Subsidiaries	(1.846)	0
	<b>(79.948)</b>	<b>(62.670)</b>

## Notes of the Consolidated Financial Statements

### 14. OPERATING EXPENSES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Staff costs (14a)	(394.920)	(382.316)
Third party fees	(25.378)	(23.577)
Advertising and promotion expenses	(25.468)	(19.756)
Telecommunication expenses	(12.880)	(11.018)
Insurance fees	(1.451)	(318)
Repairs and maintenance	(11.938)	(10.993)
Travel	(8.156)	(7.307)
Stationery	(3.862)	(3.321)
Utility services	(3.576)	(2.978)
Depreciation	(32.373)	(30.094)
Amortization of intangible assets	(3.306)	(3.921)
Impairment	0	(5.966)
Operating lease rentals	(14.228)	(13.413)
Other taxes	(4.404)	(6.037)
Other	(26.108)	(12.126)
	<b>(568.048)</b>	<b>(533.141)</b>

#### 14a. Staff cost

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Wages and salaries	(241.508)	(215.294)
Social security costs	(108.287)	(101.357)
Defined benefit plan costs (note 32)	(13.219)	(37.953)
Other staff costs	(31.906)	(27.712)
	<b>(394.920)</b>	<b>(382.316)</b>

The number of persons employed by the Group during the year 2007 was 9.547 (2006: 9.679).

### 15. INCOME TAX EXPENSE

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Current tax	(4.403)	(35.051)
Tax differences for the year 2006	(203)	0
Deferred tax	(66.125)	(21.693)
Autotelic reserve taxation (clause 10 Law 3513/2006)	0	(8.918)
Profit distribution tax (year 2005)	0	(29.990)
	<b>(70.731)</b>	<b>(95.652)</b>

## Notes of the Consolidated Financial Statements

The income tax of the period was calculated on the basis of the current tax rate of 25%. The income tax rate that was used for 2006 was 29%.

The dividend distribution of EUR 0,07 per share, resulted in an additional income tax charge of approximately EUR 30 million which was recorded in the income statement of the third quarter of 2006. This amount constitutes non recurring expense.

In the closing financial year, according to the clauses of the latest tax law, 15% of the Banks' tax free reserves were taxed. The total obligation from the taxation of the above mentioned reserves was Euro 8,9 million and was paid in total during 2006. The reserves of total amount Euro 59,5 million that were taxed according to the clauses of the latest tax law can be capitalized or distributed without further taxation. The abovementioned tax amount was recorded in the income statement

Further information about deferred income tax is provided in note 28.

The reconciliation of the effective tax rate is as follows (in thousands of Euro):

	1/1 - 31/12/2007	1/1 - 31/12/2006
Profit before tax	316.662	289.450
Income tax at 25% (2006: 29%)	(79.166)	(83.941)
Tax exempt revenues (corresponding tax)	75.999	53.993
Non-deductible expenses (corresponding tax)	(1.382)	(4.943)
Additional tax on property	(57)	(161)
Reserve taxation (clause 10 Law 3513/2006)	0	(8.918)
Profit distribution tax (year 2005)	0	(29.990)
Effect of deferred tax on income statement	(66.125)	(21.693)
<b>Tax</b>	<b>(70.731)</b>	<b>(95.652)</b>
Effective tax rate	22,3%	33,0%

In Greece the results reported to the tax authorities by an entity are considered provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore, entities remain contingently liable for additional tax and penalties, which may be assessed upon such examination. The fiscal years that the Bank and its subsidiaries have not been audited by the tax authorities are as follows:

## Notes of the Consolidated Financial Statements

A.T.E. Bank	2005 – 2007
A.T.E. Insurance	2002 – 2007
A.T.E. Leasing	2005 – 2007
A.T.E. Cards	2006 – 2007
A.T.E. A.X.E.P.E.Y.	2004 – 2007
A.T.E. AEDAK	2005 – 2007
ATE Techniki Pliroforiki	2001 – 2007
Hellenic Sugar Company	2001 – 2007
Dodoni	2004 – 2007
Elviz	2002 – 2007
Rodopi	2001 – 2007
Etanal	2003 – 2007
ATE RENT	2003 – 2007
ATE ADVERTISING	2000 – 2007
ATEExcelixi	2007
ATEbank ROMANIA	2005 – 2007

Because of the method under which the tax obligations are ultimately concluded in Greece, the Group remains contingently liable for additional taxes and penalties for its open tax years.

Against this contingency the Group using historical data from previous tax audits, has recorded a relevant provision for the unaudited tax years.

### 16. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 31/12/2007	1/1 - 31/12/2006
Earnings after tax (in thousands of euro)	241.413	188.419
Weighted average of number of shares in issue	902.418.635	902.418.635
<b>Basic and diluted earnings per share (expressed in euro per share)</b>	<b>0,27</b>	<b>0,21</b>

Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

Basic and diluted earnings per share are the same as the Bank has not issued any dilutive share instruments.

## Notes of the Consolidated Financial Statements

### 17. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Cash in hand	449.024	413.667
Balances with Central Bank	754.461	533.002
Mandatory deposits at Central Bank	2.766	503
	<b>1.206.251</b>	<b>947.172</b>

### 18. LOANS AND ADVANCES TO BANKS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Current accounts	87.078	123.849
Other placements	628.022	1.192.691
	<b>715.100</b>	<b>1.316.540</b>

### 19. TRADING SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Greek government bonds	2.086	581
Corporate Loans	411.083	450.824
Equity securities	126.440	127.730
	<b>539.609</b>	<b>579.135</b>

### 20. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)

	2007			2006		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
<b>Foreign exchange derivatives</b>						
<i>Swaps</i>	26.122	0	156	36.797	479	0
<i>Options</i>	1.364	32	0	0	0	0
<b>Interest rate derivatives</b>						
<i>Swaps</i>	1.912.143	45.756	12.711	1.670.000	19.879	0
O.T.C. interest rate options	0	0	0	840.000	0	49.592
	<b>1.939.629</b>	<b>45.788</b>	<b>12.867</b>	<b>2.546.797</b>	<b>20.358</b>	<b>49.592</b>

The notional amount of certain types of derivative financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks.

## Notes of the Consolidated Financial Statements

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, to the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The Group does not apply hedge accounting, therefore the gains and losses arising on derivative financial instruments are recognized in net trading income.

### 21. LOANS AND ADVANCES TO CUSTOMERS

#### 21.1

(Amounts in thousand Euro)

21.1	31/12/2007	31/12/2006
Credit cards	308.298	272.516
Consumer loans	763.774	523.372
Mortgages	5.081.998	4.032.921
<b>Loans to private individuals</b>	<b>6.154.070</b>	<b>4.828.809</b>
Loans to the agricultural sector	2.181.576	2.306.963
Corporate loans	2.956.198	2.564.197
Small and medium sized firms	906.508	875.918
<b>Loans to corporate entities</b>	<b>6.044.282</b>	<b>5.747.078</b>
Finance leasing	382.580	363.534
<b>Loans to the public sector</b>	<b>5.183.108</b>	<b>3.975.934</b>
	<b>17.764.040</b>	<b>14.915.355</b>
Less: allowance for uncollectibility	(1.019.600)	(1.403.111)
	<b>16.744.440</b>	<b>13.512.244</b>

#### 21.2 Allowance for uncollectibility

Movement in the allowance for uncollectibility	2007	2006
<b>Balance at 1 January</b>	<b>1.403.111</b>	<b>1.709.302</b>
By acquisition	0	2.969
Provision for impairment	78.102	64.000
Recoveries	0	(1.330)
Loans written-off	(461.442)	(371.830)
Exchange rate differences	(171)	0
<b>Balance at 31 December</b>	<b>1.019.600</b>	<b>1.403.111</b>

In order for a write off to be materialized, a proposal is submitted by the Write Off Committee, which is subsequently verified by the Asset and Liability Management Committee (ALCO) and the Board of Directors. Write offs are recorded on off balance sheet accounts in order to be monitored for prospective legal actions and probable collections.

## Notes of the Consolidated Financial Statements

### 22. AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
<b>Debt securities:</b>		
Greek Government bonds	340.741	326.132
Other issuers	301.433	356.404
	642.174	682.536
<b>Equity securities:</b>		
Listed	714.234	719.389
Unlisted	15.560	15.321
Equity fund	48.906	53.045
	778.700	787.755
<b>Mutual fund units</b>	71.442	68.413
	<b>1.492.316</b>	<b>1.538.704</b>

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 15.560 thousand, (31/12/2006: EUR 15.321 thousand) which are carried at cost because fair value can not be determined.

The movement in the available-for-sale securities is summarized as follows:

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
<b>At 1 January</b>	<b>1.538.704</b>	<b>1.347.573</b>
Additions	117.578	354.108
Disposals	(203.891)	(250.901)
Impairment	(147)	0
Gains from changes in fair value	40.072	87.924
<b>31 December</b>	<b>1.492.316</b>	<b>1.538.704</b>

Analysis of additions and reductions follows:

## Notes of the Consolidated Financial Statements

(Amounts in thousand Euro)

	Additions	Disposals
Greek Government bonds	66.267	52.302
Equity Fund	2.882	1.589
Corporate bonds	2.575	21.340
Listed securities	31.516	114.017
Unlisted securities	0	285
Mutual funds	14.338	14.358
	<b>117.578</b>	<b>203.891</b>

### 23. HELD TO MATURITY SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Greek Government bonds	1.177.360	1.268.610
Corporate bonds	39.272	11.000
	<b>1.216.632</b>	<b>1.279.610</b>

Mainly include Greek Government Bonds, that are held by the Group from the issue date and that the Group intends to hold until their maturity. The fair value of the above mentioned bonds as of 31.12.2007 is EUR 1.175.392 thousand (2006: EUR 1.254.015 thousand).

### 24. INVESTMENTS IN ASSOCIATES

The Group has the following investments in associates:

	Country	Ownership	
		2007	2006
First Business Bank A.E.	Greece	49,00%	49,00%
Sekap A.E.	Greece	45,12%	45,12%
AIK BANKA	Serbia	20,83%	20,66%

## Notes of the Consolidated Financial Statements

### 25. INVESTMENT PROPERTY

(Amounts in thousand Euro)

	Land	Buildings	Total
<b>1 January 2006</b>			
Cost	142.120	83.045	225.165
Accumulated Depreciation	0	(25.435)	(25.435)
<b>Net book value</b>	<b>142.120</b>	<b>57.610</b>	<b>199.730</b>
<b>2006</b>			
Opening net book value	142.120	57.610	199.730
Additions	4.817	7.150	11.967
Disposals	(8.068)	(9.777)	(17.845)
Depreciation charge	0	(5.003)	(5.003)
Depreciation of disposals	0	2.624	2.624
Transfer	(5.114)	(184)	(5.298)
<b>Net book value</b>	<b>133.755</b>	<b>52.420</b>	<b>186.175</b>
<b>31 December 2006</b>			
Cost	133.755	80.234	213.989
Accumulated Depreciation	0	(27.814)	(27.814)
<b>Net book value</b>	<b>133.755</b>	<b>52.420</b>	<b>186.175</b>
<b>2007</b>			
Opening net book value	133.755	52.420	186.175
Additions	1.584	2.431	4.015
Disposals	(7.363)	(6.287)	(13.650)
Depreciation charge	0	(4.541)	(4.541)
Depreciation of disposals	0	2.724	2.724
Transfer	0	42	42
<b>Net book value</b>	<b>127.976</b>	<b>46.789</b>	<b>174.765</b>
<b>31 December 2007</b>			
Cost	127.976	76.420	204.396
Accumulated Depreciation	0	(29.631)	(29.631)
<b>Net book value</b>	<b>127.976</b>	<b>46.789</b>	<b>174.765</b>

Investment property are properties that the Group holds either to earn rental income or capital appreciation.

The Group has included as investment property, land and buildings that have come into its possession from the foreclosure of non-performing loans. In accordance with local banking regulations banks are required to dispose of foreclosed property within three years, however, extensions to this holding period can be approved by the Bank of Greece. The average holding period for the Group is 3 years.

The net book value of this property as at 31 December 2007 was EUR 96.694 thousand (2006: EUR 103.808 thousand).

## Notes of the Consolidated Financial Statements

### 26. PROPERTY, PLANT AND EQUIPMENT

(Amounts in thousand Euro)

	Land	Buildings	Furniture and Equipment	Leasehold Improvements	Under Construction	Total
<b>At 1 January 2006</b>						
Cost	187.453	247.994	277.921	15.919	13.847	743.134
Accumulated Depreciation	0	(72.492)	(213.179)	(7.032)	0	(292.703)
<b>Net book value</b>	<b>187.453</b>	<b>175.502</b>	<b>64.742</b>	<b>8.887</b>	<b>13.847</b>	<b>450.431</b>
<b>2006</b>						
Opening net book value	187.453	175.502	64.742	8.887	13.847	450.431
By acquisition - (cost)	1.842	23.675	3.054	0	192	28.763
By acquisition - (depreciation charge)	0	(4.015)	(1.877)	0	0	(5.892)
Additions	1.603	4.279	27.881	3.097	9.151	46.011
Disposals	(436)	(1183)	(7.164)	0	0	(8.783)
Depreciation charge	0	(9.373)	(13.036)	(2.682)	0	(25.091)
Impairment (depreciation charge)	0	1	722	0	0	723
Impairment (cost)	0	(7)	(6.682)	0	0	(6.689)
Depreciation of disposals	0	1.183	6.439	0	0	7.622
Transfer	5.114	2.197	0	282	(2.295)	5.298
<b>Net book value</b>	<b>195.576</b>	<b>192.259</b>	<b>74.079</b>	<b>9.584</b>	<b>20.895</b>	<b>492.393</b>
<b>At 1 January 2007</b>						
Cost	195.576	276.955	295.010	19.016	20.895	807.452
Accumulated Depreciation	0	(84.696)	(220.931)	(9.432)	0	(315.059)
<b>Net book value</b>	<b>195.576</b>	<b>192.259</b>	<b>74.079</b>	<b>9.584</b>	<b>20.895</b>	<b>492.393</b>
<b>2007</b>						
Opening net book value	195.576	192.259	74.079	9.584	20.895	492.393
Exchange differences (cost)	(332)	(10.075)	(21.648)	0	0	(32.055)
Exchange differences - (depreciation charge)	0	7.013	17.045	0	0	24.058
Additions	1.175	9.698	29.366	3.137	15.684	59.060
ATEbank ROMANIA Goodwill allocation	4.292	1.416	0	0	0	5.708
Disposals	(794)	(4.267)	(15.073)	0	0	(20.134)
Depreciation charge	0	(9.711)	(15.123)	(2.998)	0	(27.832)
ATEbank ROMANIA Goodwill allocation-depreciation	0	(46)	0	0	0	(46)
Depreciation of disposals	0	948	12.553	0	0	13.501
Transfer	0	1.675	0	1.657	(3.374)	(42)
<b>Net book value</b>	<b>199.917</b>	<b>188.910</b>	<b>81.199</b>	<b>11.380</b>	<b>33.205</b>	<b>514.611</b>
<b>31 December 2007</b>						
Cost	199.917	275.402	287.655	23.810	33.205	819.989
Accumulated Depreciation	0	(86.492)	(206.456)	(12.430)	0	(305.378)
<b>Net book value</b>	<b>199.917</b>	<b>188.910</b>	<b>81.199</b>	<b>11.380</b>	<b>33.205</b>	<b>514.611</b>

## Notes of the Consolidated Financial Statements

### 27. INTANGIBLE ASSETS

(Amounts in thousand Euro)

	Software	Excess over cost	Total
<b>At 1 January 2006</b>			
Cost	21.980	0	21.980
Accumulated Amortization	(16.774)	0	(16.774)
<b>Net book value 31/12/2006</b>	<b>5.206</b>	<b>0</b>	<b>5.206</b>
<b>Plus:</b>			
Additions	4.966	0	4.966
By acquisition (Cost)	302	28.904	29.206
By acquisition (Accumulated amortization)	(47)	0	(47)
<b>Minus:</b>			
Amortization	(3.921)	0	(3.921)
<b>Net book value 31/12/2006</b>	<b>6.506</b>	<b>28.904</b>	<b>35.410</b>
<b>Plus:</b>			
Additions	3.855	0	3.855
By acquisition (Cost)	1.077	(4.682)	(3.605)
Def. Tax from allocation of goodwill	0	749	749
<b>Minus:</b>			
Amortization	(3.306)	0	(3.306)
Exchange differences	39	(574)	(535)
<b>Net book value 31/12/2007</b>	<b>8.171</b>	<b>24.397</b>	<b>32.568</b>
Cost	27.248	28.904	56.152
Accumulated Amortization	(20.742)	0	(20.742)
<b>Net book value 31/12/2006</b>	<b>6.506</b>	<b>28.904</b>	<b>35.410</b>
Cost	32.180	24.397	56.577
Accumulated Amortization	(24.009)	0	(24.009)
<b>Net book value 31/12/2007</b>	<b>8.171</b>	<b>24.397</b>	<b>32.568</b>

The excess of cost over net assets acquired arose from the acquisition of MINDBANK (Romania) and reflects the difference between the cost of acquisition and the assets incorporated into the Group as analytically presented in Note 40.1.

## Notes of the Consolidated Financial Statements

### 28. DEFERRED TAX ASSET

(Amounts in thousands of Euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31/12/2007	31/12/2006
<b>Deferred tax asset:</b>		
Intangible assets	181	1.631
Provision for impairment losses on customer loans	284.040	294.118
Derivative financial instruments	0	0
Employee benefits	6.905	77.561
Provision for potential liabilities	24.417	19.852
Other items	0	0
Tax losses carry forward	28.605	5.597
	<b>344.148</b>	<b>398.759</b>
<b>Deferred tax liability:</b>		
Property, plant and equipment	5.050	5.613
Derivative financial instruments	3.419	109
Other temporary differences	10.122	0
	<b>18.591</b>	<b>5.722</b>
<b>Net deferred tax asset</b>	<b>325.557</b>	<b>393.037</b>

#### Movement in temporary differences during the year

	Balance 1 January 2007	Recognized in income	Recognized in equity	Goodwill allocation	Balance 31 December 2007
Intangible assets	1.631	(967)	(483)	0	181
Provision for impairment losses on customer loans	294.118	(10.078)	0	0	284.040
Employee benefits	77.561	(70.656)	0	0	6.905
Other items	0	(10.122)	0	0	(10.122)
Property, plant and equipment	(5.613)	1.642	0	(1.079)	(5.050)
Derivative financial instruments	(109)	(3.310)	0	0	(3.419)
Tax losses carry forward	5.597	23.008	0	0	28.605
Provisions for contingent liabilities	19.852	4.565	0	0	24.417
Foreign exchange differences	0	(207)	0	0	0
	<b>393.037</b>	<b>(66.125)</b>	<b>(483)</b>	<b>(1.079)</b>	<b>325.557</b>

## Notes of the Consolidated Financial Statements

### 29. OTHER ASSETS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Inventories (29a)	170.510	187.177
Customers (29b)	167.257	165.682
Accrued interest and commissions (29c)	111.766	74.101
Prepaid expenses	2.982	1.480
Tax advances and other tax receivables	23.124	28.956
Other receivables from public sector	202.157	183.692
Cheques and notes receivables	67.523	80.298
Receivables from pension fund	79.275	72.017
Other	255.481	170.299
	<b>1.080.075</b>	<b>963.702</b>

Other assets include interim dividend of Euro 45 million approximately, that is € 0,05 per share, paid during December of 2007, according to the Board of Directors decision as of 21/11/2007. The amount of interim dividend is recorded as other item while it has not yet been approved by the General Shareholders Meeting.

#### 29a. Inventories

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Raw materials	5.118	3.292
Auxiliary materials	1.408	1.059
Work-in-progress	3.475	26.791
Packaging materials	1.098	1.055
Consumables	7.586	7.457
Spares parts	7.038	7.042
Other Inventories	291	457
Finished Goods	144.496	140.024
	<b>170.510</b>	<b>187.177</b>

The inventory primarily relates to finished goods held by the Hellenic Sugar Company.

#### 29b. Customers

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Receivables from insurance contracts	50.769	43.671
Receivables from reinsurance contracts	26.221	18.105
<b>Less:</b> Allowance for uncollectibility	(5.535)	(5.920)
	71.455	55.856
Other receivables	127.079	140.916
<b>Less:</b> Allowance for uncollectibility	(31.277)	(31.090)
	<b>95.802</b>	<b>109.826</b>
	<b>167.257</b>	<b>165.682</b>

## Notes of the Consolidated Financial Statements

### 29c. Accrued interest and commissions

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Accrued interest from Public sector	6.031	7.101
Accrued interest from Private sector	2.464	3.932
Accrued interest from loans	101.505	59.242
Accrued interest from money market	764	1.782
Public sector commissions	587	1.584
Other	415	460
	<b>111.766</b>	<b>74.101</b>

### 30. DEPOSITS FROM BANKS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Current deposits	3.653	7.794
Term deposits	816.456	94.006
Due to Central Bank	1.337	1.198
Other borrowings	29.099	48.030
	<b>850.545</b>	<b>151.028</b>

### 31. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
<b>Retail customers:</b>		
Current accounts	201.866	165.326
Saving accounts	11.736.435	11.565.124
Term deposits	5.962.535	4.493.855
	<b>17.900.836</b>	<b>16.224.305</b>
<b>Private sector entities:</b>		
Current accounts	847.624	736.253
Term deposits	158.227	98.589
	<b>1.005.851</b>	<b>834.842</b>
<b>Public sector entities</b>		
Current accounts	1.521.237	917.666
Term deposits	202.115	112.483
	<b>1.723.352</b>	<b>1.030.149</b>
	<b>20.630.039</b>	<b>18.089.296</b>

## Notes of the Consolidated Financial Statements

At 31 December 2007 the term deposits includes repo deposits amounted to EUR 65.230 thousand (2006: EUR 102.246 thousand). The majority of the repurchase agreements expire within one month of the balance sheet date and the total interest expense on repurchase agreements for the year ended 31 December 2007 was EUR 3.869 thousand (2006: EUR 4.578 thousand).

### 32. PROVISION FOR PENSION LIABILITIES

#### (a) Defined contribution plans

- Main Pension Plan

According to the law 3522/22.12.2006 effective 1<sup>st</sup> January 2007, the pension segment of the Main Employee Pension Fund of the Bank acceded to the Social Insurance - Common Employee Pension Fund (IKA- ETAM).

The employer and employees contributions rates are reduced to the respective effective ones in IKA-ETAM, promptly for the employees as of 01.01.2007, and gradually in equal portions for the employer (ATE Bank) within 5 years starting as of 01.01.2007.

Besides the above mentioned regular contributions, the Bank will continue to pay annually as a fixed contribution to IKA- ETAM, an amount of Euro 28 million for fifteen years.

- Medical fund

The medical fund of the Bank, "TYPATE", provides for defined contributions to be made by the Bank at a rate of 6.25% of the employee's salary. Employees contribute at a rate of 2%.

#### (b) Defined benefit plans

- Early Retirement Plan

Based upon an agreement the employees of the Bank, in certain instances, are eligible for retirement prior to the conditions set by the main and auxiliary pension plans. In the event that an employee decided to retire, the Bank was required to pay to ELEM an additional contribution equal to the regular contributions that the Bank and employee would have paid if they continued their employment, and the monthly pension that the employee received. The obligation for the additional contribution existed until the retired employee reached the age of 65, at which point ELEM was responsible for all pension payments. This defined benefit plan was unfunded.

As of 1<sup>st</sup> January 2007 the insured employees and pensioners of ATE Bank's Auxiliary Pension Plan (ELEM) must compulsory accede to the Bank Employee Fund (E.T.A.T). The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions, is covered from a payment that ATE Bank occurred in the amount of Euro 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make 10 annual, equal payments of Euro 10 million as extraordinary contribution.

The Bank's contribution gradually decreases from 9% to 7,5% within 3 years performed from 01.01.2007.

## Notes of the Consolidated Financial Statements

- Lump Sum granted on retirement

The Bank also sponsors a funded plan that provides for the payment of a lump sum to retiring employees. The payment is determined based on the employee's length of service and salary on the date of retirement.

- Provision for compensation due to retirement

Provision for compensation due to retirement, as determined by directives of Law 2112/20, concerning subsidiary companies, is calculated actuarially using the projected unit credit method.

Of all actuarial gains and losses, to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized.

The amounts recorded in the financial statements with respect to the defined benefit plans are as follows:

### (Amounts in thousand Euro)

	31/12/2007	31/12/2006
Present value of unfunded obligations	35.061	314.302
Present value of funded obligations	42.915	40.315
Fair value of plan assets	(20.791)	(17.985)
Unrecognized actuarial gains and losses	(2.316)	(2.053)
<b>Recognized liability for defined benefit obligations</b>	<b>54.869</b>	<b>334.579</b>

### Movement in the net liability for defined benefit obligations recognized in the balance sheet

Net liability for defined benefit obligations at 1 January	334.579	333.992
Expense recognized in the income statement	6.038	37.953
Contributions paid to ETAT	(280.000)	0
Contributions received	(5.748)	(37.366)
<b>Net liability for defined benefit obligations at 31 December</b>	<b>54.869</b>	<b>334.579</b>

Expense recognized in the income statement	31/12/2007	31/12/2006
Current service cost	4.888	36.553
Interest on obligation	2.931	2.501
Expected return on plan assets	(815)	(561)
Net actuarial (gain)/loss recognized in year	(966)	(540)
	<b>6.038</b>	<b>37.953</b>

## Notes of the Consolidated Financial Statements

The principal actuarial assumptions at the balance sheet date are:

ACTUARIAL STUDY	2007		2006	
	Non Funded	Funded	Non Funded	Funded
Discount rate	5,00%	4,80%	4,00%	4,00%
Future salary increases	4,52%	4,52%	4,22%	4,22%
Future pension increases	-	-	-	-
Expected return on plan assets	5,00%	4,80%	4,00%	4,00%

### 33. OTHER LIABILITIES

(Amounts in thousand Euro)	31/12/2007	31/12/2006
Prepaid expenses and deferred income	126.418	134.234
Creditors and suppliers	75.507	70.819
Fees and payroll payable	2.051	2.818
Tax and duties payable (except income tax)	33.520	34.003
Income tax payable	2.346	22.107
Due to public sector	48.257	37.471
Other	114.018	110.604
	<b>402.117</b>	<b>412.056</b>

### 34. SUBORDINATED LOANS

(Amounts in thousand Euro)	31/12/2007	31/12/2006
Subordinated loan due 2012	0	199.797
Subordinated loan due 2014	195.141	195.176
	<b>195.141</b>	<b>394.973</b>

The subordinated loans represent the proceeds received from the issuance of subordinated floating rate notes by the Bank's subsidiary ABG FINANCE INTERNATIONAL PLC, which are guaranteed by the Bank. The proceeds of these notes are loaned to the Bank on exactly the same terms as the notes issued.

The first notes issue occurred on 23 December 2002 for EUR 200 million due in 2012. The notes was redeemed at the option of the Bank at December 2007.

The second notes issue occurred on 18 August 2004 for EUR 200 million due in 2014. The notes carry interest at Euribor plus 0,75% which is paid quarterly. The notes may be redeemed at the option of the Bank after 19 August 2009, if they are not redeemed the interest spread of 0,75% increases to 2,05%.

The subordinated loans are carried at amortized cost. The costs related to the issue of the notes are amortized as interest expense using the effective interest method over the period of the placement to the first redemption option.

# Notes of the Consolidated Financial Statements

## 35. INSURANCE RESERVES

(Amounts in thousand Euro)

	TOTAL		RATIO OF COMPANY		RATIO OF REINSURANCE	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Life Insurance</b>						
Mathematical reserves	322.471	323.938	322.471	323.938	0	0
Unearned premiums	10.417	9.801	10.417	9.801	0	0
Profit sharing	23.729	25.774	23.729	25.774	0	0
Outstanding claim reserves	10.732	8.480	9.539	7.762	1.193	718
Outstanding claims incurred but not reported (IBNR)	2.740	2.444	2.740	2.444	0	0
<b>Total life insurance reserves</b>	<b>370.089</b>	<b>370.437</b>	<b>368.896</b>	<b>369.719</b>	<b>1.193</b>	<b>718</b>
<b>Non-life Insurance</b>						
Unearned premiums	51.415	43.750	41.371	36.843	10.044	6.907
Outstanding claim reserves	160.074	149.437	143.464	132.615	16.610	16.822
<b>Total non-life insurance reserves</b>	<b>211.489</b>	<b>193.187</b>	<b>184.835</b>	<b>169.458</b>	<b>26.654</b>	<b>23.729</b>
<b>Reserves for Unit Linked products</b>	<b>25.129</b>	<b>23.286</b>	<b>25.129</b>	<b>23.286</b>	<b>0</b>	<b>0</b>
	<b>606.707</b>	<b>586.910</b>	<b>578.860</b>	<b>562.463</b>	<b>27.847</b>	<b>24.447</b>

## 36. SHARE CAPITAL

At 31/12/2007 the share capital of the Bank was EUR 651.919.999,68 and consisted of 905.444.444 authorized and issued common shares of nominal value of EUR 0,72 per share fully paid.

During the current period no changes in ATEbank 's share capital have taken place.

## 37. RESERVES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Statutory reserve	35.453	27.659
Tax free reserves	66.895	65.676
Extraordinary reserve	13.512	91.245
Revaluation reserve available-for-sale investments	165.594	190.499
Other reserves	7.031	7.155
Foreign currency differences	(4.934)	2.379
	<b>283.551</b>	<b>384.613</b>

**Statutory reserve:** In accordance with Greek corporate law entities are required to transfer 5% of their annual profits after tax to a statutory reserve. This obligation ceases when the statutory reserve amount to one third of the Bank's share capital. This reserve is not available for distribution, but it may be applied to extinguish losses.

## Notes of the Consolidated Financial Statements

**Tax free reserves:** In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that these reserves are distributed or capitalized they will be taxed at the rate applicable on the date of distribution or capitalization.

**Extraordinary reserves:** This reserve arises from profits that have been taxed and retained by the Bank. They can be distributed without any further taxes or withholdings.

**Available for sale reserves:** This reserve arises from the changes in the valuation of the available for sale securities. It is transferred to the income statement when the relevant securities are sold.

### 38. DIVIDEND PER SHARE

The Board of Directors decided and will propose to the annual Shareholders' Meeting the dividend distribution of Euro 0,10 per share which includes an interim dividend of Euro 0,05 per share, paid during December of 2007 according to the decision Of Board of Directors as of 21/11/2007. (2006: Euro 0,09 per share).

### 39. CONTINGENT LIABILITIES AND COMMITMENTS

#### (a) Litigation

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation, with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Group.

#### (b) Letters of guarantee and letters of credit

The contractual amounts of the Group's off-balance sheet financial statements that commit to extend credit to customers are as follows (amounts are expressed in thousands of Euro):

#### (Amounts in thousand Euro)

	31/12/2007	31/12/2006
Letters of guarantee	415.727	435.152
Letters of credit	1.519	4.657
	<b>417.246</b>	<b>439.809</b>

#### (c) Assets pledged

Assets are pledged with the Central Bank as guarantee for client Repos deposits. Their nominal value amounts to EUR 900.000 thousand as of 31 December 2007 and EUR 500.000 thousand as of 31 December 2006.

## Notes of the Consolidated Financial Statements

### 40. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

#### 40.1 Subsidiaries

##### a) ATEbank Romania

The Group within 2006 acquired 69,01% of the share capital of Romanian Bank MINDBANK which is already renamed in ATEbank Romania, total cost of approximately Euro 48,7 million. During 2007 the Group acquired additional 18,20% of the share capital of ATEbank Romania, total cost of EUR 22,8 million. After that, the Group as at 31/12/2007 owns 87,21% of the share capital of ATEbank Romania.

Within the closing period, the valuation of assets of ATEbank Romania at fair values was accomplished and the excess over cost of intangible assets was finalized.

The financial position of the acquired ATEBANK-ROMANIA as of 31/12/2007 is presented on the following table:

	Carrying value	Adjustments	Fair value
Cash and balances with Central Bank	15.868	0	15.868
Loans and advances to banks	11.612	0	11.612
loans and advances to customers	33.317	0	33.317
Available-for-sale securities	129	0	129
property, plant and equipment	21.982	5.823	27.805
Intangible assets	289	1.099	1.388
Deferred tax asset / (liabilities)	0	(1.107)	(1.107)
Other assets	387	0	387
Deposits from banks	(2.052)	0	(2.052)
Deposits from customers	(40.249)	0	(40.249)
Other liabilities	(9.580)	0	(9.580)
Deferred tax liabilities	(1.664)	0	(1.664)
Other liabilities	(555)	0	(555)
<b>Fair value of recognized acquired assets</b>	<b>29.484</b>	<b>5.814</b>	<b>35.298</b>
Minus: minority interests			(10.724)
<b>Fair value of recognized acquired assets attributable to the Bank's equity holders</b>			<b>24.574</b>
<b>Outflow / (Inflow) of acquisition</b>			
Acquisition cost in cash and cash equivalents			48.701
Acquired cash equivalents			(15.868)
<b>Net outflow</b>			<b>32.833</b>

The final fair value of the above identified assets and liabilities, derived through cash flow discount models. The non allocated amount was recorded as goodwill on the balance sheet and will be tested annually for impairment.

## Notes of the Consolidated Financial Statements

Specifically, the excess over cost from the acquisition of ATEbank Romania is presented as:

Purchase price of shares (69,01%)	43.987
Directly attributable cost relating to the acquisition	4.714
<b>Total acquisition cost</b>	<b>48.701</b>
Fair value of recognized acquired assets	24.574
Exchange differences	(177)
<b>Excess over cost (note 27)</b>	<b>24.397</b>

### b) ATExcelixi

The Training Center of the Bank has converted to Societe Anonyme with the brand name ATExcelixi. The participation of the Group with total cost of EUR 300 thousand is 99,20%.

## 40.2 Associates

On October 26, 2006 the acquisition by ATEbank of 20% of ordinary shares and 24,99% of preference shares of the Serbian Bank AIK BANKA, was completed on, at a per ordinary share market price of 2,85 times the Bank's 30/06/2006 audited book value. A total amount of EUR 94,9 million was offered for the acquisition of the above mentioned shares.

Specifically, AIK BANKA has a market share of approximately 3%, is the second most profitable among 39 Banks in Serbia, and has a strong solvency ratio and the highest return on assets.

The General Shareholders' Meeting of AIK BANKA as of 26/4/2007, approved an increase in the share capital by the issue of 1.327.860 new common shares, nominal value of CSR 1.700 at a price of CSR 6.100.

The Bank, after its participation in the above mentioned increase, acquired 274.325 new common shares, total cost of EUR 20,5 million and raised its percentage in AIK BANKA by 0,12%. After the additional acquisition by the Bank of 13.727 of the undisposed common shares (total cost of EUR 1,1 million), its participation raised by 0,20%.

As of 31/12/2007, the total participation of ATEbank to AIK BANKA's share capital raises to 20,83%. As thoroughly mentioned above concerning the acquisition of ATEbank Romania, during the closing period, the valuation of assets of AIK BANKA at fair values was accomplished and the excess over cost of intangible assets, recorded in the "Investment in associates" item, was finalized too.

Specifically, the excess over cost from the acquisition of AIK BANKA is presented as:

Purchase price of shares (20,66%)	93.009
Directly attributable cost relating to the acquisition	1.947
<b>Total acquisition cost</b>	<b>94.956</b>
Fair value of recognized acquired assets	34.750
Fair value adjustments	4.872
Deferred tax	(1.218)
	<b>38.404</b>
<b>Excess over cost</b>	<b>56.552</b>

# Notes of the Consolidated Financial Statements

## 41. RELATED PARTY TRANSACTIONS

The Group is controlled by the Greek State that holds 77,3% of the share capital. The remaining share capital is widely held.

Related parties include a) BoD Members and members of the key management personnel, b) close members of the family and financial dependant of the above, c) associate companies of the Group.

The balances of the related party transactions of the Group are:

a) With BoD Members and members of the key management personnel, and close members of the family and financial dependant of the above

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Loans	2.646	2.117
Deposits	8.946	7.908

Key Management Personnel Fees	31/12/2007	31/12/2006
Fees	(2.649)	(2.630)
Other	(395)	(337)

b) With its associates

(Amounts in thousand Euro)

ASSETS	31/12/2007	31/12/2006
Loans and advances to customers	137.375	141.624
<b>Total assets</b>	<b>137.375</b>	<b>141.624</b>

LIABILITIES	31/12/2007	31/12/2006
Deposits from customers	(75)	(42)
<b>Total liabilities</b>	<b>(75)</b>	<b>(42)</b>

INCOME STATEMENT	31/12/2007	31/12/2006
<b>Income</b>		
Interest and similar income	5.923	5.542
Other Operating income	64	65
<b>Total income</b>	<b>5.987</b>	<b>5.607</b>
<b>Expenses</b>		
Fee and commission expense	(24)	(11)
<b>Total expenses</b>	<b>(24)</b>	<b>(11)</b>

Besides the above mentioned transactions, Group also performs transactions with a large number of companies under state control in the framework of its business (loans granted, deposits, other transactions such as wage payments, subsidy payments to farmers etc.)

## Notes of the Consolidated Financial Statements

### 42. SUBSEQUENT EVENTS

The Bank as at 4/2/2008 disposed its participation (75%) to ETANAL S.A. for the amount of Euro 360 thousand.

The Bank also, is in the process of sale of its current parcel of shares to RODOPI S.A.

The Shareholders' General Meeting of its subsidiary ATEbank ROMANIA, held at 22/2/2008 decided the Share Capital increase by relinquishment of existing shareholders. The Share Capital increase will be paid in full by the International Finance Corporation, which consists the investing division of the World Bank. Upon completion of the procedure the ATEbank's interests will be formed at 74,13% (from 87,21%).

There are no other significant issues occurred after the balance sheet date that require reporting.

**2**

## **Financial Statements of ATEBank as at 31 December 2007**



# Independent Auditors' Report



**KPMG Kyriacou**  
3 Stratigou Tombra Street  
Aghia Paraskevi  
GR – 153 42 Athens Greece



**BAKER TILLY HELLAS**

Certified Public Accountants-  
Consultants A.E.  
396, Messoghion Avenue  
153 41 Aghia Paraskevi  
SOEL Reg.No: 148

## **INDEPENDENT AUDITORS' REPORT** (TRANSLATED FROM THE ORIGINAL IN GREEK)

To the Shareholders of  
ATE BANK A.E.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ATE BANK A.E. (the Bank) which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards, which are harmonized on International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## Independent Auditors' Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Financial Statements give a true and fair view, of the financial position of the Bank as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that as adopted by the European Union.

Athens, 4 March 2008

KPMG Certified Auditors A.E.

Nick Vouniseas  
Certified Auditor Accountant  
AM SOEL 18701

Baker Tilly Hellas A.E.

Ioannis Kalogeropoulos  
Certified Auditor Accountant  
AM SOEL 10741

# Income statement

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	Note	1/1 - 31/12/2007	1/1 -31/12/2006
Interest and similar income		974.122	852.014
Interest expense and similar charges		(394.376)	(267.715)
<b>Net interest income</b>	<b>7</b>	<b>579.746</b>	<b>584.299</b>
Fee and commission income		88.358	82.937
Fee and commission expense		(22.868)	(19.321)
<b>Net fee and commission income</b>	<b>8</b>	<b>65.490</b>	<b>63.616</b>
Net trading income	<b>9</b>	43.579	14.281
Net gain/(loss) on disposal of non-trading financial instruments	<b>10</b>	82.529	44.313
Dividend income	<b>11</b>	29.196	29.240
Other operating income	<b>12</b>	23.524	25.074
<b>Other income</b>		<b>178.828</b>	<b>112.908</b>
<b>Operating income</b>		<b>824.064</b>	<b>760.823</b>
Impairment losses	<b>13</b>	(78.846)	(60.000)
Operating expenses	<b>14</b>	(476.752)	(458.885)
<b>Profit before tax</b>		<b>268.466</b>	<b>241.938</b>
Income tax expense	<b>15</b>	(57.375)	(80.505)
<b>Profit after tax</b>		<b>211.091</b>	<b>161.433</b>
Basic and diluted earnings per share (expressed in Euro per share)	<b>16</b>	0,23	0,18

The Financial Statements on pages 1 to 50 have been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union and have been approved by the Board of Directors as of 4 March 2008 and are signed by:

The Governor	The Deputy Governor	The Head of Finance Department
Dimitrios Miliakos	Vasilios Drougkas	Christos Stokas

The accompanying notes (pages from 5 to 50) are an integral part of these financial statements.

# Balance sheet

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	Note	31/12/2007	31/12/2006
<b>Assets</b>			
Cash and balances with the Central Bank	17	1.180.630	925.536
Loans and advances to banks	18	682.021	1.279.414
Trading securities	19	518.479	558.406
Derivative financial instruments	20	45.788	20.358
Loans and advances to customers	21	16.849.837	13.624.532
Available-for-sale securities	22	1.183.005	1.236.423
Held-to-maturity securities	23	1.177.360	1.268.610
Investments in subsidiaries and associates	24	478.742	437.921
Investment property	25	169.658	181.001
Property, plant and equipment	26	298.529	288.064
Intangible assets	27	5.512	5.544
Deferred tax asset	28	304.538	362.193
Other assets	29	505.120	400.410
<b>Total assets</b>		<b>23.399.219</b>	<b>20.588.412</b>
<b>Liabilities</b>			
Deposits from banks	30	769.327	94.381
Deposits from customers	31	20.713.674	18.198.205
Derivative financial instruments	20	12.867	49.592
Provision for employee benefits	32	9.811	290.232
Other liabilities	33	244.882	221.990
Subordinated loans	34	199.616	399.515
<b>Total liabilities</b>		<b>21.950.177</b>	<b>19.253.915</b>
<b>Equity</b>			
Share capital	35	651.920	651.920
Share premium		94.231	94.714
Other reserves	36	279.914	365.195
Accumulated surplus		422.977	222.668
<b>Total equity</b>		<b>1.449.042</b>	<b>1.334.497</b>
<b>Total equity and liabilities</b>		<b>23.399.219</b>	<b>20.588.412</b>

The accompanying notes (pages from 5 to 50) are an integral part of these financial statements.

# Statement of changes in equity

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	Share capital	Treasury shares	Share premium	Reserves	Accumulated surplus / (deficit)	Total
<b>Balance at 1/1/2006</b>	<b>1.729.399</b>	<b>(25.631)</b>	<b>95.275</b>	<b>316.099</b>	<b>(920.803)</b>	<b>1.194.339</b>
Profit for the period 1/1 - 31/12/2006	0	0	0	0	161.433	161.433
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	92.469	0	92.469
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(21.581)	0	(21.581)
Deferred tax on entries recognized directly to equity	0	0	(561)	0	0	(561)
Dividends paid	0	0	0	0	(63.381)	(63.381)
Transfer to reserves	0	0	0	(21.792)	21.792	0
(Purchases)/sales of treasury shares	0	25.631	0	0	(8.580)	17.051
Share capital reduction	(1.032.207)	0	0	0	1.032.207	0
Share capital return	(45.272)	0	0	0	0	(45.272)
<b>Balance at 31/12/2006</b>	<b>651.920</b>	<b>0</b>	<b>94.714</b>	<b>365.195</b>	<b>222.668</b>	<b>1.334.497</b>
Profit for the period 1/1 - 31/12/2007	0	0	0	0	211.091	211.091
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	49.906	0	49.906
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(64.479)	0	(64.479)
Deferred tax on entries recognized directly to equity	0	0	(483)	0	0	(483)
Dividends paid	0	0	0	0	(81.490)	(81.490)
Transfer to reserves	0	0	0	(70.708)	70.708	0
<b>Balance at 31/12/2007</b>	<b>651.920</b>	<b>0</b>	<b>94.231</b>	<b>279.914</b>	<b>422.977</b>	<b>1.449.042</b>

The accompanying notes (pages from 5 to 50) are an integral part of these financial statements.

# Statement of cash flows

For the year ended 31 December 2007

(Amounts in thousands of Euro)

	31/12/2007	31/12/2006
<b>Operating activities</b>		
Profit before tax	268.466	241.938
<b>Adjustment for:</b>		
Depreciation and amortization	27.779	25.761
Impairment losses	78.846	60.000
Changes in provisions	(12.489)	(12.827)
Change in fair value of trading investments	(25.281)	(14.448)
(Gain)/loss on the sale of investments, property and equipment	(141.712)	(58.494)
<b>Changes in operating assets and liabilities</b>		
Net (increase)/decrease in loans and advances to banks	561.838	1.087.532
Net (increase)/decrease in trading securities	74.903	(227.845)
Net (increase)/decrease in loans and advances to customers	(3.315.633)	(948.133)
Net (increase)/decrease in other assets	(71.797)	(33.311)
Net increase/(decrease) in deposits from banks	674.946	(114.242)
Net increase/(decrease) in deposits from customers	2.515.469	396.450
Net increase/(decrease) in other liabilities	(479.698)	4.509
<b>Cash flows from operating activities</b>	<b>155.637</b>	<b>406.890</b>
<b>Investing activities</b>		
Acquisition of intangible assets, property and equipment	(40.138)	(43.851)
Proceeds from the sale of intangible assets, property and equipment	23.631	25.140
(Purchases)/Proceeds of held to maturity portfolio	91.250	109.377
(Purchases)/Sales of available for sale portfolio	121.374	(84.533)
Dividends received	25.882	25.819
Purchases of subsidiaries	(40.821)	(152.768)
<b>Cash flows from investing activities</b>	<b>181.178</b>	<b>(120.816)</b>
<b>Financing activities</b>		
Share capital return - Dividends paid	(81.490)	(108.653)
Proceeds/(Purchases) of treasury shares	0	17.051
<b>Cash flows from financing activities</b>	<b>(81.490)</b>	<b>(91.602)</b>
Effect of exchange rate changes on cash and cash equivalent	(231)	(1.914)
<b>Net increase/(decrease) in cash flows</b>	<b>255.094</b>	<b>192.558</b>
Cash and cash equivalents at 1 January	925.536	732.978
<b>Cash and cash equivalents at 31 December</b>	<b>1.180.630</b>	<b>925.536</b>

The accompanying notes (pages from 5 to 50) are an integral part of these financial statements.

# Notes of the Financial Statements

## 1. GENERAL INFORMATION

Agricultural Bank, (the Bank or ATE), was founded in 1929. The Bank's registered office is at 23 Panepistimiou Str. in the municipality of Athens and its duration is 100 years, that is until 2091 which can be extended by decision of the shareholders in a general meeting. The purpose of the Bank, according to the Article of Association is to provide banking services on its own behalf and on behalf of third parties that contributes to the modernization and growth of the economy and more specifically the Agricultural Sector.

The term of the Board of Directors, elected by the Shareholders' General Meeting on May 23, 2007 ends in 2010 and as at 31 December 2007 consist of:

CHAIRMAN (Executive member):	Dimitrios I. Miliakos
VICE CHAIRMAN (Executive member):	Vasilios T. Drougas
VICE CHAIRMAN (Executive member):	Panagiotis N. Varagis
NON-EXECUTIVE MEMBERS:	Grigorios T. Konstantinidis Panagiotis K. Drosos Ioannis N. Katsaounis Vasilios S. Beredimas Ioannis M. Tsagkarakis Grigorios I. Alexiadis
NON-EXECUTIVE INDEPENDENT MEMBERS:	Sotiris A. Revithis Nikolaos K. Balios

The Bank has a network of 470 branches in Greece and 13 abroad, 12 of which through the acquisition of the Bank in Romania, ATEbank Romania (former MINDBANK), and 1 in Germany. The Bank offers to the clients a wide range of banking activities. The Bank also has 893 ATMs (Automatic Teller Machines), while 45% of the branches are privately owned.

The Bank's shares have been listed since 2000 on the Athens Stock Exchange and are included in the FTSE 20 Index (index for Large Capitalization Companies).

From 2005 onwards the Bank uses the brand name "ATEbank".

## 2. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

### 2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union.

## Notes of the Financial Statements

The financial statements were approved by the Board of Directors on 4 March 2008 and are available on the web address [www.atebank.gr](http://www.atebank.gr).

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following financial instruments which are presented at fair value: available for sale financial instruments, trading portfolio financial instruments and derivative financial instruments.

### 2.3 Functional currency

These financial statements are presented in euro, which is the Bank's functional currency. Except as indicated, financial information presented in thousands of euro.

### 2.4 Use of estimation and judgment

The preparation of financial statements according to I.F.R.S. requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Deviations to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

### 2.5 Custody services

The Bank offers custody services to private clients and institutional investors. The financial assets that are under custody as well as income arising from these (interest income, dividends etc.) are not included in these financial statements since these assets don't belong to the Bank but belong to third parties.

## 3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost which includes transaction costs, less impairment loss where considered necessary.

# Notes of the Financial Statements

## **(a) Subsidiaries**

Subsidiaries are entities controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

## **(b) Associates**

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies.

## **(c) Special purpose entities (SPEs)**

Special purpose entities are entities that are created to accomplish a narrow and well-defined objective such as the securitisation of particular assets, or the execution of a specific borrowing or lending transaction.

## **3.2 Foreign currency transactions**

Transactions in foreign currencies are translated to euro at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized to the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies, that are stated at fair value are translated to euro at the foreign exchange rates ruling at the dates that the values were determined. Foreign exchange differences arising from the valuation of non-monetary assets and liabilities at the end of the year are recognized on profit or loss, except differences arising on the translation of monetary assets and liabilities which constitute part of an investment in a subsidiary operation in another country and the financial instruments as cash flow hedge which are recognized directly in equity.

## **3.3 Interest income and expense**

Interest income and expense is recognized in the income statement as it accrues, taking into account the effective yield of the instrument or the applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the future cash receipts or payments through the expected life of the financial instrument.

Once a financial asset or a group of financial assets has been written off as a result of an impairment loss, account of interest ceases.

## Notes of the Financial Statements

### 3.4 Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commission and fees arising from third party transactions, are recognized in the income statement upon the completion of the underlying transaction. Portfolio management fees and other management advisory and service fees are recognized in the income statement according to the applicable service contracts , usually on a proportional basis.

### 3.5 Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities as well as derivative instruments and includes gain and losses from the valuation of the trading portfolio at fair value (shares, bonds, derivative instruments etc.) and foreign exchange differences.

### 3.6 Net investment income

Net investment income comprises exclusively gain or losses from the sale of financial instruments that have been categorized as available for sale. The fair value differences of these financial instruments are recognized directly in equity. Foreign exchange differences arising from the valuation of these financial instruments are also recognized in this account.

### 3.7 Dividend income

Dividend income is recognized in the income statement on the date that the dividend is approved from the appointed bodies of the companies which in most cases is the General Shareholders Meeting. The account includes dividend income from trading portfolio as well as dividend income from investment portfolio.

### 3.8 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which tax asset can be utilized. Deferred tax assets are reduced to the extent that it is probable that the related tax benefit will not be realized.

Current tax includes tax that relates to payment of dividend according to the proposal of the Management.

# Notes of the Financial Statements

## 3.9 Financial assets

### Initial Recognition

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

*Financial assets at fair value through profit or loss:* This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges.

*Loans and receivables:* Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Bank provides money directly to a debtor with no intention of trading the receivable.

*Held-to-maturity investments:* are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the intent and ability to hold to maturity. Were the Bank to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

*Available-for-sale investments:* are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, and available-for-sale are recognized at trade date – the date on which the Bank commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership.

### Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

### Valuation

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method.

### Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal enforceable right to offset recognized amounts and the transactions are intended to settle on a net basis.

# Notes of the Financial Statements

## 3.10 Impairment of financial assets

### (a) Assets carried at amortised cost

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or a group of assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

- a. significant financial difficulty of the obligor;
- b. a breach of contract, such as a default or delinquency in interest or principal payments;
- c. the Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- d. it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- e. observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group; including:
  - adverse changes in the payment status of borrower in the group; or
  - national or local economic conditions that correlate with defaults on the assets in the group.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets has been incurred, the amount of loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. If a loan or a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralized loan reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

## Notes of the Financial Statements

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Bank's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effect of conditions in the historical period that do not exist currently.

The methodology and assumptions used of estimating future cash flows are reviewed regularly by the Bank to reduce any differences between loss estimates and actual loss experience using historical data.

When a loan is uncollectible, it is written-off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

### (b) Assets carried at fair value

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

### 3.11 Derivative financial instruments and hedging accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

## Notes of the Financial Statements

The best evidence of the fair value of a derivative at initial recognition is the transaction price.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contracts is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the items being hedged. The Bank designates certain derivatives as either (a) hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge); or (b) hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Bank documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

*Fair value hedge* – Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

*Cash flow hedge* – The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged items will affect profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting, the changes in the fair value are recognized immediately in the income statement.

# Notes of the Financial Statements

## 3.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand and not pledged balances held with the Central Bank with maturities of less than three months from the Balance Sheet date.

## 3.13 Repurchase agreements

The Bank enters into agreements for the purchases (sales) of investments and to resell (repurchase) substantially the identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security.

Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale or held to maturity as appropriate. The proceeds from the sale of the investments are reported as liabilities to either banks or customers.

The difference between the sale and repurchase considerations is recognized on an accrual basis over the period of the transaction and is included in interest.

## 3.14 Property, plant and equipment

Land and buildings are used by the Bank either for branches or for administrative purposes. All property, plant and equipment is stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method over their expected useful life, as follows:

Buildings	40-50	years
Furniture and other equipment	5-8	years
Machinery	7-14	years
Vehicles	7-9	years

Leasehold improvements are depreciated over either the useful life of the improvement or the duration of the lease whichever is the shorter.

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is higher of the asset's fair value less costs to sell and value in use.

## Notes of the Financial Statements

Gain and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income statement.

Certain items of property, plant and equipment that had been revalued to fair value prior to 1 January 2004, the date of transition to IFRSs, are valued on deemed cost. Deemed cost is considered the revalued amount which constitutes the cost of acquisition.

### 3.15 Investment property

Properties held by the Bank either to earn rental income, capital appreciation, or both, are classified as investment property. Investment property is accounted for in a similar manner as property, plant and equipment. (Note 3.14).

The Bank includes as investment property, property acquired resulting from the foreclosure of non-performing customer loans.

### 3.16 Intangible assets

Intangible assets include goodwill arising from the acquisition of subsidiaries as well as software which is stated at cost less accumulated amortisation.

#### (a) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Positive goodwill is a non amortized intangible asset which is assessed on each balance sheet date for impairment.

Negative goodwill is recognised immediately in profit or loss.

Goodwill should be allocated to the cash generating units on the acquisition date. In case that there are difficulties in the immediate allocation of the fair value of assets, this can be postponed but should be performed within twelve months from the acquisition date.

#### (b) Software

Amortization is charged over the estimated useful life, which the Bank has defined to three years.

Expenditure incurred to maintain software programs is recognized in the income statement of the year. On the contrary expenditure incurred to enhance or improve the performance of the software as well as expenditure incurred for conversion of the software are incorporated in the cost value of the asset under the condition that these can be measured with accuracy.

### 3.17 Leases

#### The Bank as the lessor

When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the present value of the minimum lease payments of the arrangement is presented within loans and advances.

## Notes of the Financial Statements

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease loans are subject to the same impairment testing as applied to customer loans and advances as described in note 3.10.

### **The Bank as the lessee**

Lease agreements that the lessor transfers the use of an asset for a predetermined period without transferring the risks and rewards incidental to ownership are classified as operational leases. In this case the Bank doesn't recognize the leased assets on the balance sheet. The operational lease payments ( lease payments made that correspond to the use of the leased asset free of any incentives given by the lessor ) are recognised on the income statement during the life of the contract.

In case where the Bank is the lessee under a finance lease, fixed assets under the finance lease are recognised as assets and the respective obligation for the lease payments as a liability on the balance sheet. At the inception of the lease, fixed assets leased under finance leases are recognised on the balance sheet at amounts equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Leased assets are depreciated over their useful life, if it is longer than the lease term, only if it is expected that the ownership of the leased assets will pass to the Bank at the end of the lease term. Finance lease payments are apportioned between the capital element and the finance charge. The capital element is used as a reduction of the outstanding liability and the finance charge at the income statement is allocated to periods during the lease term.

### **3.18 Provisions**

A provision is recognized in the balance sheet when the Bank has a present legal obligation or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate has been made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

### **3.19 Employee benefits**

#### **(a) Defined contribution plans**

For defined contribution plans, the Bank pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **(b) Defined benefit plans**

The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return of service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on Greek State bonds that have maturity dates approximating to the terms of the Bank's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

## Notes of the Financial Statements

When benefits are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the income statement.

All actuarial gains and losses as at 1 January 2004, the date of transition to IFRSs were recognized. In respect of actuarial gains or losses that arise subsequent to 1 January 2004 in calculating the Bank's obligation in respect of a plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognized in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized.

### 3.20 Share capital

#### (a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax from the proceeds.

#### (b) Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability in the period in which they are approved by the shareholders.

#### (c) Treasury shares

When share capital recognized as equity is repurchased, the amount of the consideration paid including directly attributable costs, is recognized as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction of total equity. Where such shares are subsequently sold or re-issued any consideration is included in shareholders' equity.

### 3.21 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) figures for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

### 3.22 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format for segment reporting is business segments.

## 3.23 New standards

Some of the new standards, amendments and interpretations issued, which are not effective for the financial period ended as at 31 December 2007, and have not been adopted for the preparation of these financial statements are the following:

### **IFRS 8 «Operating segments» Effective for annual periods on or after 1.1.2009.**

This standard introduces the “management approach” to segment reporting. IFRS 8, which becomes mandatory for the Bank’s 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Bank’s Management in order to assess each segment’s performance and to allocate resources to them. Currently the Bank presents segment information in respect of its business segments (note 6).

### **IFRIC 11 IFRS 2 «Bank and Treasury Shares Transactions» Effective for annual periods on or after 1.3.2007**

Requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments are obtained. IFRIC 11 will become mandatory for the Bank’s 2008 financial statements, with retrospective application required. It is not expected to have any impact on the Bank’s financial statements.

### **IFRIC 12 «Service Concession Arrangements» Effective for annual periods on or after 1.1.2008**

Provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12, which becomes mandatory for the Bank’s 2008 financial statements, is not expected to have any effect on the financial statements.

### **IFRIC 13 «Customer loyalty programs» Effective for annual periods on or after 1.1.2009**

Addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programs for their customers. It relates to customer loyalty programs under which the customer can redeem credits for awards such as free or discounted goods or services. It is not expected to have any impact on the Bank’s financial statements.

### **IFRIC 14 – IAS 19 «The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction» Effective for annual periods on or after 1.1.2008**

Clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also addresses when a minimum funding requirement might give rise to a liability. IFRIC 14 will become mandatory for the Bank’s 2008 financial statements, with retrospective application required. The Bank has not yet determined the potential effect of the interpretation.

### **Revised IAS 23 «Borrowing Costs» Effective for annual periods on or after 1.1.2009**

Revised IAS 23 removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly to attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Bank’s 2009 financial statements and will constitute a change in accounting policy for the Bank.

## Notes of the Financial Statements

### **Amendment of IAS 1 «Presentation of financial statements» Effective for annual periods on or after 1.1.2009**

The adoption of this standard by the European Union and the Bank will affect the presentation of financial statements.

### **Amendment of IAS 27 «Consolidated and Separate Financial Statements» and IFRS 3 «Business Combinations» Effective for annual periods on or after 1.7.2009**

The main changes from the amended standards refer to changes in ownership interests, non-controlling interests (should absorb the total losses incurred attributable to their interest) and costs incurred by the acquirer during the acquisition (they should be expensed).

The adoption of this standard by the European Union and the Bank will affect the presentation of financial statements.

### **Amendment of IFRS 2 «Share based payments» Effective for annual periods on or after 1.1.2009**

Rules for measuring the grant date fair value of the share-based payments are clarified together with the accounting treatment in the cases that a failure to meet the conditions is arisen.

The Bank is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

### **Amendment of IAS 32 «Financial instruments: Presentation» Effective for annual periods on or after 1.1.2009**

Financial instruments that otherwise meet the definition of financial liability but also contain the right for the holder to put them back to issuer, under specific conditions, are classified as equity.

The Bank is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

## **4. RISK MANAGEMENT**

This note provides details of the Bank's exposures to risks and describes the methods used by management to control risk. The most important types of financial risk to which the Bank is exposed are credit risk, liquidity risk, market risk and operational risk.

Operational activity and profitability of the Bank are directly conjunct with financial risk management.

The risk management framework of the Bank has been determined in compliance with the Bank Of Greece directive 2577/06 and is shortly presented as below:

The Board of Directors has overall responsibility for the establishment of the Bank's risk management framework and has established the Assets and Liabilities Committee (ALCO) and the Risk Management Committee.

# Notes of the Financial Statements

The Risk Management Committee is responsible for developing and monitoring the Bank's management policies as set by the Bank Of Greece directive 2577/06.

Within the Bank's Internal Audit system's framework, the Risk Management Department operates as an independent unit, which through the directions of the Risk Management Committee and the Board of Directors, has the responsibility for planning, implementation and overseeing the effectiveness of the risk management system. Risk management controls and procedures are succumbed to the Internal Audit Department regular supervisions and reviews.

The overview and monitoring of Financial instruments risks such as Credit, Liquidity, Currency, Market and Operational are constantly evolved and improved.

Risk management policies and systems are reviewed on annual basis, in order to reflect changes in offering products, market prospects and international conditions.

## 4.1 Credit risk

The Bank takes an exposure to credit risk, which is the risk that a counterparty will be unable to pay an amount in full when due. The Bank's overall exposure to credit risk, is influenced mainly results from the approved credit limits and financing of corporate and retail credit, from the Bank's investment and transaction activities, from trading activities in the derivative markets, as well as from the settlement of financial instruments. The level of risk associated with any credit exposure depends on various factors, including the general economic and market conditions prevailing, the debtors' financial condition, the amount, the type, and duration of the exposure, as well as the presence of any collateral/security (guarantees).

For more effective risk management, the development of standard procedures is implemented, which is analyzed according to international practice in the following three steps:

- Assessment and determination of credit risk on an higher level. This procedure is related with the Bank's overall estimation and measurement of exposure to credit risk on all financial instruments, as well as the determination of the accepted level of credit risk undertaken.
- Assessment and measurement of credit risk on the client's assessment and approval level. This procedure concerns the determination of risk in the financing activities on a daily basis, and is performed by the authorized client Departments of the Bank (Branches and Divisions).
- Credit risk monitoring during the contractual financing. This procedure is related with the assurance of proper fulfilling or taking the right measures in case of defaulting on the client's contractual financing obligations.

The Bank sets the undertaken credit risk level by determining acceptable credit risk limits which are approved by decisions of the Bank's related authorized Departments.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these credit limits where appropriate.

For credit risk management, the Bank has applied a credit rating model, which consists of 11 grades, which correspond to the different levels of credit risk, the collateral/security or any other guarantees.

## Notes of the Financial Statements

The basic principles of the Bank's credit risk management are:

- Every financing should be approved by the Bank's related authorities (General Loan Meeting, Central Client Department Meeting, Head of Central Client Department, Branch).
- Every financing approval should be made under the evaluation of the customer's creditworthiness and risk assessment.
- The total financing amount approved by the unit, should not exceed the monthly credit risk level set for the unit.
- Every material change in financing such as duration, collateral or general term in the initial contract, should be approved by the Bank's relevant authority level.
- The Central Client Departments apply strictly the financing procedures manual and internal directives, in order to make their approvals. Internal directives report the procedures which should be applied for issues such as credit limits per customer, credit risk limits, customer evaluation based on a criteria total, collateral/security evaluation, etc.
- Counterparty's approval of credit limits and lines of credit management, should be consistent with the Bank's credit risk policies as well as with the regulatory framework requirements.

### 4.1.1 Credit risk measurement

#### Loans and advances

Credit risk of loans and advances consists of the following risks:

- Counterparty risk
- Collateral/security risk
- Product risk

Basic factor of the financing approval procedure, constitutes the evaluation of the customer's creditworthiness and the credit risk assessment derived from this financing.

For customers' creditworthiness evaluation, as mentioned above, an 11th-grade credit rating model is applied under the new credit risk management framework of procedures and monitoring the customers' behavior.

The model initially set on 2000, is on line with the Bank's main Information Technology system and is constantly evolved and improved on an annual basis.

There are different methods of scoring the customers' creditworthiness according to the grade in which they are included:

- Agricultural credit Scoring
- Private credit Scoring
- Small and medium sized entities credit Scoring
- Entities credit Scoring

## Notes of the Financial Statements

The credit scoring methods constitute evaluation standards of the customers' creditworthiness, which assess information of the customers' initial claim and their behavior thereafter (mixed standards). The Bank, is expected to develop more creditworthiness standards for the retail credit in Group basis, both for application scoring and behavioral scoring.

The credit scoring methods are used for financing assessment which is included in the corporate portfolio of the Bank and are segregated according to the type and the size of the firm.

According to the scoring method applied, the customer's scoring is combined with the probability of defaulting on his contractual obligations and the expected loss of the non performing loan is calculated.

The calculation of the expected loss is presented on a real time on-line system and is based on the estimation of the probability of defaulting on the customer's contractual obligations, on collateral/security, on duration and on other transaction characteristics.

### **Other credit risk products**

For the credit risk estimation of other financial products (besides loans and advances), mainly, external ratings from international rating agencies are used. According to the product type, other factors such as the country risk, the existence of any collateral/security, the transaction characteristics, are taken into account.

### **4.1.2 Credit risk monitoring and management**

#### **a) Limits**

The Bank has applied credit limits in order to manage and control its credit risk exposure and concentration.

Specifically, monthly credit limits per financing approval unit have been set, and their monitoring is applied on a real time on-line system through the internal credit rating model. The overall credit risk limit is a result of the combined calculation of the counterparty's creditworthiness and the existence and quality of collateral/security which reduce the undertaken credit risk level.

Credit risk limits are reevaluated on an annual or more often basis and the amount balances along with the customers' behavior are closely monitored by the Bank's account officers.

In order to manage and control the credit risk derived from financing in the corporate, agricultural and private sector, personal guarantee limits according to the counterparties' creditworthiness have been applied.

Apart from that, credit limits according to the counterparties' credit lines ratings, against exposure to financial institutions or countries, have been applied.

Additionally, the credit risk of the Bank, is controlled through the implementation of limits on daily positions on financial instruments.

## Notes of the Financial Statements

### b) Risk mitigation techniques

The Bank, in order to minimize the overall credit risk undertaken, requires collateral/security, specifically when the counterparty's creditworthiness is not well, or when it is estimated that the financing or credit limit amount exceeds the personal guarantee limit every time set.

Specific directions and orders concerning acceptable collateral/security have been issued and applied, and their valuation is carefully calculated at the time of approval but also with constant revaluations according to the type of collateral/security. The value which is accounted and calculated in order to minimize the level of risk assumed, is reduced by a specific ratio (haircut), which differs according to the type of collateral/security and is applied in order to offset the value impairment risk in case of mandatory liquidation of the Bank's claims as well as any probable litigation fees.

Collateral/security undertaken include the following main categories:

1. Mortgages on real estate property
2. Pledged
  - Deposits
  - Cheques
  - Stocks
  - Bonds or other financial instruments
  - Mutual fund shares
3. Bank letters of guarantee
4. Assignments of claims against quality certifications

#### 4.1.3. Stress test

Stress tests scenarios are used for the calculation of changes in the estimated loss and capital adequacy of the Bank in case of extreme financial / market conditions, for better risk management purposes.

The Bank according to the Bank of Greece Directives systematically runs credit risk stress testing exercises. Moreover, credit risk stress testing exercises for extreme financial / market conditions have been run, the results of which have been taken into account for the calculation of the final amount of allowance for uncollectibility.

#### 4.1.4. Allowance for uncollectibility policies

The Bank applies allowance for uncollectibility policies which aim to the estimation of an adequate amount of allowance which offset the expected loss of uncollectibility. The internal grade credit rating model is used for the estimation of allowance for uncollectibility. Allowance for uncollectibility overall exceeds the minimum regulatory required, as set by the Bank of Greece Decree 2442/99. Apart from the above, the Bank when required, estimates collectively provisions against risks which are not specifically determined.

The tables below present the Bank's maximum exposure to credit risk as at 31.12.2007 and 31.12.2006 concerning loans and advances to customers, loans and advances to banks and investment securities, without the calculation of any collateral/security or other guarantees and according to their credit scoring. The credit lines are based on their carrying amount.

## Notes of the Financial Statements

### a) Loans and advances to customers

(Amounts in thousand Euro)

Grade	31/12/2007		31/12/2006		
	Loans and advances to customers	Allowance for uncollectibility	Loans and advances to customers	Allowance for uncollectibility	
<i>Neither past nor impaired</i>					
A1-A3	Acceptable risk	3.409.294	0	2.468.337	0
B1-B3	Low-fair-risk	3.903.594	0	3.304.150	0
Г1-Г2	Mid-fair risk	2.073.657	0	1.591.398	0
Δ1	High-fair risk	1.328.399	0	1.113.748	0
E1	Watch list	380.813	0	300.936	0
Z1	Impaired	19.428	0	8.962	0
<b>Total</b>		<b>11.115.185</b>	<b>0</b>	<b>8.787.530</b>	<b>0</b>
<i>Individually impaired</i>					
A1-A3	Acceptable risk	970.785	(7.679)	754.520	(2.917)
B1-B3	Low-fair-risk	1.251.891	(27.319)	1.052.406	(21.112)
Г1-Г2	Mid-fair risk	1.351.789	(103.428)	1.138.007	(69.913)
Δ1	High-fair risk	738.472	(33.929)	671.396	(141.034)
E1	Watch list	795.842	(160.694)	789.381	(227.674)
Z1	Impaired	629.033	(589.088)	964.552	(838.206)
<b>Total</b>		<b>5.737.812</b>	<b>(922.137)</b>	<b>5.370.262</b>	<b>(1.300.856)</b>
<i>Past due but not impaired</i>					
A1-A3	Acceptable risk	89.673	0	84.593	0
B1-B3	Low-fair-risk	152.152	0	119.765	0
Г1-Г2	Mid-fair risk	197.616	0	141.720	0
Δ1	High-fair risk	189.297	0	125.506	0
E1	Watch list	186.517	0	182.505	0
Z1	Impaired	103.722	0	113.507	0
<b>Total</b>		<b>918.977</b>	<b>0</b>	<b>767.596</b>	<b>0</b>
<i>Past due comprises</i>					
30-90 days		305.425	0	216.558	0
90-180 days	85.334	0	74.078	0	
180 days+		528.218	0	476.960	0
<b>Total</b>		<b>918.977</b>	<b>0</b>	<b>767.596</b>	<b>0</b>
<i>Renegotiations</i>	1.375.768	0	1.527.713	0	
<b>Total</b>		<b>17.771.974</b>	<b>(922.137)</b>	<b>14.925.388</b>	<b>(1.300.856)</b>

## Notes of the Financial Statements

### b) Loans and advances to banks

(Amounts in thousand Euro)

Grade		31/12/2007		31/12/2006	
		Loans and advances to banks	Allowance for uncollectibility	Loans and advances to banks	Allowance for uncollectibility
<i>Neither past nor impaired</i>					
A1-A3	<i>Acceptable risk</i>	682.021	0	1.279.414	0
B1-B3	<i>Low-fair-risk</i>	0	0	0	0
Г1-Г2	<i>Mid-fair risk</i>	0	0	0	0
Δ1	<i>High-fair risk</i>	0	0	0	0
E1	<i>Watch list</i>	0	0	0	0
Z1	<i>Impaired</i>	0	0	0	0
<b>Total</b>		<b>682.021</b>	<b>0</b>	<b>1.279.414</b>	<b>0</b>

### c) Investment securities

(Amounts in thousand Euro)

Grade		31/12/2007		31/12/2006	
		Investment securities	Allowance for impairment	Investment securities	Allowance for impairment
<i>Neither past nor impaired</i>					
A1-A3	<i>Acceptable risk</i>	1.541.559	0	1.672.236	0
B1-B3	<i>Low-fair-risk</i>	8.805	0	10.050	0
Г1-Г2	<i>Mid-fair risk</i>	11.475	0	14.900	0
Δ1	<i>High-fair risk</i>	5.815	0	6.816	0
E1	<i>Watch list</i>	0	0	0	0
Z1	<i>Impaired</i>	0	0	0	0
<b>Total</b>		<b>1.567.654</b>	<b>0</b>	<b>1.704.002</b>	<b>0</b>

## Notes of the Financial Statements

### Impairment of loans and advances to banks and customers and investment securities

Impaired loans and investment securities are those for which the Bank considers that the counterparty will not be able to meet interest and capital repayment of his contractual obligations.

### Past due but not impaired

Loans and investment securities of which interest and capital repayment are past due, while the Bank asserts based on the existed collateral/security and the time due, that there is no need for an allowance for uncollectibility record.

### Renegotiations

This category includes loans the terms of which have been renegotiated due to the counterparty's financial adverse and remain to this category whether they are thereafter performed or not.

### Allowance for uncollectibility

Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy or in the health of a particular industry segment that represents a concentration in the Bank's portfolio, could result in losses that are different provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk

Allowance for uncollectibility consist of the allowance for loans and advances which are assessed on an individual basis as material, and of the allowance for loans and advances which are included in categories with similar credit risk characteristics and are collectively assessed.

### Write offs

The Bank writes off a loan or an investment security when it is asserted as uncollectible or due to the counterparty's adjective financial adverse in fulfilling his contractual obligations, or when the collateral/security liquidation amount is not adequate for the repayment of his contractual remaining obligation. The bank continues the monitoring of its write-offs for the case of potential recovery.

The Bank undertakes collateral/security or and guarantees against its customers' credit risk, reducing the overall credit risk and assuring the on time repayment of its claims. The fair value of collateral/security and guarantees is revaluated regularly. The accepted collateral/security and the respective fair value per category is presented in the table below:

## Notes of the Financial Statements

(Amounts in thousand Euro)

	31/12/2007		31/12/2006	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
<b>Against neither past due nor impaired</b>				
1. Property	7.801.340	0	6.615.908	0
2. Cheques-Cash	131.448	0	135.115	0
3. Debt securities-Equity	20.207	0	49.908	0
4. Other	914.394	0	649.627	0
5. Sovereign guarantees	6.567.208	0	7.313.708	0
6. Machinery	73.998	0	157.937	0
<b>Total</b>	<b>15.508.595</b>	<b>0</b>	<b>14.922.203</b>	<b>0</b>
<b>Against individually impaired</b>				
1. Property	1.472.832	0	1.216.355	0
2. Cheques-Cash	135.893	0	107.365	0
3. Debt securities-Equity	138.088	0	69.665	0
4. Other	307.607	0	317.247	0
5. Sovereign guarantees	223.396	0	562.033	0
6. Machinery	64.085	0	88.381	0
<b>Total</b>	<b>2.341.901</b>	<b>0</b>	<b>2.361.046</b>	<b>0</b>
<b>Against past due but not impaired</b>				
1. Property	1.127.676	0	902.540	0
2. Cheques-Cash	5.384	0	5.548	0
3. Debt securities-Equity	43.866	0	11.013	0
4. Other	78.305	0	90.288	0
5. Sovereign guarantees	195.418	0	1.108.454	0
6. Machinery	17.764	0	19.966	0
<b>Total</b>	<b>1.468.413</b>	<b>0</b>	<b>2.137.809</b>	<b>0</b>
<b>Total</b>	<b>19.318.909</b>	<b>0</b>	<b>19.421.058</b>	<b>0</b>

## Notes of the Financial Statements

The Bank monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

(Amounts in thousand Euro)

	Loans and advances to customers		Loans and advances to banks		Available-for-sale securities		Held-to-maturity securities	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<b>Concentration by sector</b>								
- Corporate	3.458.446	2.626.361	0	0	175.661	205.159	0	0
- Sovereign	5.182.598	3.964.726	0	0	91.408	100.701	1.177.360	1.268.610
- Bank	127.375	141.624	682.021	1.279.414	123.225	129.532	0	0
- Retail	8.081.418	6.891.821	0	0	0	0	0	0
	<b>16.849.837</b>	<b>13.624.532</b>	<b>682.021</b>	<b>1.279.414</b>	<b>390.294</b>	<b>435.392</b>	<b>1.177.360</b>	<b>1.268.610</b>
<b>Concentration by location</b>								
- Greece	16.832.176	13.624.532	322.460	226.261	113.251	128.107	1.177.360	1.268.610
- Europe	17.661	0	342.599	873.865	229.524	254.277	0	0
- America	0	0	9.991	66.495	0	0	0	0
- Other	0	0	6.971	112.793	47.519	53.008	0	0
	<b>16.849.837</b>	<b>13.624.532</b>	<b>682.021</b>	<b>1.279.414</b>	<b>390.294</b>	<b>435.392</b>	<b>1.177.360</b>	<b>1.268.610</b>

The concentration risk per geographical sector for loans and advances to customers and banks, is based on the region to which the Bank operates and it is highly correlated to the counterparty's registry office, while for investment securities according to the issuers registered office.

### 4.2 Market risk

The Bank takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Bank applies modern methods for measuring market risk, such as "Value at Risk" model.

The value at risk valuation estimates the maximum possible loss in the net present value of the portfolio that can occur in a set time period and for a given confidence level, nevertheless it can not measure losses that can arise from extreme financial conditions. The Bank uses a confidence level of 99% in order to carry out value at risk valuation (using the Monte Carlo method) for the daily time horizon.

The trading portfolio of the Bank consists of bonds, shares and derivatives. The value at risk price for the whole trading portfolio as at 31 December 2007 was EUR 2,934 million (2006: EUR 1,638 million) and of which EUR 0,022 million (2006: EUR 0,006 million) related to interest rate risk, EUR 2,453 million (2006: EUR 1,221 million) for market risk and EUR 2,238 million (2006: EUR 1,494 million) for foreign exchange risk. Due to the structure of the trading portfolio as of 31 December 2007 and the level of diversification a reduction of the value-at-risk of EUR 1,779 million (2006: EUR 1,083 million) has been accomplished.

## Notes of the Financial Statements

The Bank also applies a program based on backtesting to test the value at risk analysis, by comparing daily the actual change in the value of the portfolio due to the changes in market prices with the respective value-at-risk figure. In 2007 4 cases occurred where the actual change in the value of the portfolio was larger than the Value-at-Risk estimate, while in 2006 2 instances have been observed.

The above are summarized as follows:

### (Amounts in thousand Euro)

	At 31 December	Average	Maximum	Minimum
<b>2007</b>				
Foreign currency risk	2.238	761	2.781	72
Interest rate risk	22	14	58	2
Other price risk	2.453	2.282	3.267	1.447
Covariance	(1.779)	(816)	(3.662)	(86)
	<b>2.934</b>	<b>2.241</b>	<b>2.444</b>	<b>1.435</b>
<b>2006</b>				
Foreign currency risk	1.494	1.915	5.267	1.273
Interest rate risk	6	39	112	6
Other price risk	1.221	1.463	2.805	967
Covariance	(1.083)	(139)	(4.053)	(633)
	<b>1.638</b>	<b>3.278</b>	<b>4.131</b>	<b>1.613</b>

### 4.3 Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. It includes both the risks of being unable to fund assets at appropriate maturities and rates, and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Bank has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, debt securities and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Bank strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Bank continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Bank strategy.

The Bank calculates and monitors the liquidity ratio "Liquid Assets / Total Liabilities". Liquid assets include cash and cash equivalent as well as investment grade debt securities for which there is an active and liquid market and those loans and advance to banks that their maturity is within next month. Total liabilities include deposits from banks and customers as well as other liabilities with maturity within a year.

The Bank maintains a portfolio of non-trading securities that may be used for liquidity purposes according to 532/2006 of the Bank of Greece directive. Exertion of this ability would increase the above ratio up to 20 bp at the reference date.

Details of the reported Bank ratio of net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

## Notes of the Financial Statements

	31/12/2007	31/12/2006
At 31 December	11,20%	14,92%
Average for the period	15,24%	17,63%
Maximum for the period	20,91%	22,88%
Minimum for the period	11,20%	14,92%

The table below shows the undiscounted cash flows on the Bank's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or saving accounts) are assigned to the time band up to one month. The expected cash flows on these instruments may vary significantly from this analysis. The gross nominal inflow / (outflow) disclosed in the table below is the contractual, undiscounted cash flow on the financial liability or commitment. Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal enforceable right to offset recognized amounts and the transactions are intended to be settled on a net basis.

(Amounts in thousand Euro)

31/12/2007

	Gross						
	Carrying	nominal	Less than	1 - 3	3 - 6	6 months	More
	amount	(inflow) /	1 month	months	months	to	than
		outflow				1 year	1 year
<i>Non-derivative liabilities</i>							
Deposits from banks	769.327	780.080	776.427	3.653	0	0	0
Deposits from customers	20.713.674	20.855.050	17.186.245	1.827.516	1.072.959	766.015	2.315
Debt securities issued	0	0	0	0	0	0	0
Subordinated liabilities	199.616	220.742	0	2.704	2.684	5.376	209.978
	<b>21.682.617</b>	<b>21.855.872</b>	<b>17.962.672</b>	<b>1.833.873</b>	<b>1.075.643</b>	<b>771.391</b>	<b>212.293</b>
<i>Derivative liabilities</i>							
Trading:outflow	12.867	86.301	82.301	0	0	0	4.000
Trading:inflow	(45.788)	(97.089)	(82.157)	(840)	(723)	(730)	(12.639)
Risk management:outflow	0	208.293	5.060	11.724	6.870	20.421	164.218
Risk management:inflow	0	(248.188)	(6.019)	(14.744)	(8.763)	(24.579)	(194.083)
	<b>(32.921)</b>	<b>(50.683)</b>	<b>(815)</b>	<b>(3.860)</b>	<b>(2.616)</b>	<b>(4.888)</b>	<b>(38.504)</b>
<i>Unrecognised loan commitments</i>							
	<b>21.649.696</b>	<b>21.805.189</b>	<b>17.961.857</b>	<b>1.830.013</b>	<b>1.073.027</b>	<b>766.503</b>	<b>173.789</b>

## Notes of the Financial Statements

31/12/2006

	Carrying amount	Gross nominal (inflow) / outflow	Less than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	More than 1 year
<i>Non-derivative liabilities</i>							
Deposits from banks	94.381	94.828	94.828	0	0	0	0
Deposits from customers	18.198.205	18.309.294	15.454.198	1.164.763	884.444	801.203	4.686
Subordinated liabilities	399.515	438.662	0	4.778	4.778	210.053	219.053
	<b>18.692.101</b>	<b>18.842.784</b>	<b>15.549.026</b>	<b>1.169.541</b>	<b>889.222</b>	<b>1.011.256</b>	<b>223.739</b>
<i>Derivative liabilities</i>							
Trading:outflow	49.592	45.988	34.033	2.890	921	0	8.144
Trading:inflow	(20.358)	(52.036)	(34.462)	(4.252)	(1.355)	0	(11.967)
Risk management:outflow	0	223.822	5.960	19.362	17.350	9.055	172.095
Risk management:inflow	0	(246.574)	(5.786)	(20.312)	(18.769)	(9.795)	(191.912)
	<b>29.234</b>	<b>(28.800)</b>	<b>(255)</b>	<b>(2.312)</b>	<b>(1.853)</b>	<b>(740)</b>	<b>(23.640)</b>
<i>Αχρησιμοποίητα Πιστωτικά Όρια πελατών</i>							
	<b>18.721.335</b>	<b>18.813.984</b>	<b>15.548.771</b>	<b>1.167.229</b>	<b>887.369</b>	<b>1.010.516</b>	<b>200.099</b>

The following table provides an analysis of the Bank's assets and liabilities into relevant maturity groupings based on the remaining periods to repayment:

## Notes of the Financial Statements

<b>Assets</b>	<b>Up to 1 month</b>	<b>1 - 3 months</b>	<b>3- 12 months</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Cash and balances with Central Bank	1.180.630	0	0	0	0	1.180.630
Loans and advances to banks	604.582	77.439	0	0	0	682.021
Trading securities	105.324	0	1.545	128.136	283.474	518.479
Derivative financial instruments	45.788	0	0	0	0	45.788
Loans and advances to customers	288.076	491.197	2.447.523	6.214.824	7.408.217	16.849.837
Available-for-sale securities	792.711	472	9.976	82.235	297.611	1.183.005
Held-to-maturity securities	0	0	1.047.542	11.110	118.708	1.177.360
Investments in associates	0	0	0	0	478.742	478.742
Investment property	0	0	0	0	169.658	169.658
Property, plant and equipment	0	0	0	0	298.529	298.529
Intangible assets	0	0	0	0	5.512	5.512
Deferred tax asset	0	0	0	0	304.538	304.538
Other assets	21.863	44.401	434.133	569	4.154	505.120
<b>Total assets</b>	<b>3.038.974</b>	<b>613.509</b>	<b>3.940.719</b>	<b>6.436.874</b>	<b>9.369.143</b>	<b>23.399.219</b>
<b>Liabilities</b>						
Deposits from banks	764.018	3.611	0	0	1.698	769.327
Deposits from customers	17.141.775	1.797.728	1.771.856	2.315	0	20.713.674
Derivative financial instruments	12.867	0	0	0	0	12.867
Provision for employee benefits	0	0	0	0	9.811	9.811
Other liabilities	58.801	31.452	108.910	0	45.719	244.882
Subordinated loans	0	0	0	0	199.616	199.616
<b>Total liabilities</b>	<b>17.977.461</b>	<b>1.832.791</b>	<b>1.880.766</b>	<b>2.315</b>	<b>256.844</b>	<b>21.950.177</b>
<b>Net liquidity gap</b>	<b>(14.938.487)</b>	<b>(1.219.282)</b>	<b>2.059.953</b>	<b>6.434.559</b>	<b>9.112.299</b>	<b>1.449.042</b>
<b>At 31 December 2006</b>						
<b>Total assets</b>	3.129.904	851.267	2.634.257	5.125.141	8.847.843	20.588.412
<b>Total liabilities</b>	15.621.025	1.164.012	1.765.097	96.429	607.352	19.253.915
<b>Net liquidity gap</b>	<b>(12.491.121)</b>	<b>(312.745)</b>	<b>869.160</b>	<b>5.028.712</b>	<b>8.240.491</b>	<b>1.334.497</b>

### 4.4 Currency risk

The Bank takes on exposure to the effects of fluctuations in the prevailing exchange rates on its financial position and cash flows. The Board of Directors set limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarizes the Bank's exposure to foreign currency exchange risk at 31 December 2007. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by currency (the amounts are expressed in thousands of Euro):

## Notes of the Financial Statements

### At 31 December 2007

Assets	EUR	USD	GBP	OTHER	Total
Cash and balances with Central Bank	1.175.784	2.568	866	1.412	1.180.630
Loans and advances to banks	474.679	83.056	36.297	87.989	682.021
Trading securities	505.268	13.211	0	0	518.479
Derivative financial instruments	45.788	0	0	0	45.788
Loans and advances to customers	16.724.059	66.991	0	58.787	16.849.837
Available-for-sale securities	1.149.553	33.452	0	0	1.183.005
Held-to-maturity securities	1.177.360	0	0	0	1.177.360
Investments in associates	478.742	0	0	0	478.742
Investment property	169.658	0	0	0	169.658
Property, plant and equipment	298.529	0	0	0	298.529
Intangible assets	5.512	0	0	0	5.512
Deferred tax asset	304.538	0	0	0	304.538
Other assets	505.080	0	4	36	505.120
<b>Total assets</b>	<b>23.014.550</b>	<b>199.278</b>	<b>37.167</b>	<b>148.224</b>	<b>23.399.219</b>
<b>Liabilities</b>					
Deposits from banks	765.294	746	0	3.287	769.327
Deposits from customers	20.424.132	183.526	18.809	87.207	20.713.674
Derivative financial instruments	12.867	0	0	0	12.867
Provision for employee benefits	9.811	0	0	0	9.811
Other liabilities	241.031	3.850	0	1	244.882
Subordinated loans	199.616	0	0	0	199.616
<b>Total liabilities</b>	<b>21.652.751</b>	<b>188.122</b>	<b>18.809</b>	<b>90.495</b>	<b>21.950.177</b>
<b>Net on balance sheet position</b>	<b>1.361.799</b>	<b>11.156</b>	<b>18.358</b>	<b>57.729</b>	<b>1.449.042</b>
<b>Net off balance sheet position</b>	<b>1.769.286</b>	<b>0</b>	<b>0</b>	<b>27.486</b>	<b>1.796.772</b>
<b>At 31 December 2006</b>					
<b>Total assets</b>	<b>20.153.374</b>	<b>252.492</b>	<b>37.050</b>	<b>145.496</b>	<b>20.588.412</b>
<b>Total liabilities</b>	<b>18.953.528</b>	<b>209.553</b>	<b>19.012</b>	<b>71.822</b>	<b>19.253.915</b>
<b>Net on balance sheet position</b>	<b>1.199.846</b>	<b>42.939</b>	<b>18.038</b>	<b>73.674</b>	<b>1.334.497</b>
<b>Net off balance sheet position</b>	<b>2.334.286</b>	<b>0</b>	<b>0</b>	<b>36.797</b>	<b>2.371.083</b>

### 4.5 Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest earning assets, including investments, and interest bearing liabilities mature or reprice at different times or differing amounts.

The Bank applies an interest rate risk management policy that relies on simple maturity and repricing schedules (Interest Rate Gap Analysis).

The table below summarizes the Bank's exposure to interest rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

## Notes of the Financial Statements

Those assets and liabilities lacking actual maturities (e.g. open overdraft accounts) or definitive repricing intervals (e.g. sight deposits or saving accounts) are assigned to the time band up to one month (amounts are expressed in thousands of Euro):

### At 31 December 2007

	Up to 1 month	1 - 3 months	3- 12 months	1 - 5 years	Over 5 years	Non- interest bearing	Total
<b>Assets</b>							
Cash and balances with Central Bank	1.180.630	0	0	0	0	0	1.180.630
Loans and advances to banks	604.582	77.439	0	0	0	0	682.021
Trading securities	14	0	1.771	128.136	283.248	105.310	518.479
Derivative financial instruments	45.788	0	0	0	0	0	45.788
Loans and advances to customers	10.697.146	640.307	1.780.205	2.536.499	1.195.680	0	16.849.837
Available-for-sale securities	27.640	224.064	128.647	10	9.933	792.711	1.183.005
Held-to-maturity securities	32.287	0	1.133.963	11.110	0	0	1.177.360
Investments in associates	0	0	0	0	0	478.742	478.742
Investment property	0	0	0	0	0	169.658	169.658
Property, plant and equipment	0	0	0	0	0	298.529	298.529
Intangible assets	0	0	0	0	0	5.512	5.512
Deferred tax asset	0	0	0	0	0	304.538	304.538
Other assets	0	0	0	0	0	505.120	505.120
<b>Total assets</b>	<b>12.588.087</b>	<b>941.810</b>	<b>3.044.586</b>	<b>2.675.755</b>	<b>1.488.861</b>	<b>2.660.120</b>	<b>23.399.219</b>
<b>Liabilities</b>							
Deposits from banks	764.018	3.611	0	0	0	1.698	769.327
Deposits from customers	17.141.775	1.797.728	1.771.856	2.315	0	0	20.713.674
Derivative financial instruments	12.867	0	0	0	0	0	12.867
Provision for employee benefits	0	0	0	0	0	9.811	9.811
Other liabilities	0	0	45.719	0	0	199.163	244.882
Subordinated loans	0	199.616	0	0	0	0	199.616
<b>Total liabilities</b>	<b>17.918.660</b>	<b>2.000.955</b>	<b>1.817.575</b>	<b>2.315</b>	<b>0</b>	<b>210.672</b>	<b>21.950.177</b>
<b>Total interest sensitivity gap</b>	<b>(5.330.573)</b>	<b>(1.059.145)</b>	<b>1.227.011</b>	<b>2.673.440</b>	<b>1.488.861</b>	<b>2.449.448</b>	<b>1.449.042</b>
<b>At 31 December 2006</b>							
<b>Total assets</b>	9.326.716	918.291	2.149.277	2.197.744	3.413.219	2.583.165	20.588.412
<b>Total liabilities</b>	15.612.653	1.549.845	1.620.925	3.652	0	466.840	19.253.915
<b>Total interest sensitivity gap</b>	<b>(6.285.937)</b>	<b>(631.554)</b>	<b>528.352</b>	<b>2.194.092</b>	<b>3.413.219</b>	<b>2.116.325</b>	<b>1.334.497</b>

## Notes of the Financial Statements

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves worldwide and a 50 bp rise or fall in the greater than one year portion of all yield curves.

### (Amounts in thousand Euro)

	100 bp parallel increase	100 bp parallel decrease	50 bp increase after 1 year	50 bp decrease after 1 year
<b>2007</b>				
At 31 December	(247.856)	237.806	(150.418)	150.575
Average for the period	(201.548)	193.375	(122.314)	122.442
Maximum for the period	(247.856)	237.806	(150.418)	150.575
Minimum for the period	(165.318)	158.614	(100.327)	100.432
	<b>(862.578)</b>	<b>827.601</b>	<b>(523.477)</b>	<b>524.024</b>
<b>2006</b>				
At 31 December	(192.599)	178.532	(155.510)	107.531
Average for the period	(148.368)	137.531	(119.796)	82.836
Maximum for the period	(192.599)	178.532	(155.510)	107.531
Minimum for the period	(95.495)	88.520	(77.106)	53.316
	<b>(629.061)</b>	<b>583.115</b>	<b>(507.922)</b>	<b>351.214</b>

### 4.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

## Notes of the Financial Statements

Bank's standards for the management of operational risk include:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Bank's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Bank.

### **4.7 Fair values of financial assets and liabilities**

The following table summarizes the fair values and the carrying amounts of those financial assets and liabilities that are not presented on the Bank's balance sheet at their fair value.

## Notes of the Financial Statements

(Amounts in thousand Euro)

31/12/2007

	Trading	Designated at fair value	Held-to- maturity	Loans and receivables	Available - for- sale	Other amortized acost	Total carrying value	Fair value
Cash and balances with Central Bank	0	0	0	0	0	1.180.630	<b>1.180.630</b>	1.180.630
Loans and advances to banks	0	0	0	682.021	0	0	<b>682.021</b>	756.503
Trading securities	518.479	0	0	0	0	0	<b>518.479</b>	518.479
Derivative financial instruments	45.788	0	0	0	0	0	<b>45.788</b>	45.788
Loans and advances to customers	0	1.396.727	0	0	0	15.453.110	<b>16.849.837</b>	18.742.858
Available-for-sale securities	0	0	0	0	1.183.005	0	<b>1.183.005</b>	1.183.005
Held-to-maturity securities	0	0	1.177.360	0	0	0	<b>1.177.360</b>	1.136.120
	<b>564.267</b>	<b>1.396.727</b>	<b>1.177.360</b>	<b>682.021</b>	<b>1.183.005</b>	<b>16.633.740</b>	<b>21.637.120</b>	<b>23.563.383</b>
Deposits from banks	0	0	0	0	0	769.327	<b>769.327</b>	768.961
Deposits from customers	0	0	0	0	0	20.713.674	<b>20.713.674</b>	20.770.785
Derivative financial instruments	12.867	0	0	0	0	0	<b>12.867</b>	12.867
Subordinated loans	0	0	0	0	0	199.616	<b>199.616</b>	203.693
	<b>12.867</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21.682.617</b>	<b>21.695.484</b>	<b>21.756.306</b>

31/12/2006

	Trading	Designated at fair value	Held-to- maturity	Loans and receivables	Available - for- sale	Other amortized acost	Total carrying value	Fair value
Cash and balances with Central Bank	0	0	0	0	0	925.536	<b>925.536</b>	925.536
Loans and advances to banks	0	0	0	1.279.414	0	0	<b>1.279.414</b>	1.375.018
Trading securities	588.406	0	0	0	0	0	<b>588.406</b>	558.406
Derivative financial instruments	20.358	0	0	0	0	0	<b>20.358</b>	20.358
Loans and advances to customers	0	1.497.197	0	0	0	12.127.335	<b>13.624.532</b>	15.289.634
Available-for-sale securities	0	0	0	0	1.236.423	0	<b>1.236.423</b>	1.236.423
Held-to-maturity securities	0	0	1.268.610	0	0	0	<b>1.268.610</b>	1.243.015
	<b>608.764</b>	<b>1.497.197</b>	<b>1.268.610</b>	<b>1.279.414</b>	<b>1.236.423</b>	<b>13.052.871</b>	<b>18.943.279</b>	<b>20.648.390</b>
Deposits from banks	0	0	0	0	0	94.381	<b>94.381</b>	92.657
Deposits from customers	0	0	0	0	0	18.198.205	<b>18.198.205</b>	18.238.357
Derivative financial instruments	49.592	0	0	0	0	0	<b>49.592</b>	49.592
Subordinated loans	0	0	0	0	0	399.515	<b>399.515</b>	406.927
	<b>49.592</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18.692.101</b>	<b>18.741.693</b>	<b>18.787.533</b>

## Notes of the Financial Statements

- The fair value of loans and advances to banks and due to banks is based on discounting cash flows using money market rates for debts with similar remaining maturity.
- The fair value of loans and advances to customers is estimated by discounting expected future cash flows using suitable interest rates for instruments with similar maturity.
- The fair value for held to maturity portfolio is estimated using market prices.
- The fair value of due to customers is based on discounted cash flows using appropriate money market rates for instruments with similar maturity.

### 4.8 Capital management and capital adequacy

The Bank's objectives when managing capital, which is a broader concept than the "equity" on the face of the balance sheets, are:

- To comply with the capital requirements set by the regulators of the Banking markets where the Bank operates;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the Bank of Greece. The required information is filed with the Authority on a quarterly basis.

The bank's capital adequacy is calculated according to the relevant directive by the Bank of Greece (2397/96), which is an enforcement of the directive of the European Union for the capital adequacy of financial institutions and investment funds.

The Bank's regulatory capital is divided into two tiers:

- Tier 1 capital
- Tier 2 capital

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of –and reflecting an estimate of credit, market and other risks associated with–each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance exposure, with some adjustments to reflect the more contingent nature of the potential losses.

## Notes of the Financial Statements

The table below summarizes the composition of regulatory capital of the Bank for the years ended 31 December 2007 and 2006 respectively.

<b>Tier 1 Capital</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
Total equity	1.449.042	1.334.497
Less: Intangible assets	(5.512)	(5.544)
Less: Proposed dividends	(90.000)	(81.490)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(280.818)	(76.160)
	<b>1.072.712</b>	<b>1.171.303</b>
<b>Tier 2 Capital</b>		
Supplementary capital	199.616	399.515
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(246.821)	(321.694)
	<b>(47.205)</b>	<b>77.821</b>
<b>Regulatory capital</b>	<b>1.025.507</b>	<b>1.249.124</b>
<b>Risk-weighted assets</b>	<b>12.054.674</b>	<b>10.740.054</b>
<b>Capital adequacy ratio</b>	<b>8,51%</b>	<b>11,63%</b>

The capital ratio for the Bank, is estimated to 8,51% which is higher than the regulatory limit of 8% set by the Bank of Greece directive. The capital ratio for the Bank as of 31.12.2006 raised to 11,52% regarding the estimation of 11,63%.

## **5. CRITICAL ACCOUNTING ESTIMATES, AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES**

The Bank upon preparing the financial statements makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

### **5.1. Fair value**

For the presentation of assets and liabilities at fair value, the Bank used current market prices for every financial instrument. For those assets and liabilities that their current market price was not available, the values that were derived by applying valuation methods do not differ much from their carrying values. Specifically:

1. The listed securities are valued at fair value, which is determined according to the current market price on the day of the balance sheet date.
2. Non listed securities are valued at cost of acquisition less any impairment.
3. Land and property is presented at deemed cost, which does not differ substantially from fair value

### **5.2 Impairment losses on loans and advances to customers**

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. If such evidence exists, the recoverable amount of the financial asset or group of financial assets is calculated and an impairment provision is accounted. The impairment is recorded in the income statement. The estimates, judgments and the methodology implemented are assessed regularly so as the deviations between the impairment provision and the actual losses incurred are minimized.

### **5.3 Fair value of derivatives**

The fair value of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. Those models even though are dependent on measurable data, they require estimates and judgments (i.e. so as to determine volatility and credit risk). Those estimates and judgments are assessed regularly and when market conditions change. Changes in the estimates for the above derivatives can change the fair value of financial investments published.

### **5.4 Impairment of available for sale portfolio**

The available for sale portfolio is measured at fair value with any changes in fair value recorded in a corresponding reserve. Impairment arises when there is a significant or prolonged decline in fair value below its cost. At such case the corresponding reserve is transferred to the income statement. Furthermore, estimates are used to determine the fair value of securities which are not quoted in active markets.

For these financial instruments, fair value is calculated using financial models along with estimates for future segment variations and prospects, as well as the financial condition of the companies that are included in the Bank's portfolio.

## Notes of the Financial Statements

### 5.5 Income tax

The Bank is subject to income tax according to the tax legislation in Greece. The Bank's tax obligations will be considered to be final after the completion of the relevant tax audit.

Due to the method that the tax obligations are finalized in Greece the Bank remains contingent liable to additional taxes and penalties which may be assessed upon such examination. The Bank has accounted a provision for the unaudited fiscal years due to historical data. Any differences that may arise from the tax audits for the unaudited fiscal years will be accounted in the year that will rise.

### 6. SEGMENT REPORTING

The segments that are considered to be as most representative for the Bank's business activity are analyzed as follows:

#### Business sector analysis

(Amounts in thousand Euro)

	31/12/2007					
	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	343.607	43.525	72.987	89.649	29.978	579.746
Net fee and commission income	17.158	4.059	14.078	30.850	(655)	65.490
Dividend income	0	0	0	0	29.196	29.196
Net trading income	0	0	0	0	126.108	126.108
Other operating income	2.097	1.395	1.610	4.264	14.158	23.524
<b>Total operating income</b>	<b>362.862</b>	<b>48.979</b>	<b>88.675</b>	<b>124.763</b>	<b>198.785</b>	<b>824.064</b>
Operating expenses	(278.900)	(38.951)	(46.054)	(57.445)	(55.402)	(476.752)
Impairment losses	(38.052)	(5.373)	(30.575)	0	(4.846)	(78.846)
<b>Profit before tax</b>	<b>45.910</b>	<b>4.655</b>	<b>12.046</b>	<b>67.318</b>	<b>138.537</b>	<b>268.466</b>
Income tax expense						(57.375)
<b>Profit after tax</b>						<b>211.091</b>

## Notes of the Financial Statements

### Business sector analysis

(Amounts in thousand Euro)	31/12/2006					
	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	351.897	39.936	85.294	70.889	36.283	584.299
Net fee and commission income	23.676	4.876	7.856	26.980	228	63.616
Dividend income	0	0	0	0	29.240	29.240
Net trading income	0	0	0	0	58.594	58.594
Other operating income	3.139	2.145	4.479	1.475	13.836	25.074
<b>Total operating income</b>	<b>378.712</b>	<b>46.957</b>	<b>97.629</b>	<b>99.344</b>	<b>138.181</b>	<b>760.823</b>
Operating expenses	(269.277)	(36.283)	(58.218)	(46.509)	(48.598)	(458.885)
Impairment losses	(32.489)	(1.488)	(25.273)	(750)	0	(60.000)
<b>Profit before tax</b>	<b>76.946</b>	<b>9.186</b>	<b>14.138</b>	<b>52.085</b>	<b>89.583</b>	<b>241.938</b>
Income tax expense						(80.505)
<b>Profit after tax</b>						<b>161.433</b>

### 7. NET INTEREST INCOME

(Amounts in thousand Euro)	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>Interest and similar income:</b>		
Loans and advances to customers	828.328	698.851
Loans to banks	75.609	81.000
Debt instruments	70.185	72.163
	<b>974.122</b>	<b>852.014</b>
<b>Interest expense and similar charges:</b>		
Customer deposits	(359.351)	(246.087)
Bank deposits	(11.200)	(3.079)
Subordinated loans	(21.039)	(16.173)
Financial leasing (Lessor)	(2.786)	(2.376)
	<b>(394.376)</b>	<b>(267.715)</b>
<b>Net interest income</b>	<b>579.746</b>	<b>584.299</b>

## Notes of the Financial Statements

### 8. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Loans and advances to customers	22.990	21.592
Custody services	4.106	4.570
Import-exports	1.052	1.055
Letters of guarantee	5.350	6.469
Money transfers	13.824	14.164
Other	41.036	35.087
	<b>88.358</b>	<b>82.937</b>
<b>Fee and commission expenses</b>		
Contribution to Savings Guarantee Fund	(10.801)	(10.064)
Other	(12.067)	(9.257)
	<b>(22.868)</b>	<b>(19.321)</b>
<b>Net fee and commission income</b>	<b>65.490</b>	<b>63.616</b>

### 9. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>Trading Portfolio</b>		
<b>Gain minus Losses</b>		
Derivative financial instruments	10.045	(2.797)
<b>Foreign exchange differences</b>	<b>(5.488)</b>	<b>(5.308)</b>
<b>Sales</b>		
Equity instruments	9.534	8.173
Debt instruments	639	(235)
Other	3.568	0
<b>Revaluation</b>		
Equity instruments	62	6.334
Debt instruments	11.975	10.374
Derivative financial instruments	13.244	(2.260)
	<b>43.579</b>	<b>14.281</b>

## Notes of the Financial Statements

### 10. NET GAIN / (LOSS) ON DISPOSAL OF NON TRADING FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Financial assets available for sale		
From sale		
Equity instruments	71.332	42.208
Debt instruments	0	70
Other	11.197	2.035
	<b>82.529</b>	<b>44.313</b>

Amount of approximately EUR 71,1 million of the period 1/1 – 31/12/2007 (1/1 – 31/12/2006: 41,8 million), was derived from the disposal of a part of the available for sale securities of listed firms in the Athens Stock Exchange.

### 11. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Trading securities	3.314	3.421
Available for sale securities	22.519	21.145
Subsidiaries	3.363	4.674
	<b>29.196</b>	<b>29.240</b>

### 12. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Gain from the sale of fixed assets	10.362	9.040
Income from investment property	2.988	2.713
Income from sequential activities	4.708	7.919
Telecommunication fees	405	2.848
Other	5.061	2.554
	<b>23.524</b>	<b>25.074</b>

## Notes of the Financial Statements

### 13. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Loans and advances to customers	(77.000)	(60.000)
Other	(1.846)	0
	<b>(78.846)</b>	<b>(60.000)</b>

### 14. OPERATING EXPENSES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Staff costs (Note 14a)	(339.159)	(337.812)
Third party fees	(24.755)	(20.616)
Advertising and promotion expenses	(21.537)	(16.621)
Telecommunication expenses	(10.159)	(8.566)
Insurance fees	(1.648)	(1.809)
Repairs and maintenance	(10.254)	(9.446)
Travel	(7.507)	(6.359)
Stationery	(2.598)	(2.115)
Utility services	(3.091)	(2.907)
Depreciation	(25.012)	(22.655)
Amortization of intangible assets	(2.767)	(3.106)
Operating lease rentals	(11.624)	(10.703)
Other taxes	(3.671)	(5.567)
Other	(12.970)	(10.603)
	<b>(476.752)</b>	<b>(458.885)</b>

#### 14a. Staff cost

	1/1 - 31/12/2007	1/1 - 31/12/2006
Wages and salaries	(198.279)	(180.879)
Social security costs	(107.348)	(97.906)
Defined benefit plan costs (note 32)	(1.420)	(31.729)
Other staff costs	(32.112)	(27.298)
	<b>(339.159)</b>	<b>(337.812)</b>

#### NUMBER OF EMPLOYEES

The number of persons employed by the Bank during the year was:	6.368	6.157
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## Notes of the Financial Statements

### 15. INCOME TAX EXPENSE

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Current tax	0	(18.751)
Tax differences for the year 2006	(203)	0
Deferred tax	(57.172)	(22.846)
Autotelic Reserve Taxation (Clause 10 Law 3513/2006)	0	(8.918)
Profit distribution tax (year 2005)	0	(29.990)
	<b>(57.375)</b>	<b>(80.505)</b>

The income tax of the period was calculated on the basis of the current tax rate of 25%. The income tax rate that was used for 2006 was 29%.

The dividend distribution of EUR 0,07 per share, for 2005, resulted in an additional income tax charge of approximately EUR 30 million which was recorded in the income statement of 2006. This amount constitutes non recurring expense.

In the previous fiscal year, 2006, according to the clauses of the latest tax law, 15% of the Banks' tax free reserves were taxed. The total obligation from the taxation of the above mentioned reserves was Euro 8, 9 million and was paid in total during 2006. The reserves of total amount Euro 59,5 million that were taxed according to the clauses of the latest tax law can be capitalized or distributed without further taxation. The abovementioned tax amount was recorded in the income statement

Further information about deferred income tax is provided in note 28.

The reconciliation of the effective tax rate is as follows (in thousands of Euro):

	1/1 - 31/12/2007	1/1 - 31/12/2006
Profit before tax	268.466	241.938
Income tax at 25% (2006: 29%)	(67.117)	(70.162)
Tax exempt revenues (corresponding tax)	67.724	52.861
Non-deductible expenses (corresponding tax)	(762)	(1.289)
Additional tax on property	(48)	(161)
Autotelic Reserve Taxation (Clause 10 Law 3513/2006)	0	(8.918)
Profit distribution tax (year 2005)	0	(29.990)
Effect of deferred tax on income statement	(57.172)	(22.846)
<b>Tax</b>	<b>(57.375)</b>	<b>(80.505)</b>
Effective rate	21,3%	33,20%

## Notes of the Financial Statements

In Greece the results reported to the tax authorities by an entity are considered provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore, entities remain contingently liable for additional tax and penalties, which may be assessed upon such examination. The Bank has been audited by the tax authorities and has settled all its tax obligations up until 31 December 2004. Because of the fashion under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for the fiscal years 2005, 2006 and 2007.

For the years 2005 up to 2007, the relative provision has been accounted according to IFRS.

### 16. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 31/12/2007	1/1 - 31/12/2006
Earnings after tax (in thousands of euro)	211.091	161.433
Weighted average of number of shares in issue	905.444.444	904.427.861
<b>Basic and diluted earnings per share (expressed in euro per share)</b>	<b>0,23</b>	<b>0,18</b>

Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

Basic and diluted earnings per share are the same as the Bank has not issued any dilutive share instruments.

### 17. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Cash in hand	445.135	410.342
Balances with Central Bank	732.729	514.691
Mandatory deposits at Central Bank	2.766	503
	<b>1.180.630</b>	<b>925.536</b>

## Notes of the Financial Statements

### 18. LOANS AND ADVANCES TO BANKS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Current accounts	63.954	96.073
Other placements	618.067	1.183.341
	<b>682.021</b>	<b>1.279.414</b>

### 19. TRADING SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Greek government bonds	2.086	581
Corporate Loans	411.083	450.824
Equity securities	105.310	107.001
	<b>518.479</b>	<b>558.406</b>

### 20. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)

	2007			2006		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
<b>Foreign exchange derivatives</b>						
<i>Swaps</i>	26.122	0	156	36.797	479	0
<i>Options</i>	1.364	32	0	0	0	0
<b>Interest rate derivatives</b>						
<i>Swaps</i>	1.912.143	45.756	12.711	1.670.000	19.879	0
O.T.C. interest rate options	0	0	0	840.000	0	49.952
	<b>1.939.629</b>	<b>45.788</b>	<b>12.867</b>	<b>2.546.797</b>	<b>20.358</b>	<b>49.952</b>

The notional amount of certain types of derivative financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, to the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The Bank does not apply hedge accounting, therefore the gains and losses arising on derivative financial instruments are recognized in net trading income.

## Notes of the Financial Statements

### 21. LOANS AND ADVANCES TO CUSTOMERS

#### 21.1

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Credit cards	308.298	272.516
Consumer loans	735.181	505.957
Mortgages	5.079.044	4.032.871
<b>Loans to private individuals</b>	<b>6.122.523</b>	<b>4.811.344</b>
Loans to the agricultural sector	2.181.576	2.306.963
Corporate loans	3.462.327	2.993.346
Small and medium sized firms	822.440	837.801
<b>Loans to corporate entities</b>	<b>6.466.343</b>	<b>6.138.110</b>
<b>Loans to the public sector</b>	<b>5.183.108</b>	<b>3.975.934</b>
	<b>17.771.974</b>	<b>14.925.388</b>
Less: allowance for uncollectibility	(922.137)	(1.300.856)
	<b>16.849.837</b>	<b>13.624.532</b>

#### 21.2 Allowance for uncollectibility

Movement in the allowance for uncollectibility

	2007	2006
<b>Balance at 1 January</b>	<b>1.300.856</b>	<b>1.610.395</b>
Provision for impairment	77.000	60.000
Loans written-off	(455.719)	(369.539)
<b>Balance at 31 December</b>	<b>922.137</b>	<b>1.300.856</b>

In order for a write off to be materialized, a proposal is submitted by the Write Off Committee, which is subsequently verified by the Asset and Liability Management Committee (ALCO) and the Board of Directors. Write offs are recorded on off balance sheet accounts in order to be monitored for prospective legal actions and probable collections.

## Notes of the Financial Statements

### 22. AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
<b>Debt securities:</b>		
Greek Government bonds	91.408	104.040
Other issuers	298.886	331.352
	<b>390.294</b>	<b>435.392</b>
<b>Equity securities:</b>		
Listed	711.812	717.322
Unlisted	7.956	8.388
Equity fund	48.906	53.045
	<b>768.674</b>	<b>778.755</b>
<b>Mutual fund units</b>	24.037	22.276
	<b>1.183.005</b>	<b>1.236.423</b>

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 7.956 thousand (31/12/2006: 8.388 thousand), which are carried at cost because fair value can not be determined.

The movement in the available-for-sale securities is summarized as follows:

(Amounts in thousand Euro)

	2007	2006
<b>At 1 January</b>	<b>1.236.423</b>	<b>1.082.153</b>
Additions	35.679	175.547
Disposals	(138.856)	(113.746)
Impairment	(147)	0
Gains from changes in fair value	49.906	92.469
<b>31 December</b>	<b>1.183.005</b>	<b>1.236.423</b>

Analysis of additions and reductions follows:

(Amounts in thousand Euro)

	Additions	Disposals
Greek Government bonds	6	0
Equity Fund	2.882	1.589
Corporate bonds	2.575	21.340
Listed securities	30.216	115.642
Unlisted securities	0	285
	<b>35.679</b>	<b>138.856</b>

## Notes of the Financial Statements

### 23. HELD TO MATURITY SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Greek Government bonds	1.177.360	1.268.610
	<b>1.177.360</b>	<b>1.268.610</b>

Mainly include Greek Government Bonds, that are held by the Bank from the issue date and that the Bank intends to hold until their maturity. The fair value of the above mentioned bonds as of 31/12/2007 is EUR 1.136.120 thousand (31/12/2006: EUR 1.243.015 thousand).

### 24. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	% Participation	31/12/2007	31/12/2006
ATE LEASING	99,41%	170.318	170.318
ATE-Cards	98,00%	1.882	5.802
ATE AEDAK	54,00%	613	613
ATE Techniki Pliroforiki	82,73%	3.557	3.557
ATE A.X.E.P.E.Y.	66,58%	22.205	22.205
ATE Insurance	84,26%	490.815	490.815
ABG FINANCE INT.	100,00%	37	37
FIRST BUSINESS BANK	49,00%	47.408	47.408
Hellenic Sugar Company	82,33%	228.664	228.664
DODONI	67,77%	12.799	12.799
SEKAP	42,87%	5.237	5.237
RODOPI	70,09%	3.096	3.096
ETANAL	75,00%	110	110
ELVIZ	99,82%	2.154	2.154
ATE ADVERTISING	47,80%	510	510
ATEExcelixi	95,00%	285	0
MINDBANK	87,21%	71.485	48.701
AIK BANKA	20,83%	116.629	94.957
		<b>1.177.804</b>	<b>1.136.983</b>
<b>Less: Provision for impairment</b>		<b>(699.062)</b>	<b>(699.062)</b>
		<b>478.742</b>	<b>437.921</b>

Participation on subsidiaries and affiliated companies is recorded at cost value less any impairment that has been incurred.

Further information about movement of investments in subsidiaries and associates is provided in Note 39.

## Notes of the Financial Statements

### 25. INVESTMENT PROPERTY

(Amounts in thousand Euro)

	Land	Buildings	Total
<b>At 1 January 2006</b>			
Cost	139.220	80.428	219.648
Accumulated Depreciation	0	(25.323)	(25.323)
<b>Net book value</b>	<b>139.220</b>	<b>55.105</b>	<b>194.325</b>
<b>2006</b>			
Opening net book value	139.220	55.105	194.325
Additions	4.817	7.150	11.967
Disposals	(8.068)	(9.777)	(17.845)
Depreciation charge	0	(4.935)	(4.935)
Depreciation of disposals	0	2.624	2.624
Transfer	(5.114)	(21)	(5.135)
<b>Net book value</b>	<b>130.855</b>	<b>50.146</b>	<b>181.001</b>
<b>31 December 2006</b>			
Cost	130.855	77.780	208.635
Accumulated Depreciation	0	(27.634)	(27.634)
<b>Net book value</b>	<b>130.855</b>	<b>50.146</b>	<b>181.001</b>
<b>2007</b>			
Opening net book value	130.855	50.146	181.001
Additions	1.584	2.431	4.015
Disposals	(7.363)	(6.175)	(13.538)
Depreciation charge	0	(4.474)	(4.474)
Depreciation of disposals	0	2.612	2.612
Transfer	0	42	42
<b>Net book value</b>	<b>125.076</b>	<b>44.582</b>	<b>169.658</b>
<b>31 December 2007</b>			
Cost	125.076	74.078	199.154
Accumulated Depreciation	0	(29.496)	(29.496)
<b>Net book value</b>	<b>125.076</b>	<b>44.582</b>	<b>169.658</b>

Investment property are properties that the Bank holds either to earn rental income or capital appreciation.

The Bank has included as investment property, land and buildings that have come into its possession from the foreclosure of non-performing loans. In accordance with local banking regulations banks are required to dispose of foreclosed property within three years, however, extensions to this holding period can be approved by the Bank of Greece. The net book value of this property as at 31 December 2007 was EUR 96.694 thousands (31/12/2006: EUR 103.808 thousand).

## Notes of the Financial Statements

### 26. PROPERTY, PLANT AND EQUIPMENT

(Amounts in thousand Euro)

	Land	Buildings	Furniture and Equipment	Leasehold Improvements	Under Construction	Total
<b>At 1 January 2006</b>						
Cost	104.193	167.978	77.548	15.205	6.063	370.987
Accumulated Depreciation	0	(33.357)	(57.341)	(6.586)	0	(97.284)
<b>Net book value</b>	<b>104.193</b>	<b>134.621</b>	<b>20.207</b>	<b>8.619</b>	<b>6.063</b>	<b>273.703</b>
<b>2006</b>						
Opening net book value	104.193	134.621	20.207	8.619	6.063	273.703
Additions	802	2.797	14.979	2.920	6.327	27.825
Disposals	(409)	(2)	(5.515)	0	0	(5.926)
Depreciation charge	0	(7.719)	(7.668)	(2.333)	0	(17.720)
Depreciation of disposals	0	2	5.045	0	0	5.047
Transfer	5.114	2.034	0	282	(2.295)	5.135
<b>Net book value</b>	<b>109.700</b>	<b>131.733</b>	<b>27.048</b>	<b>9.488</b>	<b>10.095</b>	<b>288.064</b>
<b>31 December 2006</b>						
Cost	109.700	172.807	87.012	18.407	10.095	398.021
Accumulated Depreciation	0	(41.074)	(59.964)	(8.919)	0	(109.957)
<b>Net book value</b>	<b>109.700</b>	<b>131.733</b>	<b>27.048</b>	<b>9.488</b>	<b>10.095</b>	<b>288.064</b>
<b>2007</b>						
Opening net book value	109.700	131.733	27.048	9.488	10.095	288.064
Additions	1.261	8.473	11.548	3.146	8.962	33.390
Disposals	(744)	(2.224)	(6.199)	(9)	0	(9.176)
Depreciation charge	0	(8.061)	(9.514)	(2.963)	0	(20.538)
Depreciation of disposals	0	876	5.946	9	0	6.831
Transfer	0	1.276	0	1.657	(2.975)	(42)
<b>Net book value</b>	<b>110.217</b>	<b>132.073</b>	<b>28.829</b>	<b>11.328</b>	<b>16.082</b>	<b>298.529</b>
<b>31 December 2007</b>						
Cost	110.217	180.332	92.361	23.201	16.082	422.193
Accumulated Depreciation	0	(48.259)	(63.532)	(11.873)	0	(123.664)
<b>Net book value</b>	<b>110.217</b>	<b>132.073</b>	<b>28.829</b>	<b>11.328</b>	<b>16.082</b>	<b>298.529</b>

The above includes fixed assets amounting to EUR 26.877 which are acquired through financial leasing. These fixed assets are depreciated according to the duration of lease contracts.

## Notes of the Financial Statements

### 27. INTAGIBLE ASSETS

(Amounts in thousand Euro)

	2007	2006
Cost - Software	20.719	17.984
Accumulated amortization	(15.207)	(12.440)
<b>Net book value</b>	<b>5.512</b>	<b>5.544</b>

### 28. DEFERRED TAX ASSET

#### Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(Amounts in thousands of Euro)

	31/12/2007	31/12/2006
<b>Deferred tax asset:</b>		
Intangible assets	1.000	1.619
Provision for impairment losses on customer loans	278.904	288.937
Derivative financial instruments	0	0
Employee benefits	2.873	72.978
Other items	5.658	8.068
Tax losses carry forward	27.203	0
	<b>315.638</b>	<b>371.602</b>
<b>Deferred tax liability:</b>		
Property, plant and equipment	5.681	4.564
Derivative financial instruments	3.419	109
Provision for contingent liabilities	2.000	4.736
	<b>11.100</b>	<b>9.409</b>
<b>Net deferred tax asset</b>	<b>304.538</b>	<b>362.193</b>

#### Movement in temporary differences during the year

(Amounts in thousand Euro)

	1 January 2007	Recognized in income	Recognized in equity	31 December 2007
Intangible assets	1.619	(136)	(483)	1.000
Provision for impairment losses on customer loans	288.937	(10.033)	0	278.904
Employee benefits	72.978	(70.105)	0	2.873
Other items	8.068	(2.410)	0	5.658
Tax losses carry forward	0	27.203	0	27.203
Property, plant and equipment	(4.564)	(1.117)	0	(5.681)
Derivative financial instruments	(109)	(3.310)	0	(3.419)
Provisions for contingent liabilities	(4.736)	2.736	0	(2.000)
	<b>362.193</b>	<b>(57.172)</b>	<b>(483)</b>	<b>304.538</b>

## Notes of the Financial Statements

### 29. OTHER ASSETS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Prepaid expenses	1.840	473
Tax advances and other tax receivables	19.660	25.466
Accrued interest and commissions (29a)	109.370	74.611
Other receivables from public sector	114.732	95.689
Cheques and notes receivables	28.788	30.003
Receivables from pension fund	79.275	72.017
Customers	25.349	30.906
Other	126.106	71.245
	<b>505.120</b>	<b>400.410</b>

Other assets include interim dividend of Euro 45 million approximately, that is € 0,05 per share, paid during December of 2007, according to the Board of Directors decision as of 21/11/2007. The amount of interim dividend is recorded as claim since it has not yet been approved by the General Shareholders Meeting.

#### 29a. Accrued interest and commissions

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
<b>Deferred tax asset:</b>		
Accrued interest from Public sector	4.276	7.101
Accrued interest from Private sector	2.464	3.932
Accrued interest from loans	100.906	59.242
Accrued interest from money market	764	1.782
Public sector commissions	587	1.584
Other	373	970
	<b>109.370</b>	<b>74.611</b>

### 30. DEPOSITS FROM BANKS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Term deposits	767.619	92.505
Due to Central Bank	1.337	1.198
Other borrowings	371	678
	<b>769.327</b>	<b>94.381</b>

## 31. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
<b>Retail customers:</b>		
Current accounts	201.866	165.326
Saving accounts	11.736.435	11.565.124
Term deposits	5.926.875	4.460.645
	<b>17.865.176</b>	<b>16.191.095</b>
<b>Private sector entities:</b>		
Current accounts	867.950	742.765
Term deposits	257.196	234.196
	<b>1.125.146</b>	<b>976.961</b>
<b>Public sector entities</b>		
Current accounts	1.521.237	917.666
Term deposits	202.115	112.483
	<b>1.723.352</b>	<b>1.030.149</b>
	<b>20.713.674</b>	<b>18.198.205</b>

At 31 December 2007 the term deposits includes repo deposits amounted to EUR 75.212 thousand (31/12/2006: EUR 112.627 thousand). The majority of the repurchase agreements expire within one month of the balance sheet date and the total interest expense on repurchase agreements for the year ended 31 December 2007 was EUR 3.945 thousand (2006: EUR 4.653 thousand).

## 32. PROVISION FOR PENSION LIABILITIES

(a) Defined contribution plans

- Main Pension Plan

According to law 3522/22.12.2006, effective 1<sup>st</sup> January 2007, the pension segment of the Main Employee Pension Fund of the Bank acceded to the Social Insurance - Common Employee Pension Fund (IKA- ETAM).

The employer and employees contributions rates are reduced to the respective effective ones in IKA-ETAM, promptly for the employees as of 01.01.2007, and gradually in equal portions for the employer (ATE Bank) within 5 years starting as of 01.01.2007.

Besides the above mentioned regular contributions, the Bank will continue to pay annually as a fixed contribution to IKA- ETAM, an amount of Euro 28 million for fifteen years.

- Medical fund

The medical fund of the Bank, "TYPATE", provides for defined contributions to be made by the Bank at a rate of 6.25% of the employee's salary. Employees contribute at a rate of 2%.

## Notes of the Financial Statements

### (b) Defined benefit plans

In addition to the plans discussed above, the Bank up to 31.12.2006 had the following defined benefit plans:

- Early Retirement Plan

Based upon an agreement the employees of the Bank, in certain instances, are eligible for retirement prior to the conditions set by the main and auxiliary pension plans. In the event that an employee decides to retire the Bank is required to pay to ELEM an additional contribution equal to the regular contributions that the Bank and employee would have paid if they continued their employment, and the monthly pension that the employee receives. The obligation for the additional contribution exists until the retired employee reaches the age of 65, at which point ELEM is responsible for all pension payments. This defined benefit plan is unfunded.

As of 1<sup>st</sup> January 2007 the insured employees and pensioners of ATE Bank's Auxiliary Pension Plan (ELEM) must compulsorily accede to the Bank Employee Fund (E.T.A.T). The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions, is covered from a payment that ATE Bank occurred in the amount of Euro 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make 10 annual, equal payments of Euro 10 million as extraordinary contribution.

The Bank's contribution gradually decreases from 9% to 7,5% within 3 years performed from 01.01.2007.

- Lump Sum granted on retirement

The Bank also sponsors a funded plan that provides for the payment of a lump sum to retiring employees. The payment is determined based on the employee's length of service and salary on the date of retirement.

The amounts recorded in the financial statements with respect to the defined benefit plans are as follows:

#### (Amounts in thousand Euro)

	31/12/2007	31/12/2006
Present value of unfunded obligations	0	280.000
Present value of funded obligations	19.480	18.095
Fair value of plan assets	(9.965)	(8.439)
Unrecognized actuarial gains and losses	296	576
<b>Recognized liability for defined benefit obligations</b>	<b>9.811</b>	<b>290.232</b>
<b>Movement in the net liability for defined benefit obligations recognized in the balance sheet</b>		
Net liability for defined benefit obligations at 1 January	290.232	290.773
Expense recognized in the income statement	1.420	31.729
Contribution paid to ETAT	(280.000)	0
Contributions received	(1.841)	(32.270)
<b>Net liability for defined benefit obligations at 31 December</b>	<b>9.811</b>	<b>290.232</b>

## Notes of the Financial Statements

### Expense recognized in the income statement

	31/12/2007	31/12/2006
Current service cost	1.034	31.509
Interest on obligation	724	566
Expected return on plan assets	(338)	(283)
Net actuarial (gain)/loss recognized in year	0	(63)
	<b>1.420</b>	<b>31.729</b>

The principal actuarial assumptions at the balance sheet date are:

ACTUARIAL STUDY	2007		2006	
	Non Funded	Funded	Non Funded	Funded
Discount rate	-	4,80%	-	4,00%
Future salary increases	-	4,52%	-	4,22%
Future pension increases	-	-	-	-
Expected return on plan assets	-	4,80%	-	4,00%

### 33. OTHER LIABILITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Prepaid expenses and deferred income	96.767	74.497
Creditors and suppliers	12.744	10.435
Fees and payroll payable	43	43
Tax and duties payable (except income tax)	19.927	17.936
Income tax payable	0	18.750
Due to public sector	43.121	31.107
Finance lease payable	45.719	47.123
Other	26.561	22.099
	<b>244.882</b>	<b>221.990</b>

### 34. SUBORDINATED LOANS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Subordinated loan due 2012	0	199.797
Subordinated loan due 2014	199.616	199.718
	<b>199.616</b>	<b>399.515</b>

## Notes of the Financial Statements

The subordinated loans represent the proceeds received from the issuance of subordinated floating rate notes by the Bank's subsidiary ABG FINANCE INTERNATIONAL PLC, which are guaranteed by the Bank. The proceeds of these notes are loaned to the Bank on exactly the same terms as the notes issued.

The first notes issue occurred on 23 December 2002 for EUR 200 million due in 2012. The notes was redeemed according to the option of the Bank at December 2007.

The second notes issue occurred on 18 August 2004 for EUR 200 million due in 2014. The notes carry interest at Euribor plus 0,75% which is paid quarterly. The notes may be redeemed at the option of the Bank after 19 August 2009, if they are not redeemed the interest spread of 0,75% increases to 2,05%.

The subordinated loans are carried at amortized cost. The costs related to the issue of the notes are amortized as interest expense using the effective interest method over the period of the placement to the first redemption option.

### 35. SHARE CAPITAL

At 31 December 2006 the share capital of the Bank was Euro 651.919.999,68 and consisted of 905.444.444 authorized and issued common shares of nominal value of Euro 0,72 per share fully paid.

During the year, no change in the share capital of the Bank is made.

### 36. RESERVES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Statutory reserve	45.950	39.216
Tax free reserves	61.115	61.684
Extraordinary reserve	0	76.873
Revaluation reserve available-for-sale investments	172.033	186.606
Other reserves	816	816
	<b>279.914</b>	<b>365.195</b>

**Statutory reserve:** In accordance with Greek corporate law entities are required to transfer 5% of their annual profits after tax to a statutory reserve. This obligation ceases when the statutory reserve amount to one third of the Bank's share capital. This reserve is not available for distribution, but it may be applied to extinguish losses.

**Tax free reserves:** In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that these reserves are distributed or capitalized they will be taxed at the rate applicable on the date of distribution or capitalization.

**Extraordinary reserves:** This reserve arises from profits that have been taxed and retained by the Bank. They can be distributed without any further taxes or withholdings.

## Notes of the Financial Statements

**Available-for-sale reserve:** This reserve arises from the changes in valuation of available-for-sale securities. It is transferred to income statement when the relevant securities are sold. The extraordinary reserves transferred to accumulated surplus.

### 37. DIVIDEND PER SHARE

The Board of Directors decided to propose to the annual Shareholders' Meeting the dividend distribution of Euro 0,10 per share which includes an interim dividend of Euro 0,05 per share, paid during December of 2007 according to the decision Of Board of Directors as of 21/11/2007. (2006: Euro 0,09 per share).

### 38. CONTINGENT LIABILITIES AND COMMITMENTS

#### (a) Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation, with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Bank.

#### (b) Letters of credit and guarantee

The contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers are as follows (amounts are expressed in thousands of Euro):

#### (Amounts in thousand Euro)

	31/12/2007	31/12/2006
Letters of guarantee	415.727	435.152
Letters of credit	1.519	4.657
	<b>417.246</b>	<b>439.809</b>

#### (c) Assets pledged

Assets are pledged with the Central Bank as guarantee for client Repos deposits. Their nominal value amounts to EUR 900.000 thousand as of 31 December 2007 and EUR 500.000 thousand as of 31 December 2006.

## Notes of the Financial Statements

### 39. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
<b>Subsidiaries</b>		
Opening balance	290.319	241.108
Additions	23.069	49.211
Capital returns	(3.920)	0
<b>Closing balance</b>	<b>309.468</b>	<b>290.319</b>
<b>Associates</b>		
Opening balance	147.602	44.045
Additions	21.672	103.557
<b>Closing balance</b>	<b>169.274</b>	<b>147.602</b>
	<b>478.742</b>	<b>437.921</b>

#### 39.1 Subsidiaries

a) The Bank during the current period acquired additional 18,20% of the share capital of the already acquired since 2006, Romanian Bank MINDBANK, total cost of EUR 22,8 million. After that, the Bank owns 87,21% of the share capital of MINDBANK.

On May of 2007, MINDBANK renamed in ATEbank Romania.

b) The Training Center of the Bank has converted to Societe Anonyme with the brand name ATExcelixi. The participation of the Bank with total cost of EUR 285 thousand is 95%.

c) During the first semester of 2007, ATECARDS proceeded to share capital return, through which the Bank received Euro 3,9 million.

#### 39.2 Associates

a) The shareholders' meeting of AIK BANKA as of 26/4/2007, approved an increase in the share capital by the issue of 1.327.860 new common shares, nominal value of CSR 1.700 at a price of CSR 6.100.

The Bank, after its participation in the above mentioned increase, acquired 274.325 new common shares, total cost of EUR 20,5 million and raised its percentage in AIK BANKA by 0,12%. After the additional acquisition by the Bank of 13.727 of the undisposed common shares (total cost of EUR 1,1 million), its participation raised by 0,20%.

As of 31/12/2007, the total participation of ATEbank to AIK BANKA's share capital raises to 20,83%.

## Notes of the Financial Statements

### 40. RELATED PARTY TRANSACTIONS

The Bank is controlled by the Greek State that holds 77,3% of the share capital. The remaining share capital is widely held.

Related parties include a) BoD Members and members of the key management personnel, b) close members of the family and financial dependant of the above, c) subsidiaries and associate companies of the Group.

The balances of the related party transactions of the Bank are:

a) With BoD Members and members of the key management personnel, and close members of the family and financial dependant of the above

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Loans and advances	568	465
Deposits	895	591

Key Management Personnel Fees

	31/12/2007	31/12/2006
Fees	(676)	(583)
Other	(172)	(170)

b) With its subsidiaries and associates

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
<b>ASSETS</b>		
Loans and advances to customers	643.504	570.772
Other assets	2.337	7.648
<b>Total assets</b>	<b>645.841</b>	<b>578.420</b>
<b>LIABILITIES</b>		
Deposits from customers	(141.987)	(157.956)
Other liabilities	(52.193)	(47.344)
Subordinated loans	(4.475)	(4.542)
<b>Total liabilities</b>	<b>(198.655)</b>	<b>(209.842)</b>

## Notes of the Financial Statements

<b>INCOME STATEMENT</b>	<b>31/12/2007</b>	<b>31/12/2006</b>
<b>Income</b>		
Interest and similar income	15.631	23.359
Fee and commission income	5.211	6.989
Dividends received	3.337	4.674
Operating income	2.486	3.686
<b>Total income</b>	<b>26.665</b>	<b>38.708</b>
<b>Expenses</b>		
Interest and similar expenses	(8.227)	(6.662)
Fee and commission expense	(11.700)	(8.812)
Operating expenses	(22.079)	(18.742)
<b>Total expenses</b>	<b>(42.006)</b>	<b>(34.216)</b>

Besides the above mentioned transactions, ATEbank also performs transactions with a large number of companies under state control in the framework of its business (loans granted, deposits, other transactions such as wage payments, subsidy payments to farmers etc.)

### 41. SUBSEQUENT EVENTS

The Bank as at 4/2/2008 disposed its participation (75%) to ETANAL S.A. for the amount of Euro 360 thousand.

The Bank also, is in the process of sale of its current parcel of shares to RODOPI S.A.

The Shareholders' General Meeting of its subsidiary ATEbank ROMANIA, held at 22/2/2008 decided the Share Capital increase by relinquishment of existing shareholders. The Share Capital increase will be paid in full by the International Finance Corporation, which consists the investing division of the World Bank. Upon completion of the procedure the ATEbank's interests will be formed at 74,13% (from 87,21%).

There are no other significant issues occurred after the balance sheet date that require reporting.

# 3

## Summary financial information of ATEbank 2007



All figures mentioned underneath aim at providing information relating to the financial position and results of AGRICULTURAL BANK OF GREECE S.A. and of the GROUP of AGRICULTURAL BANK OF GREECE S.A. We advise the reader, before making any decision to invest or to proceed with any other transaction with the Bank, to visit its internet address ([www.atebank.gr](http://www.atebank.gr)), where all the periodic Financial Statements based on the IFRS are being published, as well as the audit report when stated and required.

**BANK DATA**

Register Office : 23 Panepistimiou str, 105 64, Athens  
 Register N. : 24402/06/B/91/39  
 Municipality : Athens  
 Date of approval of annual Financial Statements (from which all financial figures were derived) : 4 March 2008  
 Certified Auditors & Audit Company : Nikolaos E. Vouniseas (AM SOEL 18701)  
 : KPMG Certified Auditors S.A.  
 : Ioannis Kalogeropoulos (AM SOEL 10741)  
 : BAKER TILLY HELLAS A.E.  
 Type of Audit Opinion : Unqualified opinion  
 Web site address : [www.atebank.gr](http://www.atebank.gr)

**STRUCTURE OF THE BOARD OF DIRECTORS**

Dimitrios Miliakos : President - Governor of ATE  
 Vasilios Drougas : Vice-president  
 Panagiotis Varagis : Vice-president  
 Grigorio Konstantinidis : Non-executive member  
 Panagiotis Drosos : Non-executive member  
 Sotirios Revlithis : Non-executive independent member  
 Nikolaos Ballos : Non-executive independent member  
 Vasilios Beredimas : Non-executive member  
 Grigorios Alexiadis : Non-executive member  
 Ioannis Tsagarakis : Non-executive member  
 Ioannis Katsaounis : Non-executive member

**BALANCE SHEET**

Amounts in thousands of Euro	GROUP		BANK	
	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
<b>ASSETS</b>				
Cash and balances with the Central Bank	1,206,251	947,172	1,180,630	925,536
Loans and advances to banks	715,100	1,316,540	682,021	1,279,414
Trading securities	539,609	579,135	518,479	558,406
Derivative financial instruments	45,788	20,358	45,788	20,358
Loans and advances to customers (after provisions)	16,744,440	13,512,244	16,849,837	13,624,532
Available-for-sale securities & Held-to-maturity securities	2,708,948	2,818,314	2,360,365	2,505,033
Investments in subsidiaries and associates	195,621	149,759	478,742	437,921
Intangible assets	32,568	35,410	5,512	5,544
Property, plant and equipment & Investment property	689,376	678,568	468,187	469,065
Deferred tax asset	325,557	393,037	304,538	362,193
Other assets	1,080,075	963,702	505,120	400,410
<b>TOTAL ASSETS</b>	<b>24,273,343</b>	<b>21,414,239</b>	<b>23,399,219</b>	<b>20,588,412</b>
<b>LIABILITIES</b>				
Deposits from banks	650,545	151,028	769,327	94,381
Deposits from customers	20,630,039	18,089,296	20,713,874	18,198,205
Derivative financial instruments	12,867	49,592	12,867	49,592
Subordinated loans	195,141	394,973	199,616	399,515
Provisions & Insurance reserves	608,707	586,910	0	0
Other liabilities	455,985	745,535	254,693	512,222
Total liabilities (a)	<b>22,752,285</b>	<b>20,018,434</b>	<b>21,950,177</b>	<b>19,253,915</b>
<b>EQUITY</b>				
Share capital	651,920	651,920	651,920	651,920
Treasury shares	(8,319)	(8,320)	0	0
Share premium	94,231	94,714	94,231	94,714
Other reserves	283,551	384,613	279,914	365,195
Accumulated surplus	439,112	209,538	422,977	222,688
Equity attributed to the parent	1,460,495	1,332,465	1,449,042	1,334,497
Minority interests	60,563	63,340	0	0
Total equity and minority interests (b)	<b>1,521,058</b>	<b>1,395,805</b>	<b>1,449,042</b>	<b>1,334,497</b>
<b>TOTAL LIABILITIES &amp; EQUITY (a) &amp; (b)</b>	<b>24,273,343</b>	<b>21,414,239</b>	<b>23,399,219</b>	<b>20,588,412</b>

**INCOME STATEMENT**

Amounts in thousands of Euro	GROUP		BANK	
	1 Jan 2007 31 Dec 2007	1 Jan 2006 31 Dec 2006	1 Jan 2007 31 Dec 2007	1 Jan 2006 31 Dec 2006
Net interest income	614,910	600,859	579,746	584,299
Net fee and commission income	84,496	80,539	65,490	63,616
Dividend income	26,887	25,773	29,196	29,240
Net Gains / (Losses) on disposal of non trading financial instruments	129,136	63,189	126,108	58,594
Other operating income	95,239	108,646	23,524	25,074
<b>Operating income</b>	<b>950,668</b>	<b>879,006</b>	<b>824,064</b>	<b>760,823</b>
Impairment losses	(79,948)	(62,670)	(78,846)	(60,000)
Staff costs	(394,920)	(382,316)	(339,159)	(337,812)
Other operating expenses	(137,449)	(116,810)	(109,814)	(95,312)
Depreciation of fixed assets & Amortization of intangible assets	(35,679)	(34,015)	(27,779)	(25,761)
Share of profits from associates	13,990	6,255	0	0
<b>Profit before tax</b>	<b>316,662</b>	<b>289,450</b>	<b>268,466</b>	<b>241,938</b>
Income tax	(70,731)	(95,652)	(57,375)	(80,505)
<b>Profit after tax</b>	<b>245,931</b>	<b>193,798</b>	<b>211,091</b>	<b>161,433</b>
<b>Attributed to:</b>				
Equity Holder of the Parent	241,413	188,419	211,091	161,433
Minority interests	4,518	5,379	-	-
Basic and Diluted Earnings per share	0.27	0.21	0.23	0.18
Proposed dividend per share(€)			0.10	0.09

**Additional information**

The Companies of the Group and their addresses and percentages of participation included in the Consolidated Financial Statements are:

Name of Subsidiary / Affiliate	Address	Group percentage	Tax unaudited financial years
<b>Method of Full Consolidation</b>			
A.T.E. LEASING S.A.	ATHENS	99.91%	2005-2007
A.T.E. CARBON S.A.	ATHENS	99.88%	2006-2007
A.T.E. AEDAK	ATHENS	92.68%	2005-2007
A.T.E. TECHNIKI-PLIROFORIKI S.A.	ATHENS	91.42%	2001-2007
A.T.E. A.E.P.E.Y.	ATHENS	94.88%	2004-2007
A.B.G. FINANCE INTERNATIONAL P.L.C.	LONDON	100%	-
A.T.E. INSURANCE S.A.	ATHENS	84.08%	2002-2007
HELLENIC SUGAR COMPANY S.A.	THESSALONIKI	82.33%	2001-2007
DDONI S.A.	GIANNENA	67.77%	2004-2007
RODOI S.A.	XANTHI	75.41%	2001-2007
ETANAL S.A.	ATHENS	75.00%	2003-2007
ELVIZ S.A.	IMATHRA	99.82%	2003-2007
A.T.E. RENT A.E.	ATHENS	99.11%	2003-2007
ATE ADVERTISING	ATHENS	64.88%	2000-2007
ATExelxi	ATHENS	99.20%	2007
ATE BANK ROMANIA S.A.	ROMANIA	87.21%	2005-2007

**Equity Method of Accounting**

Address	Group percentage	Tax unaudited fiscal years
FIRST BUSINESS BANK S.A.	49.00%	-
SEKAP S.A.	45.12%	-
AIK BANKA	20.83%	-

**CASH FLOW STATEMENT**

Amounts in thousands of Euro	GROUP		BANK	
	1 Jan 2007 31 Dec 2007	1 Jan 2006 31 Dec 2006	1 Jan 2007 31 Dec 2007	1 Jan 2006 31 Dec 2006
Net increase / (decrease) from operating activities	216,409	500,697	155,637	406,890
Net increase / (decrease) from investment activities	127,400	(194,032)	181,178	(120,816)
Net increase / (decrease) from financing activities	(82,716)	(62,590)	(61,490)	(91,602)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>261,093</b>	<b>214,075</b>	<b>255,325</b>	<b>194,472</b>
Effect of exchange rate changes on cash and cash equivalents	(2,014)	(838)	(231)	(1,914)
<b>Total increase / (decrease) in cash and cash equivalents</b>	<b>259,079</b>	<b>213,237</b>	<b>255,094</b>	<b>192,558</b>
Cash and cash equivalents at the beginning of the period	947,172	733,935	925,536	732,978
<b>Cash and cash equivalents at the end of the period</b>	<b>1,206,251</b>	<b>947,172</b>	<b>1,180,630</b>	<b>925,536</b>

**STATEMENT OF CHANGES IN EQUITY**

Amounts in thousands of Euro	GROUP		BANK	
	2007	2006	2007	2006
Equity at the beginning of the period 01/01	1,395,805	1,223,407	1,334,497	1,194,339
Decrease of share capital	0	(1,032,207)	0	(1,032,207)
Return of share capital	0	(45,272)	0	(45,272)
Dividends paid	(82,717)	(63,847)	(61,490)	(63,381)
Write-off of prior year losses	0	1,032,207	0	1,032,207
Entries recognized directly to equity	(37,962)	62,748	(15,056)	61,747
Profit / (Losses) for the period after tax	245,931	193,798	211,091	161,433
(Purchases) / sales of treasury shares	1	24,971	0	25,531
<b>Equity at the end of the period 31/12</b>	<b>1,521,058</b>	<b>1,395,805</b>	<b>1,449,042</b>	<b>1,334,497</b>

**Notes:**

- The Bank during the current period acquired additional 18.20% of the share capital of the already acquired since 2006, Romanian Bank MINDBANK, total cost of € 22.8 million. After that, the Bank owns 87.21% of the share capital of MINDBANK. In accordance with IFRS 3, within the closing period, the valuation of assets of ATEbank Romania at fair values was accomplished and the excess over cost of intangible assets was finalized, as reported analytically in the notes of the Financial Statements 31/12/2007. On May of 2007, MINDBANK renamed in ATEbank Romania.
- The shareholders' meeting of AIK BANKA as of 26/4/2007 approved an increase in the share capital by the issue of 1,227,860 new common shares, par value of DINARS 1,700 at a price of DINARS 6.100. ATEbank, after its participation in the above mentioned increase, acquired 274,325 new common shares, total cost of € 20.5 million and raised its percentage in AIK BANKA by 0.12%. After the additional acquisition by ATEbank of 13,727 of the undeposited common shares (total cost of € 1.1 million), its participation raised by 0.20%. On 31/12/2007, the total participation of ATEbank to AIK BANKA's share capital raises to 20.83%. It is further noted that in accordance with IFRS 3, during the closing period the valuation of assets of AIK BANKA at fair values was accomplished and the excess over cost of intangible assets, recorded in the "Investment in associates" item, was finalized too, as reported analytically in the notes of the Financial Statements 31/12/2007.
- ATExelxi S.A. is included in Consolidated Financial Statements for the first time.
- The amounts of the Group's revenues, to and from related parties, accumulated from the beginning of the accounting period, amount to € 5.98 mil. (31/12/2006: € 5.6 mil.), while there are no meaningful expenses for the respective periods. The Bank's balances with related parties (subsidiaries included) are as follows: revenues € 26.7 mil., expenses € 42.0 mil. (31/12/2006: € 38.7 mil. and € 34.2 mil. respectively). The remaining balances of the Group's receivables with related parties, at the end of the current period, amount to € 140.02 mil. (31/12/2006: € 143.74 mil.) and liabilities to € 9.02 mil. (31/12/2006: € 7.35 mil.). The respective amounts for the Bank amount to: receivables € 646.4 mil., liabilities € 199.6 mil. (31/12/2006: € 578.9 mil. and € 210.4 mil. respectively). The transactions of the Bank and its Group with the members of the Board of Directors and key management personnel amount to € 0.9 mil. and € 3.0 mil. respectively (31/12/2006: € 0.7 mil. and € 2.9 mil. respectively).
- The total number of personnel at the end of the current period is: Group 9,547 (31/12/2006: 9,679), Bank: 6,368 (31/12/2006: 6,157).
- There are no real liens on the fixed assets of the Group.
- No litigation or other legal disputes of the companies are expected to have a significant impact on the financial position or operations of the Group.
- According to law 35/22.12.2006 since 1st January 2007 the pension segment of Main Employee Pension Fund of the Bank has acceded to the Social Insurance - Common Employee Pension Fund (IKA-ETAM) while the insured employees and pensioners of ATE Bank's Special Auxiliary Pension Plan (ELEM) must compulsorily accede to the Bank Employee Fund (E.T.A.T.). According to above mentioned law ATEbank will continue to pay annually an extraordinary contribution to IKA-ETAM, an amount of € 28 million for fifteen years. The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions, is covered from a payment that ATE Bank occurred in the amount of € 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make 10 annual, equal payments of € 10 million as extraordinary contribution. The Bank's contribution will be reduced gradually. Further information is available in the respective financial statements year ended 31/12/2007 at the web site of the Bank.
- The Bank has been audited by tax authorities up to 2004 and for the subsidiaries there is a reference in the above table "Additional information". The Group has recorded a provision for the unaudited tax years.

ATHENS, 4 MARCH 2008

THE GOVERNOR

THE DEPUTY GOVERNOR

THE HEAD OF  
FINANCE DEPARTMENT

DIMITRIOS MILIAKOS  
I.D. Z 085252/95

VASILIOS DROUGAS  
I.D. Z 376944/88

CHRISTOS STOKAS  
I.D. Z 414057/87



**Condensed Financial Information for the period from 1 January 2007 to 30 September 2007**  
(According to the P.D. 360/1985 and decision 2/396/31.08.2006 of the Capital Market Commission's Board of Directors)

All figures mentioned underneath aim at providing information relating to the financial position and results of AGRICULTURAL BANK OF GREECE S.A. and of the GROUP of AGRICULTURAL BANK OF GREECE S.A. We advise the reader, before making any decision to invest or to proceed with any other transaction with the Bank, to visit its internet address (www.atebank.gr), where all the periodic Financial Statements based on the IFRS are being published, as well as the audit review report when stated and required.

Register Office : 23 Panepistimiou str, 105 64, Athens  
 Register N. : 24402/06/91/39  
 Municipality : Athens  
 Date of approval by the Board of Directors of the interim financial statements : 21 November 2007

**BALANCE SHEET**  
Amounts in thousands of Euro

	GROUP		BANK	
	30 Sep 2007	31 Dec 2006	30 Sep 2007	31 Dec 2006
<b>ASSETS</b>				
Cash and balances with the Central Bank	918.178	947.172	893.357	925.536
Loans and advances to banks	1.527.460	1.316.540	1.507.928	1.279.414
Trading securities	571.895	579.135	549.090	558.406
Derivative financial instruments	48.823	20.358	48.823	20.358
Loans and advances to customers (after provisions)	14.273.706	13.512.244	14.336.003	13.624.532
Available-for-sale securities & Held-to-maturity securities	2.724.909	2.818.314	2.376.395	2.505.033
Investments in subsidiaries and associates	180.831	149.759	478.742	437.921
Intangible assets	35.869	35.410	4.260	5.544
Property, plant and equipment & Investment property	677.763	678.568	463.167	469.065
Deferred tax asset	334.934	393.037	307.589	362.193
Other assets	1.075.313	963.702	520.881	400.410
<b>TOTAL ASSETS</b>	<b>22.369.681</b>	<b>21.414.239</b>	<b>21.486.235</b>	<b>20.588.412</b>
<b>LIABILITIES</b>				
Deposits from banks	192.933	151.028	149.282	94.381
Deposits from customers	19.193.574	18.089.296	19.275.814	18.198.205
Derivative financial instruments	11.707	49.592	11.707	49.592
Subordinated loans	395.089	394.973	399.591	399.515
Provisions & Insurance reserves	605.796	585.910	0	0
Other liabilities	499.788	746.635	256.428	512.222
Total liabilities (a)	<b>20.899.887</b>	<b>20.018.434</b>	<b>20.092.822</b>	<b>19.253.915</b>
<b>EQUITY</b>				
Share capital	651.920	651.920	651.920	651.920
Treasury shares	(8.319)	(8.320)	0	0
Share premium	94.352	94.714	94.352	94.714
Reserves	253.890	384.613	241.784	365.195
Accumulated surplus	417.239	209.538	405.357	222.688
Equity attributed to the parent	1.409.082	1.332.465	1.393.413	1.334.497
Minority interests	60.712	63.340	0	0
Total equity and minority interests (b)	<b>1.469.794</b>	<b>1.395.805</b>	<b>1.393.413</b>	<b>1.334.497</b>
<b>TOTAL LIABILITIES &amp; EQUITY (a) &amp; (b)</b>	<b>22.369.681</b>	<b>21.414.239</b>	<b>21.486.235</b>	<b>20.588.412</b>

**CASH FLOW STATEMENT**

	GROUP		BANK	
	1 Jan 2007 30 Sep 2006	1 Jan 2006 30 Sep 2006	1 Jan 2007 30 Sep 2006	1 Jan 2006 30 Sep 2006
Net increase / (decrease) from operating activities	(31.549)	257.699	(83.861)	170.852
Net increase / (decrease) from investment activities	85.436	(105.056)	133.416	(35.448)
Net increase / (decrease) from financing activities	(82.604)	(92.864)	(81.490)	(91.802)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(28.717)</b>	<b>59.779</b>	<b>(31.935)</b>	<b>43.802</b>
Effect of exchange rate changes on cash and cash equivalents	(277)	(744)	(244)	(1.170)
<b>Total increase / (decrease) in cash and cash equivalents</b>	<b>(28.994)</b>	<b>59.035</b>	<b>(32.179)</b>	<b>42.632</b>
Cash and cash equivalents at the beginning of the period	947.172	733.935	925.536	732.978
<b>Cash and cash equivalents at the end of the period</b>	<b>918.178</b>	<b>792.970</b>	<b>893.357</b>	<b>775.610</b>

**STATEMENT OF CHANGES IN EQUITY**  
Amounts in thousands of Euro

	GROUP		BANK	
	2007	2006	2007	2006
Equity at the beginning of the period 01/01	1.395.805	1.223.407	1.334.497	1.194.339
Decrease of share capital	0	(1.032.207)	0	(1.032.207)
Return of share capital	0	(45.272)	0	(45.272)
Dividends paid	(82.605)	(63.792)	(81.490)	(63.951)
Write-off of prior year losses	0	1.032.207	0	1.032.207
Entries recognized directly to equity	(67.522)	(9.645)	(53.065)	(11.909)
Profit / (Losses) for the period after tax	224.115	114.382	193.471	100.791
(Purchases) / sales of treasury shares	1	24.970	0	25.831
<b>Equity at the end of the period 30/09</b>	<b>1.469.794</b>	<b>1.244.050</b>	<b>1.393.413</b>	<b>1.290.199</b>

**Notes:**

- The Bank during the current period acquired additional 18,20% of the share capital of the already acquired since 2006, Romanian Bank MINDBANK, total cost of EUR 22,8 million. After that, the Bank owns 87,21% of the share capital of MINDBANK. In accordance with IFRS 3, the Group estimated and recognized a temporary Goodwill of EUR 30,6 mil. (31/12/2006: € 29,6 mil. and € 26,5 mil. respectively). The remaining balances of the Group's receivables with related parties, at the end of the current period, amount to € 150,1 mil. (31/12/2006: € 141,6 mil.) and liabilities to € 0,065 mil. (31/12/2006: € 0,042 mil.). The respective amounts for the Bank amount to: receivables: 590,2 mil., liabilities: € 189,7 mil. (31/12/2006: € 678,2 mil. and € 209,8 mil. respectively).
- The shareholders' meeting of AIK BANKA as of 26/4/2007 approved an increase in the share capital by the issue of 1.327.860 new common shares, par value of DINARS 1.700 at a price of DINARS 6.100. ATEbank, after its participation in the above mentioned increase, acquired 274.325 new common shares, total cost of EUR 20,5 million and raised its percentage in AIK BANKA by 0,12%. After the additional acquisition by ATEbank of 13.727 of the undispensed common shares (total cost of EUR 1,1 million), its participation raised by 0,20%. On 30/9/2007, the total participation of ATEbank to AIK BANKA's share capital raises to 20,83%.
- ATEXcolxi S.A. is included in Consolidated Financial Statements for the first time.
- The amounts of the Group's revenues, to and from related parties, accumulated from the beginning of the accounting period, amount to € 4,4 mil. (30/09/2006: € 4,3 mil.), while there are no expenses for the respective periods. The Bank's balances with related parties (subsidiaries included) are as follows: revenues € 21,8 mil., expenses € 30,1 mil. (30/09/2006: € 29,6 mil. and € 26,5 mil. respectively). The remaining balances of the Group's receivables with related parties, at the end of the current period, amount to € 150,1 mil. (31/12/2006: € 141,6 mil.) and liabilities to € 0,065 mil. (31/12/2006: € 0,042 mil.).
- The total number of personnel at the end of the current period is: Group 10.778 (30/09/2006: 10.584), Bank: 6.491 (30/09/2006: 6.163). At the total number of Group's personnel as published at 30/09/2006, the employees of associates are included.
- There are no real liens on the fixed assets of the Group.
- No litigation or other legal disputes of the companies are expected to have a significant impact on the financial position or operations of the Group.
- The basic accounting principles and methods, applied by the Bank and the Group in the interim financial statements as at 30/09/2007 are consistent with those stated in the respective financial statements of the year ended 31/12/2006 and are available at the web site of the Bank.
- According to law 3522/22.12.2006 since 1st January 2007 the pension segment of Main Employee Pension Fund of the Bank has acceded to the Social Insurance - Common Employee Pension Fund (IKA-ETAM) while the insured employees and pensioners of ATE Bank's Special Auxiliary Pension Plan (ELEM) must compulsorily accede to the Bank Employee Fund (E.T.A.T.). According to abovementioned law ATEbank will continue to pay annually an extraordinary contribution to IKA- ETAM, an amount of Euro 28 million for fifteen years. The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions, is covered from a payment that ATE Bank occurred in the amount of Euro 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make 10 annual, equal payments of Euro 10 million as extraordinary contribution. The Bank's contribution will be reduced gradually. Further information is available in the respective financial statements year ended 30/09/2007 at the web site of the Bank.
- The Bank has been audited by tax authorities up to 2004 and for the subsidiaries there is a reference in the above table "Additional information". The Group has recorded a provision for the unaudited tax years.

ATHENS, 21 NOVEMBER 2007

THE GOVERNOR

THE DEPUTY GOVERNOR

THE DEPUTY HEAD OF  
FINANCE DEPARTMENT

DIMITRIOS MILIAKOS  
I.D. 2 085252/95

VASILIOS DROUGAS  
I.D. 3 376944/88

CHRISTOS STOKAS  
I.D. 4 414057/87

Condensed Financial Information for the period from 1 January 2007 to 30 June 2007  
(According to the P.D. 360/1985 and decision 2/396/31.08.2006 of the Capital Market Commission's Board of Directors)

All figures mentioned underneath aim at providing information relating to the financial position and results of AGRICULTURAL BANK OF GREECE S.A. and of the GROUP of AGRICULTURAL BANK OF GREECE S.A. We advise the reader, before making any decision to invest or to proceed with any other transaction with the Bank, to visit its internet address ([www.atebank.gr](http://www.atebank.gr)), where all the periodic Financial Statements based on the IFRS are being published, as well as the audit review report when stated and required.

Register Office : 23 Panepistimiou str, 105 64, Athens  
Register N. : 24402/06/B/91/39  
Municipality : Athens  
Certified Auditors : Nikolaos E. Vounisais (AM SOEL 18701)  
 : Ioannis Kalogeropoulos (AM SOEL 10741)  
Audit Company : KPMG Kyriacos Certified Auditors S.A.  
 : BAKER TILLY HELLAS A.E.  
Type of Audit Opinion : Unqualified opinion

**BALANCE SHEET**

Amounts in thousands of Euro

	GROUP		BANK	
	30 June 2007	31 Dec 2006	30 June 2007	31 Dec 2006
<b>ASSETS</b>				
Cash and balances with the Central Bank	1,190,054	947,172	1,163,740	925,538
Loans and advances to banks	722,569	1,316,540	688,758	1,279,414
Trading securities	599,107	579,135	579,248	558,406
Derivative financial instruments	60,479	20,358	60,479	20,358
Loans and advances to customers (after provisions)	14,517,677	13,512,244	14,607,021	13,624,532
Available-for-sale securities & Held-to-maturity securities	2,813,448	2,818,314	2,445,229	2,505,033
Investments in subsidiaries and associates	177,696	149,759	478,742	437,921
Intangible assets	34,841	35,410	4,839	5,544
Property, plant and equipment & Investment property	675,136	678,568	463,370	469,065
Deferred tax asset	353,359	393,037	327,418	362,193
Other assets	982,429	963,702	444,201	400,410
<b>TOTAL ASSETS</b>	<b>22,126,795</b>	<b>21,414,239</b>	<b>21,263,045</b>	<b>20,588,412</b>
<b>LIABILITIES</b>				
Deposits from banks	140,470	151,028	109,146	94,381
Deposits from customers	19,098,030	18,089,296	19,148,132	18,198,205
Derivative financial instruments	20,733	49,592	20,733	49,592
Subordinated loans	395,025	394,973	399,565	399,516
Provisions & Insurance reserves	600,818	586,910	0	0
Other liabilities	436,698	746,635	213,578	512,222
Total liabilities (a)	<b>20,691,774</b>	<b>20,018,434</b>	<b>19,891,154</b>	<b>19,253,915</b>
<b>EQUITY</b>				
Share capital	651,920	651,920	651,920	651,920
Treasury shares	(8,319)	(8,320)	0	0
Share premium	94,472	94,714	94,472	94,714
Other reserves	306,815	384,613	290,652	365,196
Accumulated surplus	330,972	209,538	334,847	222,668
Equity attributed to the parent	1,375,660	1,332,465	1,371,891	1,334,497
Minority interests	59,361	63,340	0	0
Total equity and minority interests (b)	<b>1,435,021</b>	<b>1,395,805</b>	<b>1,371,891</b>	<b>1,334,497</b>
<b>TOTAL LIABILITIES &amp; EQUITY (a) &amp; (b)</b>	<b>22,126,795</b>	<b>21,414,239</b>	<b>21,263,045</b>	<b>20,588,412</b>

**CASH FLOW STATEMENT**

Amounts in thousands of Euro

	GROUP		BANK	
	1 Jan 2007	1 Jan 2006	1 Jan 2007	1 Jan 2006
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
Net increase / (decrease) from operating activities	329,241	582,661	273,896	542,255
Net increase / (decrease) from investment activities	(3,642)	(126,377)	46,001	(87,691)
Net increase / (decrease) from financing activities	(82,044)	(92,864)	(81,490)	(91,602)
Net increase / (decrease) in cash and cash equivalents	<b>242,995</b>	<b>363,420</b>	<b>238,407</b>	<b>362,962</b>
Effect of exchange rate changes on cash and cash equivalents	(113)	(532)	(203)	(486)
Total increase / (decrease) in cash and cash equivalents	<b>242,882</b>	<b>362,888</b>	<b>238,204</b>	<b>362,476</b>
Cash and cash equivalents at the beginning of the period	947,172	733,935	925,536	732,978
Cash and cash equivalents at the end of the period	<b>1,190,054</b>	<b>1,096,823</b>	<b>1,163,740</b>	<b>1,095,454</b>

**STATEMENT OF CHANGES IN EQUITY**

Amounts in thousands of Euro

	GROUP		BANK	
	2007	2006	2007	2006
Equity at the beginning of the period 01/01	1,395,805	1,223,407	1,334,497	1,194,339
Decrease of share capital	0	(1,032,207)	0	(1,032,207)
Return of share capital	0	(45,272)	0	(45,272)
Dividends paid	(82,605)	(63,792)	(81,490)	(63,381)
Write-off of prior year losses	0	1,032,207	0	1,032,207
Entries recognized directly to equity	(13,099)	(58,404)	(4,077)	(49,983)
Profit / (Losses) for the period after tax (Purchases) / sales of treasury shares	134,919	82,344	122,961	75,351
Equity at the end of the period 30/06	<b>1,435,021</b>	<b>1,163,253</b>	<b>1,371,891</b>	<b>1,136,685</b>

**Notes:**

- The Bank during the current period acquired additional 18.20% of the share capital of the already acquired since 2006, Romanian Bank MINDBANK, total cost of EUR 22.8 million. After that, the Bank owns 87.21% of the share capital of MINDBANK. In accordance with IFRS 3, the Group estimated and recognized a temporary Goodwill of EUR 28.9 million. The valuation of its assets, the allocation of the acquisition cost and the final estimation of Goodwill is in progress and it will be completed by the end of the fiscal year. On May of 2007, MINDBANK renamed in ATEbank Romania.
- The shareholders' meeting of AIK BANKA as of 26/4/2007 approved an increase in the share capital by the issue of 1,327,860 new common shares, par value of DINARS 1.700 at a price of DINARS 6.100. ATEbank, after its participation in the above mentioned increase, acquired 274,325 new common shares, total cost of EUR 20.5 million and raised its percentage in AIK BANKA by 0.12%. After the additional acquisition by ATEbank of 13,727 of the undeposited common shares (total cost of EUR 1.1 million), its participation raised by 0.20%. On 30/6/2007, the total participation of ATEbank to AIK BANKA's share capital raises to 20.83%.
- ATEXCELIS S.A. is included in Consolidated Financial Statements for the first time.
- The amounts of the Group's revenues, to and from related parties, accumulated from the beginning of the accounting period, amount to € 2.85 mil. (30/06/2006: € 2.79 mil.), while there are no expenses for the respective periods. The Bank's balances with related parties (subsidiaries included) are as follows: revenues € 16.4 mil., expenses € 21.8 mil. (30/06/2006: € 17.8 mil. and € 18.5 mil. respectively). The remaining balances of the Group's receivables with related parties, at the end of the current period, amount to € 140.7 mil. (31/12/2006: € 141.6 mil.) and liabilities to € 0.091 mil. (31/12/2006: € 0.042 mil.). The respective amounts for the Bank amount to: receivables € 580.9 mil., liabilities € 160.4 mil. (31/12/2006: € 578.4 mil. and € 209.9 mil. respectively).
- The total number of personnel at the end of the current period: Group 9,317 (30/06/2006: 9,503), Bank: 6,220 (30/06/2006: 6,217). At the total number of Group's personnel as published at 30/06/2006, the employees of associates are included.
- There are no real liens on the fixed assets of the Group.
- No litigation or other legal disputes of the companies are expected to have a significant impact on the financial position or operations of the Group.
- The basic accounting principles and methods, applied by the Bank and the Group in the interim financial statements as at 30/06/2007 are consistent with those stated in the respective financial statements of the year ended 31/12/2006 and are available at the web site of the Bank.
- According to law 3522/22.12.2006 from 1st January 2007 the pension segment of Main Employee Pension Fund of the Bank will accede to the Social Insurance - Common Employee Pension Fund (IKA-ETAM) while the insured employees and pensioners of ATE Bank's Special Auxiliary Pension Plan (ELEM) must compulsory accede to the Bank Employee Fund (E.T.A.T.). According to above-mentioned ATEbank will continue to pay annually an extraordinary contribution to IKA-ETAM, an amount of Euro 28 million for fifteen years. The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions, is covered from a payment that ATE Bank received in the amount of Euro 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make 10 annual, equal payments of Euro 10 million as extraordinary contribution. The Bank's contribution will be reduced gradually. Further information is available in the respective financial statements year ended 30/06/2007 at the web site of the Bank.
- The Bank has been audited by tax authorities up to 2004 and for the subsidiaries there is a reference in the above table "Additional information". The Group has recorded a provision for the unaudited tax years.

**INCOME STATEMENT**

Amounts in thousands of Euro

	GROUP				BANK			
	1 Jan 2007	1 Jan 2006	1 Apr 2007	1 Apr 2006	1 Jan 2007	1 Jan 2006	1 Apr 2007	1 Apr 2006
	30 June 2007	30 June 2006	30 June 2007	30 June 2006	30 June 2007	30 June 2006	30 June 2007	30 June 2006
Net interest income	310,587	280,609	152,719	140,478	295,759	277,264	142,881	139,376
Net fee and commission income	43,145	37,224	23,160	19,113	29,467	25,461	15,855	13,466
Dividend income	21,216	20,719	15,219	14,497	23,833	24,413	17,843	18,213
Net Gains / (Losses) on disposal of non trading financial instruments	63,140	17,361	30,354	8,933	61,739	17,130	29,100	11,329
<b>Other operating income</b>	<b>42,293</b>	<b>48,415</b>	<b>18,545</b>	<b>24,766</b>	<b>10,612</b>	<b>13,531</b>	<b>7,787</b>	<b>7,861</b>
Operating income	<b>480,381</b>	<b>404,328</b>	<b>239,997</b>	<b>207,787</b>	<b>421,410</b>	<b>357,799</b>	<b>213,466</b>	<b>190,245</b>
Impairment losses	(44,075)	(30,000)	(29,029)	(14,847)	(43,846)	(30,000)	(28,846)	(15,000)
Staff costs	(189,960)	(173,414)	(94,183)	(86,997)	(165,431)	(152,707)	(81,608)	(75,396)
Other operating expenses	(55,035)	(49,511)	(26,428)	(22,209)	(40,346)	(38,535)	(23,308)	(20,647)
Depreciation of fixed assets & Amortization of intangible assets	(19,728)	(15,637)	(10,511)	(7,765)	(14,091)	(12,306)	(7,017)	(6,132)
Share of profits from associates	5,567	770	1,700	531	0	0	0	0
<b>Profit before tax</b>	<b>177,130</b>	<b>136,536</b>	<b>81,546</b>	<b>76,800</b>	<b>157,696</b>	<b>124,251</b>	<b>72,687</b>	<b>73,070</b>
Income tax	(42,211)	(54,192)	(22,041)	(42,865)	(34,735)	(48,900)	(17,069)	(40,169)
<b>Profit after tax</b>	<b>134,919</b>	<b>82,344</b>	<b>59,505</b>	<b>33,935</b>	<b>122,961</b>	<b>75,351</b>	<b>55,618</b>	<b>32,901</b>
<b>Attributed to:</b>								
Equity Holder of the Parent	132,986	82,132	58,393	34,393	122,961	75,351	55,618	32,901
Minority interests	1,933	212	1,112	(458)	-	-	-	-
Basic and Diluted Earnings per share	0.15	0.09	0.07	0.04	0.14	0.08	0.07	0.03

**Additional Information**

The Companies of the Group and their addresses and percentages of participation included in the Consolidated Financial Statements are:

**Method of Full Consolidation**

Name of Subsidiary	Address	Group percentage	Tax unaudited fiscal years
A.T.E. LEASING S.A.	ATHENS	99.91%	2005-2006
A.T.E. CARDS S.A.	ATHENS	99.68%	2006
A.T.E. AEDAK	ATHENS	92.68%	2005-2006
A.T.E. TECHNIKI-PLIROFORIKI S.A.	ATHENS	91.42%	2001-2006
A.T.E. A.E.P.E.Y.	ATHENS	94.68%	2004-2006
A.B.G. FINANCE INTERNATIONAL P.L.C.	LONDON	100%	-
A.T.E. INSURANCE S.A.	ATHENS	84.08%	2002-2006
HELLENIC SUGAR COMPANY S.A.	THESSALONIKI	82.33%	2001-2006
DODONI S.A.	GIANNENA	67.77%	2004-2006
RODOPI S.A.	XANTHI	75.41%	2001-2006
ETANAL S.A.	ATHENS	75.00%	2003-2006
ELVIZ S.A.	BIATHA	99.82%	2002-2006
A.T.E. RENT A.E.	ATHENS	99.11%	2003-2006
ATE ADVERTISING	ATHENS	64.88%	2000-2006
ATEXcelis	ATHENS	99.20%	-
ATE BANK ROMANIA S.A.	ROMANIA	87.21%	-

**Equity Method of Accounting**

Name of Associate	Address	Group percentage	Tax unaudited fiscal years
FIRST BUSINESS BANK S.A.	ATHENS	49.00%	-
SEKAP S.A.	XANTHI	45.12%	-
AIK BANKA	SERBIA	20.83%	-

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AM 24402/06/B/01/39  
23 PANEPISTIMIOU STR., 105 64 ATHENS  
Financial Information for the period from 1 January 2007 to 31 March 2007  
(According to the P.D. 360/1985 and decision 2/396/31.08.2006 of the Capital Market Commission's Board of Directors)

All figures mentioned underneath aim at providing information relating to the financial position and results of AGRICULTURAL BANK OF GREECE S.A. and of the GROUP of AGRICULTURAL BANK OF GREECE S.A. We advise the reader, before making any decision to invest or to proceed with any other transaction with the Bank, to visit its internet address (www.atebank.gr), where all the periodic Financial Statements based on the IFRS are being published, as well as the audit memorandum when stated and required.

## BALANCE SHEET

Amounts in thousands of Euro

	GROUP		BANK	
	31 Mar 2007	31 Dec 2006	31 Mar 2007	31 Dec 2006
<b>ASSETS</b>				
Cash and balances with the Central Bank	1,166,516	947,172	1,146,117	925,536
Loans and advances to banks	2,043,298	1,316,540	2,011,895	1,279,414
Trading securities	595,401	579,135	575,297	558,406
Derivative financial instruments	25,477	20,358	25,477	20,358
Loans and advances to customers (after provisions)	14,072,503	13,512,244	14,161,698	13,624,532
Available-for-sale securities & Held-to-maturity securities	2,788,246	2,818,314	2,442,041	2,505,033
Investments in subsidiaries and associate	150,369	149,759	441,190	437,821
Intangible assets	36,697	35,410	5,016	5,544
Property, plant and equipment & Investment property	677,370	678,568	465,032	469,065
Deferred tax asset	373,403	393,037	344,407	362,193
Other assets	995,662	963,702	445,775	400,410
<b>TOTAL ASSETS</b>	<b>22,924,942</b>	<b>21,414,239</b>	<b>22,083,945</b>	<b>20,588,412</b>
<b>LIABILITIES</b>				
Deposits from banks	599,781	151,028	552,955	94,381
Deposits from customers	19,402,659	18,089,296	19,483,379	18,198,205
Derivative financial instruments	18,778	49,592	18,778	49,592
Subordinated loans	395,003	394,973	399,540	399,515
Provisions & Insurance reserves	595,169	586,910	0	0
Other liabilities	475,102	746,635	252,162	512,222
<b>Total liabilities (a)</b>	<b>21,486,512</b>	<b>20,018,434</b>	<b>20,706,814</b>	<b>19,253,915</b>
<b>EQUITY</b>				
Share capital	651,920	651,920	651,920	651,920
Treasury shares	(8,319)	(8,320)	0	0
Share premium	94,594	94,714	94,594	94,714
Other reserves	352,948	384,613	340,606	365,195
Accumulated surplus	284,639	209,538	290,011	222,668
Equity attributed to the parent	1,375,782	1,332,465	1,377,131	1,334,497
Minority interests	62,648	63,340	0	0
<b>Total equity and minority interests (b)</b>	<b>1,438,430</b>	<b>1,395,805</b>	<b>1,377,131</b>	<b>1,334,497</b>
<b>TOTAL LIABILITIES &amp; EQUITY (a) &amp; (b)</b>	<b>22,924,942</b>	<b>21,414,239</b>	<b>22,083,945</b>	<b>20,588,412</b>

## INCOME STATEMENT

Amounts in thousands of Euro

	GROUP		BANK	
	1 Jan 2007 31 Mar 2007	1 Jan 2006 31 Mar 2006	1 Jan 2007 31 Mar 2007	1 Jan 2006 31 Mar 2006
Net interest income	157,868	140,131	152,878	137,888
Net fee and commission income	19,985	18,111	13,612	11,995
Dividend income	5,997	6,222	5,990	6,200
Net Gains / (Losses) on disposal of non trading financial instruments	32,786	8,428	32,639	5,801
Other operating income	23,748	23,649	2,825	5,670
<b>Operating income</b>	<b>240,384</b>	<b>196,541</b>	<b>207,944</b>	<b>167,554</b>
Impairment losses	(15,046)	(15,153)	(15,000)	(15,000)
Staff costs	(95,797)	(86,717)	(83,823)	(77,311)
Other operating expenses	(28,607)	(27,302)	(17,038)	(17,888)
Depreciation of fixed assets & Amortization of intangible assets	(9,217)	(7,872)	(7,074)	(6,174)
Share of profits from associates	3,867	239	0	0
<b>Profit before tax</b>	<b>95,584</b>	<b>59,736</b>	<b>85,009</b>	<b>51,181</b>
Income tax	(20,170)	(11,327)	(17,666)	(8,731)
<b>Profit after tax</b>	<b>75,414</b>	<b>48,409</b>	<b>67,343</b>	<b>42,450</b>
<b>Attributed to:</b>				
Equity Holder of the Parent	74,593	47,739	67,343	42,450
Minority interests	821	670	-	-
Basic and Diluted Earnings per share (€)	0.08	0.05	0.07	0.05

## STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of Euro

	GROUP		BANK	
	2007	2006	2007	2006
Equity at the beginning of the period 01/01	1,395,805	1,223,407	1,334,497	1,194,339
Entries recognized directly to equity	(32,790)	74,672	(24,709)	72,772
Profit / (Losses) for the period after tax	75,414	48,409	67,343	42,450
(Purchases) / sales of treasury shares	1	3,561	0	3,538
<b>Equity at the end of the period 31/03</b>	<b>1,438,430</b>	<b>1,350,049</b>	<b>1,377,131</b>	<b>1,313,099</b>

## CASH FLOW STATEMENT

Amounts in thousands of Euro

	GROUP		BANK	
	1 Jan 2007 31 Mar 2007	1 Jan 2006 31 Mar 2006	1 Jan 2007 31 Mar 2007	1 Jan 2006 31 Mar 2006
Net increase / (decrease) from operating activities	206,023	368,618	169,704	299,204
Net increase / (decrease) from investment activities	13,567	(113,475)	51,250	(44,269)
Net increase / (decrease) from financing activities	1	2,513	0	2,460
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>219,591</b>	<b>257,656</b>	<b>220,954</b>	<b>257,395</b>
Effect of exchange rate changes on cash and cash equivalents	(237)	176	(373)	143
<b>Total increase / (decrease) in cash and cash equivalents</b>	<b>219,344</b>	<b>257,832</b>	<b>220,581</b>	<b>257,538</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>947,172</b>	<b>733,935</b>	<b>925,536</b>	<b>732,978</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,166,516</b>	<b>991,767</b>	<b>1,146,117</b>	<b>990,516</b>

## Additional Information

1. The Companies of the Group and their addresses and percentages of participation included in the Consolidated Financial Statements are:

Name of Subsidiary / Affiliate	Address	Group percentage	Tax unaudited fiscal years
<b>Method of Full Consolidation</b>			
A.T.E. LEASING S.A.	ATHENS	99.91%	2005-2006
A.T.E. CARDS S.A.	ATHENS	99.88%	2006
A.T.E. AEDAK	ATHENS	92.68%	2005-2006
A.T.E. TECHNIKI-PIROFORIKI S.A.	ATHENS	91.42%	2001-2006
A.T.E. A.E.P.E.Y.	ATHENS	94.68%	2004-2006
A.B.G. FINANCE INTERNATIONAL P.L.C.	LONDON	100%	-
A.T.E. INSURANCE S.A.	ATHENS	94.08%	2002-2006
HELLENIC SUGAR COMPANY S.A.	THESSALONIKI	82.33%	2001-2006
DODONI S.A.	GIANNENA	67.77%	2004-2006
RODOPI S.A.	XANTHI	75.41%	2001-2006
ETANAL S.A.	ATHENS	75.00%	2003-2006
ELVIZ S.A.	IMATHIA	99.82%	2000-2006
A.T.E. RENT A.E.	ATHENS	99.11%	2003-2006
ATE ADVERTISING	ATHENS	64.88%	2000-2006
ATEXeliki	ATHENS	99.20%	-
MINDBANK S.A.	ROMANIA	73.30%	-
<b>Equity Method of Accounting</b>			
FIRST BUSINESS BANK S.A.	ATHENS	49.00%	-
SEKAP S.A.	XANTHI	45.12%	-
AIK BANKA	SERBIA	20.66%	-

## Notes:

- During the previous year ATEbank acquired 69.01% of the share capital of MINDBANK SA with total acquisition cost EUR 48.7 million and during the current period acquired additional 4.29% total cost of EUR 2.9 million. In accordance with IFRS 3, the Group estimated and recognized a temporary Goodwill of EUR 30.6 million (31/12/2006: EUR 28.9 million). The valuation of its assets, the allocation of the acquisition cost and the final estimation of Goodwill is in progress and it will be completed by the end of the fiscal year.
- On October 26, 2006 the acquisition of 20% of ordinary shares and 24.99% of preference shares of the Serbian Bank AIK BANKA by ATEbank was completed. The total acquisition cost amounted to EUR 94.9 million.
- On December 27, 2006 ATEbank increased its participation in First Business Bank by 5% with total acquisition cost EUR 8.6 million.
- ATEXeliki S.A. is included in Consolidated Financial Statements for the first time.
- The amounts of the Group's revenues, to and from related parties, accumulated from the beginning of the accounting period, amount to € 1,391 mil. (31/03/2006: € 1,398 mil.), while there are no expenses for the respective periods. The Bank's balances with related parties (subsidiaries included) are as follows: revenues € 6.4 mil., expenses € 7.9 mil. (31/06/2006: € 7.1 mil. and € 9.0 mil. respectively). The remaining balances of the Group's receivables with related parties, at the end of the current period, amount to € 146.31 mil. (31/12/2006: € 141.6 mil.) and liabilities to € 0,056 mil. (31/12/2006: € 0,042 mil.). The respective amounts for the Bank amount to: receivables € 594.7 mil., liabilities € 165.2 mil. (31/12/2006: € 578.4 mil. and € 209.8 mil. respectively).
- The total number of personnel at the end of the current period is: Group 9,411 (31/03/2006: 8,713), Bank: 6,137 (31/03/2006: 6,279).
- There are no real liens on the fixed assets of the Group.
- No litigation or other legal disputes of the companies are expected to have a significant impact on the financial position or operations of the Group.
- The basic accounting principles and methods, applied by the Bank and the Group in the interim financial statements as at 31/03/2007 are consistent with those stated in the respective financial statements of the year ended 31/12/2006 and are available at the web site of the Bank.
- According to law 3522/22.12.2006 from 1st January 2007 the pension segment of Main Employee Pension Fund of the Bank will accede to the Social Insurance - Common Employee Pension Fund (IKA-ETAM) while the insured employees and pensioners of ATE Bank's Special Auxiliary Pension Plan (ELEM) must compulsorily accede to the Bank Employee Fund (E.T.A.T.). According to abovementioned law ATEbank will continue to pay annually an extraordinary contribution to IKA- ETAM, an amount of Euro 28 million for fifteen years. The financial encumbrance of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank is covered from the payment that the Bank will incur of amount Euro 380 million. Amount of Euro 280 million has been paid in January 2007 while the remaining amount will be paid as extraordinary contribution in 10 annual, equal payments made at the beginning of each year. The Bank's contribution will be reduced gradually. Further information is available in the respective financial statements year ended 31/03/2007 at the web site of the Bank.
- The Bank has been audited by tax authorities up to 2004 and for the subsidiaries there is a reference in the above table "Additional Information". The Group has recorded a provision for the unaudited tax years.

ATHENS, 16 MAY 2007

THE GOVERNOR

DIMITRIOS MILIAKOS  
I.D. Σ 085252/95

THE DEPUTY GOVERNOR

VASILIOS DROUGAS  
I.D. Σ 376944/88

THE DEPUTY HEAD OF  
FINANCE DEPARTMENT

CHRISTOS STOKAS  
I.D. Σ 414057/87

**4**

**Report concerning ATEbank's transactions with its affiliates pursuant to art. 2, paragraph 4 of Law 3016/2002**



## Report concerning ATEbank's transactions with its affiliates pursuant to art. 2, paragraph 4 of Law 3016/2002

31/12/2007

€ thousands

subsidiary	assets	liabilities	revenues	expenses
A.B.G LEASING S.A.	327.650	70.776	9.221	4.029
A.B.G BANK CARDS S.A.	4.100	6.769	2.225	9.491
A.B.G MUTUAL FUNDS S.A.	1.464	7.363	4.038	316
A.B.G TECHNICAL & IT S.A.	6	4.514	12	6.111
ATE SECURITIES S.A.	2.228	10.674	486	2.946
ATE INSURANCE S.A.	654	87.454	1.889	8.549
ABG FINANCE INTERNATIONAL S.A.	0	0	14	0
FIRST BUSINESS BANK S.A.	137.375	75	5.987	24
HELLENIC SUGAR INDUSTRY S.A.	94.752	555	0	0
DODONI S.A.	55.867	913	813	0
RODOPI S.A.	2.909	67	361	18
ETANAL S.A.	0	3.376	0	109
ELVIZ S.A.	18.698	520	106	323
ATE ADVERTISING S.A.	0	4.852	0	7.600
AIK BANKA	0	0	648	0
ATEXCELIXI S.A.	138	747	865	2.490
<b>TOTAL</b>	<b>645.841</b>	<b>198.655</b>	<b>26.665</b>	<b>42.006</b>



**5**

**Information pursuant to Article 10  
of Law 3401/2005 (announcements  
to investors)**



# Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

04/01/2007

**AGRICULTURAL BANK OF GREECE S.A.**

**Announcement**

ATEbank announces that it has acquired 5% of the F.B.Bank's shares from the BANK OF NOVA SCOTIA. Therefore ATEBank's stake represents 49% of the F.B.Bank's share capital.

22/01/2007

**AGRICULTURAL BANK OF GREECE S.A.**

**Announcement**

ATEbank announces that, following gradual acquisitions from various shareholders, it has increased its participation in the Romanian MINDBANK to 69.01%. The acquisition of these shares was at the same price as the one of the previously acquired shares (2.15 times the book value of the Bank at 31.12.2005).

30/01/2007

**AGRICULTURAL BANK OF GREECE S.A.**

**Announcement**

ATEbank will announce 12month 2006 results, according to I.F.R.S., for the Bank and the Group, on March 12, 2007 after the end of the ATHEX session.

12/03/2007

**AGRICULTURAL BANK OF GREECE S.A.**

**FULL YEAR 2006 FINANCIAL RESULTS**

- **Increase in Net Profit by 35.1% (25.6% on a recurrent basis)**
- **Net Customer Loans growth by 7.6% - Impressive increase of Household Lending by 36.6%**
- **Net Interest Margin keeps improving (at 3.37%)**
- **Cost growth under control (+5.1%) despite salary increases from collective agreement and high advertising expenses**
- **Coverage ratio remains at satisfactory levels (87.4%) despite write-offs**

During 2006 ATEbank increased its **consolidated profits, after tax and minority interest**, by **35.1%** reaching the level of **€ 188.4 million** versus **€ 139.4 million** in 2005. On a recurrent basis, if adjusted for one-off items, **profits after tax and minority interest** increased by **25.6%**.

**This increase in profitability is the result of the restructuring efforts of ATEbank and its subsidiaries, its aggressive growth strategy, and the favorable conditions in the Greek banking sector.**

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

It should be noted that the results of 2006 were negatively affected by the following:

1. A one-off tax liability of € 29.9 million related to the dividend paid for the financial year 2005,
2. A one-off tax liability of € 8.9 million related to tax exempt reserves,
3. Lower than usual seasonal public sector borrowing which always occurs during the last two months of the year (affecting the level of total loans, deposits and fee and commission income) and
4. The negative results of its subsidiary Hellenic Sugar Company (reduced profits by € 14,2 million compared to 2005), following the European Union policy changes regarding sugar production.

On the other hand the 2006 results were positively affected by an amount of € 46,3 million which are the gains from the sale of shares from the available for sale portfolio.

**Net interest income reached € 600.9 million**, a 10.6% increase on a recurrent basis (excluding non-recurring interest income of around € 60 million during 2005 due to loan restructuring under the law 3259/04 on "Panotokia"). The **Net Interest Margin** (net interest income over average interest earning assets) reached the level of **3.37%**, showing a continued improvement since 31 December 2005 when it stood at 3.10% on a recurrent basis.

**Net fee and commission income increased by 7.4%** compared to 2005 reaching the level of **€ 80.5 million**, negatively affected by the lower than usual public sector borrowing. **Other non-interest income**, showed a significant increase of **39.2% at € 197.6 million**, mainly due to gains from the sale of stocks although negatively affected by the increased cost of sales of the subsidiary Hellenic Sugar Company.

**Operating expenses** reached € 533.1 million, an **increase of 5.1%** compared to 2005. It should be noted that personnel expenses increased during the last two quarters due to the collective salary agreement. As a result, the **Group Cost to Income ratio** stood **on a recurrent basis at 64.4%** compared to 67.3% in 2005.

**Impairment losses** on loans amounted to € 62.7 million in 2006, compared to € 120.0 million in 2005 (it should be noted that at least € 60 million of the provisions of 2005 were undertaken pursuant to the restructuring of loans under the "Panotokia law").

**Total loans before provisions at the end of 2006 reached € 14.9 billion, an increase of 4.6%** compared to end of 2005. As already mentioned the lower seasonal borrowing of public sector (about € 1bn less than usual) affected significantly the level of total loans at the end of 2006 compared to 2005. It should also be noted that if adjusted for the € 372 million loan write-offs during 2006, the underlying expansion of the loan book would be 7.2%. Net customer loans were up 7.6% year on year.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

**Household loan portfolio** has continued its impressive growth reaching as of 31 December 2006 € 4.8 billion compared to € 3.5 billion as of 31 December 2005, **an increase of 36.6%**, significantly higher than the corresponding market growth. The successful marketing, pricing and sales policy, which was introduced during 2005 continued resulting in the remarkable growth in new disbursements. Average **mortgage lending disbursements** have gone **up** in 2006 by **50% compared to 2005** resulting in significant gains in market share. Similarly, in consumer credit, the new products, which were gradually introduced since March 2006, have led to an increase of 75% in the average **consumer lending new disbursements** during 2006 compared to 2005. As a result, the mortgage portfolio has reached the level of € 4.0 billion, up by 41% y-o-y, while consumer loans have increased by 30% y-o-y reaching the level of € 500 million.

The continuous increase of the household segment as a percentage of the total loan portfolio (32.4% in 2006 compared to 24.8% in 2005) signifies the strategy of ATEbank to expand further its activities in retail banking which can produce relatively higher returns both through interest as well as fees and commissions income. The efforts to penetrate the SMEs sector starts showing positive signs with the outstanding balances of SME's growing at 9.5% y-o-y, despite the significant write-offs that have affected that part of the loan portfolio.

The **€ 372 million of total write-offs** during 2006 have helped significantly the improvement of the quality of the Group's loan book, with the **total NPL ratio** dropping from 13.7% on 31 December 2005 to **10.7%** on 31 December 2006. At the same time, despite these write-offs, the **provisioning coverage ratio** remained almost stable at **87.4%** as of 31 December 2006 compared to 87.5% as of 31 December 2005.

**Customer deposits increased by 2.8%** y-o-y at € 18.1 billion, resulting in a **loans to deposits ratio of 82.5%**. Such a ratio together with the comparatively low cost of funding (1.48% average 2006 cost of deposits), in a continuous ECB rate increases environment, is a significant advantage which the bank will continue to utilize in order to foster growth and gain market share in high competition sectors, such as retail banking.

Based on the recurrent net profit for 2006, the **Return on average Assets** stood at **0.85%**, while the **Return on average Equity** was 14.4% up from 0.72% and 13.8% respectively, on a recurrent basis, for 2005.

ATEbank sustains a robust capital adequacy. At the end of December 2006, the estimated **Tier I Ratio** stood at **11.4%**.

The turnaround of almost all of the companies in the ATEbank Group into profitability and the sustainability of the Bank's profits are the result of an intensive effort that is being made throughout the Group at an operational and organizational level.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

During 2006 ATEbank expanded in the broader SEE region with the acquisition of 69% of the Romanian Mindbank and the 21% of the Serbian AIKbanka. The aim is to carefully look for opportunities for acquisition, with reasonable valuations, capable management and good organization, that can grow organically, promote Group and customer synergies and provide high rates of return in these investments.

ATEbank's main goals for its three year business plan are: to increase further market share in retail banking, to dynamically penetrate the SMEs segment, to further improve asset quality, to explore other possible opportunities in the SEE region, to disengage from non-financial and non-core participations and to improve the return of all companies of the Group.

The Board of Directors has decided to propose to the Annual Shareholders Meeting the distribution of a **dividend of € 0,09 per share**, increased by 28% compared to 2005.

As a result of the strong financial performance of the Bank and the Group of Companies, ATEbank has revised its business plan and has set the following financial targets for the Group for the 3-year period 2007-2009:

- Return on average equity:	at least 20% by the end of 2009
- Tier I ratio:	in excess of 10%
- Cost income ratio:	around 52% by the end of 2009
- NPL ratio:	below 6% by the end of 2009
- Total Loan growth:	at least 10% CAGR (after write-offs)
- Deposits growth:	around 7% CAGR
- NII growth:	around 11% CAGR
- Cost growth:	around 4% CAGR
- Cost of Risk:	around 45-50 bps
- Net Profits growth:	around 25% CAGR

**13/03/2007**

### **AGRICULTURAL BANK OF GREECE S.A. Announcement**

According to article 2 of the Capital Market Commission's Decision 3/347/12-7-2005, ATEbank announces that its B.o.D., during its session on 12/03/2007, elected Mr Panagiotis Drossos, as a new member, replacing the resigned member Mr Charalambos Dimitriou.

**21/03/2007**

### **AGRICULTURAL BANK OF GREECE S.A. Notification**

According to article 2 of the Capital Market Commission's Decision 3/347/12-7-2005, ATEbank announces that its B.o.D. assigned the duties of the Financial Director to Mr Christos Stokas

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

28/03/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Schedule of Intended Corporate Actions for the year 2007**

In compliance with the article 292 of the ATHEX Regulation, ATEbank announces the Schedule of Intended Corporate Actions for the year 2007:

Announcement of F.Y.2006 results: 12-3-2007.

Publication of F.Y. 2006 Financial Statements: 13-3-2007.

Analysts Briefing: 18-4-2007.

Annual Ordinary General Meeting of Shareholders: 23-5-2007.

Identification of dividend Beneficiaries: 25-5-2007.

Ex-dividend date: 29-5-2007.

Dividend Payment date: 6-6-2007.

04/04/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

ATEbank announces that, following gradual acquisitions from various shareholders, it has increased its participation in the Romanian MINDBANK to 73.30%.

In addition the B.o.D. of ATEbank has decided the Bank's participation in the share capital increase, decided by the MINDBANK'S Extraordinary Shareholders General Meeting.

18/04/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Annual analyst presentation**

In compliance with the article 292 of the Athex regulation, ATEbank announces that the annual analyst presentation was held on 18/4/2007.

The Bank presented the financial statements and the results of 2006 of the Bank and the Group, as well as the strategic targets for 2007-2009.

The above mentioned presentation is available at the Bank's website, [www.atebank.gr](http://www.atebank.gr) and at the ATHEX website, [www.ase.gr](http://www.ase.gr)

24/04/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **INVITATION TO THE BANK'S ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Pursuant to the provisions for Sociétés Anonymes (Companies' Act 2190/1920), and for dematerialized shares (Law 2396/96), the Bank's Articles of Association (Article 11) and the Board of Directors' resolution dated 24-4-2007, the Shareholders of Banking Société Anonyme Agricultural Bank of Greece (A.B.G.), whose registered office is at 23, Panepistimiou Str., Athens, Greece, are invited to the Bank's Ordinary General Meeting to be held at 12.00 noon on Wednesday 23rd of May 2007, at 154, El. Venizelou & Antigonis str., Nea Erithrea (ABG's Training Centre), with the following agenda:

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

1. Submission for approval of the Board of Directors' Report on the annual financial statements for the financial year 2006.
2. Submission for approval of the annual financial statements and the Auditors' Report for the year 2006, as well as the approval of the appropriation account.
3. Submission for approval of the consolidated annual statements of the Group of companies and the Auditors' Report for the year 2006.
4. Discharge of the members of the Board of Directors and of the Auditors from any liability for the year 2006.
5. Election of regular and substitute Certified Auditors for the purpose of the audit of the Bank' financial statements and the consolidated financial statements of the Group of companies for the year 2007.
6. Approval of the remuneration received by Chairman, Vice Chairmen, non executive members and secretary of the Bank's Board of Directors for the year 2006 and determination of their remuneration for the year 2007.
7. Approval of the remuneration received by the members of the Audit committee for the year 2006 and its determination for the year 2007.
8. Ratification of the election of a new member of the Board of Directors in replacement of a resigned member.
9. Election of new Board of Directors and determination of the independent – non executive members.
10. Renewal of the insurance contract between ABG and ABG Insurance covering the members of the BoD and the administrative executives on liability towards third parties.
11. Approval of the members of the BoD and Bank's executives to participate in the B.o.D. or in the management of A.B.G. Group of companies or in companies pursuing similar or related goals.
12. Announcement of the B.o.D. decisions related to the acquired stake in MINDBANK Romania and AIK BANKA Serbia.
13. Announcements – Approvals – Other Issues.

Shareholders wishing to participate in the General Meeting should submit the relevant certification, issued by the Central Securities Depository S.A., and supplied to them by their Securities Account Operators, to the Bank (network branches or the Shareholders Department), at least five (5) days before the date of the General Meeting.

In case of Shareholders wishing to be represented by proxy, their representation documents should also be submitted to the Bank by the above deadline.

Shareholders who are legal entities are further required to submit their legalization documents to the Bank, according to the law, within the same time limits as above, unless they have already submitted them to an ABG's Unit. In that case they just need to specify in their proxy, the ABG's Unit, at which their documents are held.

For their convenience, Shareholders wishing to participate in the General Meeting are also offered the option to authorize the Bank to block their shares on their behalf, in which case they are requested to contact the Shareholders Department (Tel. +30 2103298 645/613 and Fax. +30 210 3298 322/386).

# Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

27/04/2007

**AGRICULTURAL BANK OF GREECE S.A.**

**EXPLANATORY REPORT  
TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS  
OF AGRICULTURAL BANK OF GREECE SA  
IN ACCORDANCE WITH ARTICLE 11 (A) OF LAW 3371/2005**

This explanatory report of the Board of Directors to the Ordinary General Meeting of the Bank's Shareholders contains detailed information with regard to the issues under Article 11 (a) (1) of Law 3371/2005.

## **I. Structure of the Bank's share capital**

The Bank's share capital stands at six hundred fifty one million nine hundred nineteen thousand nine hundred ninety nine euros and sixty eight cents (EUR 651 919 999.68) and is divided into nine hundred five million four hundred forty four thousand four hundred forty four (905 444 444) ordinary nominal shares with a face value of seventy two cents (EUR 0.72) each".

The rights of the Bank's shareholders that derive from the Bank's shares are pro rata the capital percentage corresponding to the fully paid value of each share. Each share provides all the rights provided for by Law and the Bank's Articles of Incorporation, and more specifically:

- the right to dividend from the Bank's annual profits or profits at liquidation. 35% of the net profit after deducting the statutory reserve only or 6% of the fully paid capital, whichever is higher, it is then distributed to the shareholders from the earnings of each period as a first dividend, while an additional dividend may be distributed if it so decided by the General Meeting. All shareholders whose particulars appear in the Shareholder's Register kept with the Bank on the date on which dividend beneficiaries are designated, are entitled to dividends. The dividend of each share is paid within two (2) months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and terms of payment are communicated in the Press. The right to receive dividend payments is written off and the respective sum goes to the Greek Government after 5 years have elapsed from the close of the year in which the General Meeting approved such dividend distribution;
- the right to withdraw the contribution at the time of liquidation or respectively of the capital amortization corresponding to each share, if so decided by the General Meeting;
- the right of preemption at each increase of the Bank's share capital in cash and the obtainment of new shares;
- the right to receive a copy of the financial statements, of the reports of chartered auditors and of those of the Bank's BoD;
- the right to participate in the General Meeting, which includes the following individual rights: right to authorize, attend, participate in debates, submit suggestions with regard to the items on the agenda, record opinions in the minutes and vote;
- The General Meeting of the Bank's Shareholders retains all its rights during liquidation (in accordance with Article 36 (4) of the Bank's Articles of Incorporation).

Shareholder liability is limited to the face value of the shares they hold.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

### **II. Restrictions to the transfer of the Bank's shares**

The Bank's shares are transferred as set forth in the Law, while the Articles of Incorporation pose no restrictions as to their transfer, given that they are non-paper shares listed on the ASE.

### **III. Considerable direct or indirect holdings in the sense of Presidential Decree 51/1992**

The Greek Government holds, as the Bank's shareholder, 77.31% of its overall number of shares

### **IV. Shares granting special rights to audit**

There are no such shares providing their holders with special rights to audit.

### **V. Restrictions to the right to vote**

No provision is made in the Bank's Articles of Incorporation for restrictions to the right to vote arising from its shares.

### **VI. Agreements of the Bank's shareholders**

It is not known to the Bank if there are any agreements among its shareholders imposing restrictions to the transfer of its shares or to exercising the rights to vote arising from such shares.

### **VII. Rules for appointing and replacing BoD members and amending the Articles of Incorporation**

The rules provided for in the Bank's Articles of Incorporation on the appointment and replacement of BoD members and the amendment to its Articles of Incorporation are not different than those provided for in Codified Law 2190/1920.

### **VIII. BoD authorization to issue new or buy treasury shares**

In accordance with the provisions of Article 16 (5) to (13) of Codified Law 2190/1920, companies listed on the Athens Stock Exchange (ASE) may, by decision of the General Meeting of their shareholders, acquire treasury shares through the ASE and up to 10% of their total shares in order to support the stock exchange price of such shares and under the more specific terms and following the procedures laid down in Article 16 of Codified Law 2190/1920.

By virtue of BoD Decisions 2/3.2.2005 and 15/24.6.2005 and in implementing the provisions of Article 16 of Law 2190/1920, a total of 3 318 310 treasury shares were sold in the period between 10 January 2006 and 5 May 2006, through ASE transactions and at an average selling price of EUR 5.16 per share

### **IX. Significant agreements that inure, are modified or expire as a result of audit change following a public proposal**

There are no significant agreements that enter into force, are modified or expire as a result a change in auditing the Bank following a public proposal

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

### **X. Agreements with members of the Board of Directors or the Bank's personnel**

There are no agreements between the Bank and members of its Board of Directors or its personnel providing for the payment of compensation in case of resignation or dismissal on no serious grounds or termination of term or employment as a result of a public proposal.

On behalf of the Bank's BoD  
Mr. Dimitrios Miliakos  
BoD Chairman

**03/05/2007**

#### **AGRICULTURAL BANK OF GREECE S.A. Announcement Date of Financial Results of first quarter 2007**

ATEbank will announce first quarter 2007 results, according to I.F.R.S., for the Bank and the Group, on the 16th May 2007 (Wednesday), after the end of the ATHEX session.

**10/05/2007**

#### **AGRICULTURAL BANK OF GREECE S.A. Announcement**

ATEbank announces that the B.o.D. of its subsidiary Hellenic Sugar Industry S.A. (ATEbank's stake 82.33%) decided, on 9-5-2007, to publish an invitation of interest, seeking a strategic investor in order to convert the sugar refineries at Larissa and Xanthi into bioethanol production units.

**16/05/2007**

#### **AGRICULTURAL BANK OF GREECE S.A. Q1 2007 Financial results**

- Impressive Net Profits Growth by 56.3% (32.3% on a recurrent basis)
- Net Customer Loans growth by 20.4% - Household Lending continues to expand at remarkable rates (+30.4% - well ahead of the market)
  - Customer Deposits increase by 10.9%, with deposit cost at only 1.64%
  - Net Interest Margin remains at very satisfactory levels (3.37%)
  - Cost to Income below 60% for the first time since IFRS (at 55.6%)
  - NPLs continue to decrease (at 10.3% in Q1 07 vs 15.0% in Q1 06)
  - Significant improvement of ROE and ROA (at 22.0% and 1.35%)

ATEbank has continued its significant growth in profitability in the first 3-months of 2007 compared to the respective period of 2006, as consolidated profits after tax and minority interest increased by 56.3% reaching the level of euro 74.6 million versus euro 47.7 million in the corresponding period of the previous year. On a recurrent basis, if adjusted for the euro 11.4 million capital gains from the sale of shares in the available for sale portfolio, profits after tax and minority interest increased by 32.3%.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

Net interest income reached euro 157.9 million, a 12.7% increase compared to the corresponding period in 2006, with an impressive growth in loans interest income of 21.2%. The Net Interest Margin (net interest income over average interest earning assets) stood at the very satisfying level of 3.37%, showing a significant improvement compared to 31 March 2006 when it stood at 3.09%. This development is the result of: a) the loan mix shift towards products with higher spreads, b) the greater - in absolute terms - increase of the loans compared to the deposits and c) the favorable deposit versus loan spread of ATEbank.

Net fee and commission income increased by 10.4% compared to the corresponding period in 2006 reaching the level of euro 20.0 million. Other non-interest and non fee income, showed an increase of 63.3% at euro 62.5 million, positively affected by the capital gains from the sale of available for sale shares (euro 11.4 million) and the impressive performance of net trading income (+170.7% at euro 20.5 million).

Operating expenses reached euro 133.6 million, an increase of 9.6% compared to 31 March 2006. This increase is mainly due to the high Q1 07 personnel expenses of the Bank that include two consecutive salary increases, as the 2006 collective salary agreement was finalized with significant delay in December 2006 and as a result the Q1 06 personnel expenses did not include any salary increases. A large part of this seasonal percentage increase will be absorbed by the end of 2007 and total cost is not expected to exceed the target set in the business plan (c. 4-5% growth). Furthermore, it must be noted that Q1 07 operating expenses include the consolidation of Mindbank Romania which was not included in the Q1 06 results. Despite the above, the Group Cost to Income ratio was reduced significantly to the level of 55.6%. This is the first time since the implementation of the IFRS that ATEbank achieves a cost/income ratio below 60%.

Impairment losses on loans were euro 15.0 million in the first three months of 2007, compared to euro 15.1 million in the corresponding period in 2006, signifying the continuous improvement in loan quality.

Total loans before provisions at the end of the first quarter of 2007 reached euro 15.4 billion, an increase of 15.1% compared to the end of the first quarter of 2006. It should also be noted that if adjusted for the euro 419 million loan write-offs during the period April 2006 to March 2007, the underlying expansion of the loan book would be 18.2%. Net customer loans at the end of March 2007 reached euro 14.1 billion, an increase of 20.4% compared to end of March 2006.

Household loan portfolio has continued its impressive growth reaching as of 31 March 2007 euro 5.1 billion compared to euro 3.9 billion as of 31 March 2006, an increase of 30.4%, significantly higher than the market growth. Average mortgage lending disbursements continued to grow at high rates, euro 120m per month, above the estimated FY 07 target of around euro 105m per month.

Similarly, in consumer credit, the new products which have been introduced have led the average consumer lending new disbursements in the first three months of 2007 to increase by 62% compared to the corresponding period last year. As a result, the mortgage portfolio has reached the level of euro 4.2 billion, up by 32,4% compared to 31 March 2006, while consumer loans have increased by 36,9% reaching the level of euro 559 million.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

The continuous increase of the household segment as a percentage of the total loan portfolio (33% in Q107 compared to 29% in Q106) proves the determination and ability of ATEbank to expand its activities in the retail market. The aim is to keep on at the same pace in order to gain further market share in sectors which can produce relatively higher returns both through interest as well as fees and commissions income. The efforts to penetrate the SMEs sector, although are not still impressive in outstanding volumes, as they are affected by significant write-offs of part of the legacy portfolio, are showing positive signs and the management will continue its efforts to grow further this segment.

Total NPL ratio dropped from 15.0% in 31 March 2006 to 10.3% in 31 March 2006, while the provisioning coverage ratio, despite the euro 419 million of write-offs, stands at the satisfactory level of 85.9%.

Customer deposits increased by 10.9% at euro 19.4 billion, resulting in a loans to deposits ratio of 79.6%. Such a ratio together with the comparatively low cost of funding (1.64%) constitute significant advantages, which the bank will continue to utilize in order to foster growth and gain market share.

Based on the reported net profit for the first quarter of 2007, the Return on average Assets stood at 1.35% compared to 0.92% in Q1 2006, while the Return on average Equity increased substantially to 22.0% from 15.5%. If capital gains from the available for sale portfolio are excluded, ROA stood at 1.14% while ROE at 18.7%.

ATEbank sustains a robust capital adequacy. At the end of March 2007, the estimated Tier I Ratio stood at 11.1%.

The turnaround of almost all of the companies in the ATEbank Group into profitability and the sustainability of the Bank's profits are the result of an intensive effort that is being made throughout the Group at an operational and organizational level.

The positive results of the first quarter of 2007 are proving that ATEbank is in the right track to deliver the targets set in its 2007-9 Business Plan.

ATEbank's management is constantly examining ways to increase lending, improve customer service, raise employees' incentives and enhance shareholders' returns.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

23/05/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

ATEbank announces that its Annual Ordinary General Shareholders Meeting of May 23, 2007, decided a dividend distribution for the financial year 2006, amounting to Euro 0,09 per share. Entitled to the dividend are the shareholders of the Bank, after the end of the ATHEX session of May 25, 2007. As a result, from May 29, 2007 the share will be traded at the Athens Exchange without a dividend right for the financial year 2006. Dividend payment to the entitled shareholders will commence on June 6, 2007, according to the procedure settled by the Regulations of the Athens Exchange and the Central Securities Depository, i.e.: - To the Security Accounts' Operators of the entitled shareholders, under the condition of declaration of having the right of such a collection. - To the Bank's Branches for those shareholders who have not authorized their Security Accounts' Operators for the collection of their dividends or whose shares are kept in the Special Account of the Central Securities Depository. Dividend collection from any Branch of the Bank may be realized upon presentation of the Shareholder's Identity Card. Collection by a third person can be realized only upon presentation of authorization, including the complete personal data of the entitled shareholder, as well as the authorized person's personal data, confirmed for the authentication of the signature by a competent authority. The Securities Accounts' Operators are asked to contact the Central Branch of the Bank, at 4, Panepistimiou Str., telephone number: 210.3697593. For further information, shareholders may contact the Bank's Shareholders Department, telephone numbers: 210.3298400, 3298645, 3298613.

24/05/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **New composition of the Board of Directors**

ATEbank announces that the B.o.D. which was elected by the Ordinary General Meeting of Shareholders on 23-5-2007, constituted as follows:

##### Executive members:

- Miliakos Dimitrios, Chairman-Governor.
- Drougas Vassilios, Vice Chairman-Deputy Governor.
- Varagis Panagiotis, Vice Chairman-Deputy Governor.

##### Non executive members:

- Konstantinides Grigorios.
- Drossos Panagiotis.
- Katsaounis Ioannis.
- Beredimas Vassilios.
- Alexiades Grigorios.
- Tsagarakis Ioannis.

##### Independent non-executive members:

- Revithis Sotirios.
- Balios Nikolaos.

Thereafter it was resolved that the Bank's Audit Committee will be composed as follows:

- Revithis Sotirios, Chairman.
- Balios Nikolaos, Member.
- Tsagarakis Ioannis, Member.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

24/05/2007

### **AGRICULTURAL BANK OF GREECE S.A.** **Annual General Meeting Resolutions**

ATEbank announces that its Annual Ordinary General Shareholders' Meeting was held on May 23, 2007. Present at the Bank's General Meeting were 39 Shareholders (in person or by proxy) representing a total of 704,423,394 shares i.e. 77.80 % of the Bank's paid up share capital, and adopted the following resolutions:

1. Approved the Board of Directors' Report on the annual financial statements for the year 2006.
2. Approved the annual financial statements and the Auditors' Report for the year 2006, as well as a dividend distribution of euro 0.09 per share for the year 2006. As ex-dividend date was determined the 29th of May, 2007. The dividend payment will commence on June 6, 2007.
3. Approved the consolidated annual financial statements of the ATEbank's Group of companies and the Auditors' Report for the financial year 2006.
4. Approved the discharge of the members of the Board of Directors and the Auditors from any liability for the year 2006.
5. Elected the audit firms KPMG Kyriakou Certified Auditors S.A. and BAKER TILLY HELLAS S.A. for the purpose of auditing the Bank's financial statements and the Group of companies' consolidated financial statements for the year 2007.
6. Approved the remuneration received by the Chairman, Vice Chairmen, non executive members and the Secretary of the Bank's Board of Directors for the year 2006 and pre-approved their remuneration for the year 2007.
7. Approved the remuneration received by the members of the Audit Committee for the year 2006 and pre-approved it for the year 2007.
8. Ratified the election of Mr P. Drossos as a new member of the Board of Directors in replacement of the resigned member Mr Ch. Dimitriou.
9. Elected new Board of Directors and determined the independent - non executive members, in accordance with the provisions of the law 3016/2002, as currently in force. The composition of the new Board of Directors is as follows: -Miliakos Dimitrios, -Drougas Vassilios, -Varagis Panagiotis, -Konstantinides Grigorios, -Drossos Panagiotis, -Revithis Sotirios (independent non executive member), -Katsaounis Ioannis, - Balios Nikolaos (independent non executive member), -Beredimas Vassilios - Alexiades Grigorios, -Tsagarakis Ioannis.
10. Approved the renewal of the insurance contract between ATEbank and ATE Insurance covering the members of the BoD and the administrative executives on liability towards third parties.
11. Approved the permission to the members of the BoD and Bank's executives to participate in the B.o.D. or in the management of ATEbank's Group of companies or in companies pursuing similar or related goals.
12. The A.G.M. has been informed about the B.o.D. decisions related to the acquired stake in MINDBANK Romania and AIK BANKA Serbia.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

24/05/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Comments on newspaper's release**

Further to a weekly newspaper's release under title: "Sale of the 49% of FBBank?", ATEbank announces:

1. There has been no decision taken concerning the sale of shares it holds in FBBank (49%).
2. It is firmly denied that ATEbank has assigned to any Consultant the project of searching for a potential buyer for the 49% of FBBank's shares.
3. ATEbank, in compliance to its obligations towards the Supervisory Authorities and its shareholders, always notifies in time its business decisions.

07/06/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

ATEbank announces that on March 29, 2007 held 175,264,372 shares of ATEbank Romania (Equity Capital participation 73.30%).

Due to the completeness of the Equity Capital increase (Euro 20 million) of ATEbank Romania, (General Meeting decision, March 29. 2007), ATEbank now holds 505,667,768 shares of ATEbank Romania (Equity Capital participation 87.21%).

21/06/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

ATEbank announces that at 31.05.2007 held 1,140,723 ordinary voting shares (Equity Capital participation 20.00%) and 255,108 preference cumulative shares (Equity Capital participation 24.99%) of AIK BANKA.

Due to the completeness of the Equity Capital increase of AIK BANKA, (General Meeting decision, 26.04.2007), issued 1,327,860 new ordinary voting shares, with nominal value 1,700 RSD and issue value 6,100 RSD.

ATEbank following the exercising of its pre-emption right, now holds 274,325 new ordinary voting shares of AIK BANKA, so its Equity Capital participation is now 20.12%.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

26/06/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

ATEbank announces that its subsidiary "Hellenic Sugar Industry S.A." (ATEbank participation 82.33%) had received until Friday 22nd June 2007 Non-Binding Expression of Interest for the conversion of Larissa and Xanthi sugar plants into bioethanol production units from the following Strategic Investors:

1. T.A.R.K.I.M. AS (Turkey)
2. CAL WEST - PACIFIC ETHANOL (U.S.A.)
3. P.N PETTAS A.B.E.E.
4. R.F. ENERGY S.A.. (Fidakis Group - Restis Group)
5. ORFEAS Ltd.
6. B.G. SPILIOPOULOS A.B.E.E.. - ALCO GROUP (Greece-Belgium)
7. MOTOR OIL (HELLAS)-Korinthos Refineries S.A.
8. J&P AVAX S.A.. - LURGI AG (Greece-Germany)
9. DAMCO ENERGY S.A. (Kopelouzos Group)
10. SWISSMARINE INC. - SOLARIS ENERGY S.A. - VERBIO AG - LBBW (Greece-Germany)
11. MK COMMERCE DOO (Serbia)
12. BIOETHANOL LTD - ROYAL BANK OF SCOTLAND (United Kingdom)

The evaluation of the aforementioned candidacies for the selection of those who will be invited to participate into the second part of the procedure will be completed into approximately ten (10) working days, in accordance with the procedure's regulations.

31/07/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **H1 2007 results announcement date**

ATEbank will announce its H1 2007 results, according to I.F.R.S., for the Bank and the Group, on the 29th August 2007 (Wednesday), after the end of the ATHEX session.

29/08/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **First half 2007 financial results**

- Increase in Net Profit by 61.9% (36.8% on a recurrent basis) - Net Customer Loans growth by 20.7% - Household Lending growth well above market (+28.5%)- Customer Deposits increase by 10.2%, with deposit cost at low levels (1.84%)
- Net Interest Margin remains at high levels (3.34%) - Cost to Income ratio continues to decline (at 55.1% - 57.3% on a recurrent basis) - NPLs below 10% for the first time (9.6%)

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

- ROE : 19.5% & ROA : 1.20% ATEbank has achieved significant growth in profitability in the first 6-months of 2007 as consolidated profits after tax and minority interest increased by 61.9% reaching the level of euro 133.0 million versus euro 82.1 million in the corresponding period of the previous year. On a recurrent basis, if adjusted for one-off items, profits after tax and minority interest increased by 36.8%. Net interest income reached euro 310.6 million a 10.7% increase, mainly due to growth in the interest income from loans. The Net Interest Margin (net interest income over average interest earning assets), despite increasing competition, remains at high levels, at 3.34%, compared to 3.15% in 30 June 2006. Net fee and commission income increased by 15.9% compared to the corresponding period in 2006, reaching euro 43.1 million. Other non-interest and non-fee income showed an increase of 46.4%, on a reported basis, driven by the profitability of the trading portfolio (net income of euro 44.5m compared to losses of euro 5.2m in H1 2006). On a recurrent basis (excluding euro 18.5 million trading gains from the disposal of part of the available for sale portfolio in H1 2007 and euro 24.6 million non-recurring items in H1 2006), other non-interest and non-fee income showed an increase of 74.7%. Operating expenses reached euro 264.7 million, an increase of 11.0% from H1 2006. As already mentioned in the previous quarter's results, the higher than targeted percentage increase is seasonal and is expected to be reduced significantly by the end of 2007. The Group cost income ratio was reduced significantly to 55.1% on a reported basis compared to 59.0% in H1 2006. On a recurrent basis, cost to income ratio fell to 57.3% from 62.8%. Impairment losses reached euro 44.1million, of which euro 42.2million for impairment losses on loans and euro 1.8 million for impairment losses on assets. Total loans before provisions at the end of June 2007 reached euro 15.8 billion, an increase of 20.7% compared to the end of June 2006. It should be noted that if adjusted for the euro 395 million loan write-offs during the period July 2006 to June 2007, the underlying expansion of the loan book would have been 23.7%. Household loan portfolio continued to increase with rates significantly higher than the market and as of 30 June 2007 reached euro 5.4 billion compared to euro 4.2 billion as of 30 June 2006, an increase of 28.5%. The introduction of new attractive retail products combined with intense marketing campaigns kept loan disbursements at high levels. The outstanding mortgage portfolio increased by 29.7% reaching euro 4.5 billion while the outstanding consumer portfolio increased by 35.5% reaching euro 607 million. The strategy of the bank is to continue to target household lending (now 34% of the total loan portfolio) and to expand further its market share. The focus on this lending segment together with the ongoing expansion into the SMEs is expected to transform significantly the customer profile of the bank, increasing the group synergies and its overall profitability. Total NPL ratio, in H1 2007, dropped for the first time below 10% at 9.6% from 14.3% in H1 2006. This proves that the steady efforts and effective approaches ATEbank follows in dealing with an old problem are yielding positive results. The provisioning coverage ratio, remained at the satisfactory level of 85.2%, despite the euro 395 million of loan write-offs. Customer deposits increased by 10.2% y-o-y to euro 19.1 billion, resulting in a loans to deposits ratio of 82.8% compared to 75.6% at the end of June 2006. The cost of deposits remains one of the lowest amongst Greek banks at 1.84%, despite the increases from the continuous raises in ECB rates and the competition in the Greek market for deposits. Based on the net profit during H1 2007, the Return on average Assets stood at 1.20% (1.08% on a recurrent basis), while the Return on average Equity was 19.54% (17.59% on a recurrent basis). ATEbank sustains a robust capital adequacy. At the end of June 2007, the estimated Tier I Ratio was 11.0%. The results during H1 2007 are very much in line with the targets set in the 2007-2009 business plan. ATEbank benefits from a growing Greek market for banking products, from its extensive network (second largest) and client base (particularly amongst less banked customers), and from the continuous efforts made by its staff and management.

For more information: <http://www.atebank.gr/english>

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

10/10/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

ATEbank, in order to inform and facilitate its shareholders, announces that information regarding obligations and procedures concerning notification of significant holdings, in accordance with the provisions of Law 3556/2007, Decision 1/434/3.7.2007 issued by the Board of Directors of the Hellenic Capital Market Commission and Circular 33/2007 issued by the Hellenic Capital Market Commission, appears on its website: [www.atebank.gr/english](http://www.atebank.gr/english).

ATEbank also notifies that, in accordance with the provisions of Law 3556/2007 regarding the calculation and definition of the limits of acquisitions or disposals by shareholders or voting rights holders, its capital market amounts to 651,919,999.69, divided in 905,444,444 shares with voting rights of nominal value Euro 0.72 each.

02/11/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

According to the 3/347/12-7-2005 decision of the B.o.D. of the H.C.M.C., ATEbank informs that, it will get on immediately the procedures for selling the parcel of shares currently holding in the milk industry «RODOPI S.A.».

05/11/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **9month 2007 Results Announcement Date**

ATEbank will announce 9month 2007 results, according to I.F.R.S., for the Bank and the Group, on November 28th, 2007 after the end of the ATHEX session

09/11/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

ATEbank will announce 9month 2007 results, according to I.F.R.S., for the Bank and the Group, on November 21, 2007, after the end of the ATHEX session, instead of November 28, 2007, as it has initially announced.

15/11/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

According to article 2 of the Capital Market Commission's Decision 3/347/12-7-2005, ATEbank announces that Mr Konstantinos Dimitropoulos is taking over as Internal Audit Acting Director.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

21/11/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Nine month 2007 financial results**

- Significant Increase in Net Profit by 93.9% (+23.4% on a recurrent basis)
- Customer Loans grow by 16.1%, despite write-offs of ?398m - Household Lending growth well above market (+26.0%)
- Customer deposits grow satisfactorily (+9.5%), while the deposit cost is at 1.97%
- Net Interest Margin remains at satisfactory levels (3.33%)
- Cost to Income ratio declines (at 54.0%)
- NPL ratio significantly lower (at 9.9% vs 13.9% in Q306)
- ROE : 21.3% & ROA : 1.32%
- Interim Dividend of euros 0.05 per share

ATEbank's profitability has grown substantially during the first nine months of 2007 with consolidated profits after tax and minority interest increasing by 93.9% and reaching ?219.1 million versus 113.0 million euros in the corresponding period of the previous year. On a recurrent basis, if adjusted for one-off items, profits after tax and minority interest increased by 23.4%.

Net interest income reached 467.1 million euros, an 8.8% increase, mainly due to growth in the interest income from loans (+25%). The Net Interest Margin (net interest income over average interest earning assets) reached 3.33%, showing a significant improvement compared to 30 September 2006 when it stood at 3.22%. Net fee and commission income reached 62.4 million euros, an increase of 13.8% compared to the first 9-months of 2006. Other non-interest income and non-fee income, increased on a reported basis by 96.3%, mainly due to the capital gains from the sale of available for sale shares (80,6 million euros, +247%) and the impressive performance of net trading income (at 42.5 million euros compared to losses of 6.8m euros in 9M 2006). On a recurrent basis, other non-interest and non-fee income showed an increase of 57.1%.

Operating expenses reached 399.5 million euros, an increase of 8.2% compared to 30 September 2006. The higher than targeted percentage increase is seasonal due to the timing of salary increases for 2006 (which actually took place in early 2007). The cost growth is expected to be lower by the end of 2007. Furthermore, we have to note that operating expenses were affected by a one-off amount of ?3m which represents ATEbank's donation to the fire victims in Greece. Despite the above, the Group cost income ratio was reduced, on a reported basis, to 54.0% compared to 62.5% in September 2006. On a recurrent basis, cost to income ratio stood at 60.2% from 65.2% in 9M 2006.

Impairment losses were 62.4 million euros for the first 9-months of 2007, of which 60.6 million euros were for impairment losses on loans and 1.8 million euros for impairment losses on assets.

Total loans before provisions as of 30 September 2007 stood at 15.5 billion euros, an increase of 16.1% compared to the end of September 2006. It should be noted that if adjusted for the 398 million euros loan write-offs during the period October 2006 to September 2007, the underlying expansion of the loan book would have been 19.1%. Total Loans after provisions increased by 21.0%.

Loans to households continued to grow above market rates, at 26.0%, reaching 5.7 billion euros from 4.5 billion euros at the end of the third quarter of 2006. The mortgage loan portfolio reached 4.8 billion euros, a growth of 25.8%, while the increase of the consumer loan portfolio accelerated further, to 39.5%, reaching 675.1 million euros.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

The steady growth of the household loan portfolio as a percentage of the total loan portfolio (now 37%) indicates both the determination and the ability of ATEbank to expand its activities and increase its market share in the retail market. The aim is to leverage the extensive network as much possible in order to gain further market share in sectors which can produce relatively higher returns both through interest as well as fees and commissions income. In this respect, the efforts to penetrate the SMEs sector, although still not impressive in outstanding volumes due to significant write-offs of old legacy loans, are showing positive signs (growth adjusted for write-offs is 11.5%) and both management and staff will continue their efforts to grow further this segment.

Total NPL ratio at the end of September 2007 stood at 9.9% from 13.9% as of 30 September 2006. The provisioning coverage ratio, despite the 398 million of write-offs, stands at the satisfactory level of 81.8%. Customer deposits increased by 9.5% y-o-y to 19.2 billion, keeping the loans to deposits ratio at the advantageous level of 80.9%, which enables the bank to finance its loan expansion from its deposits. The cost of deposits remains one of the lowest amongst Greek banks at 1.97%, despite the increases from the continuous raises in ECB rates and the competition in the Greek market for deposits.

Based on the net profit during the first nine-months of 2007, the Return on average Assets stood at 1.3% (0.9% on a recurrent basis), while the Return on average Equity was 21.3% (14.2% on a recurrent basis).

ATEbank sustains an adequate capital adequacy. At the end of September 2007, having applied the new directives by the Bank of Greece, the estimated Tier I Ratio stood at 9.4%.

The sound performance of the first nine months proves that ATEbank is capable to play a significant role in an extremely competitive Greek banking market. The turnaround of all of the Group's companies into profitability and the sustainability of the Banks profits from its core lending and non-lending activities are the result of continuous efforts made throughout the Group at an operational and organizational level.

As a result of the very satisfying and sustainable performance, the Board of Directors of ATEbank has decided to distribute an interim dividend of 0.05 euros per share to its shareholders. For more information: <http://www.atebank.gr/english>

**21/11/2007**

### **AGRICULTURAL BANK OF GREECE S.A. Financial Calendar supplementary announcement**

In compliance with the article 292 of the ATHEX Regulation, ATEbank announces that its B.o.D., during its session on 21/11/2007, decided the distribution of interim dividend for the financial year 2007. Following that, the Financial calendar is supplemented as follows

- Amount of interim dividend: 0.05 Euro per share:
- Date of determination of beneficiaries: 14/12/2007
- Ex-Interim dividend date: 17/12/2007
- Interim dividend payment commencement date: 27/12/2007

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

21/11/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Interim dividend distribution**

ATEbank announces that its B.o.D. during its session on 21/11/2007, decided an interim dividend distribution for the financial year 2007, amounting to Euro 0.05 per share.

Entitled to the interim dividend are the shareholders of the Bank, at the end of the ATHEX session on 14/12/2007. As a result, from 17/12/2007 the share will be traded at the Athens Exchange without a interim dividend right for the financial year 2007.

Interim dividend payment to the entitled shareholders will commence on 27/12/2007, according to the procedure settled by the Regulations of the Athens Exchange and the Central Securities Depository, i.e.:

- To the Security Accounts' Operators of the entitled shareholders, under the condition of declaration of having the right of such a collection.
- To the Bank's Branches for those shareholders who have not authorized their Security Accounts' Operators for the collection of their dividends or whose shares are kept in the Special Account of the Central Securities Depository.

Interim dividend collection from any Branch of the Bank may be realized upon presentation of the Shareholder's Identity Card. Collection by a third person can be realized only upon presentation of authorization, including the complete personal data of the entitled shareholder, as well as the authorized person's personal data, confirmed for the authentication of the signature by a competent authority.

The Securities Accounts' Operators are asked to contact the Central Branch of the Bank, at 4, Panepistimiou Str., telephone number: 210.3697593.

For further information, shareholders may contact the Bank's Shareholders Department, telephone numbers: 210.3298400, 3298645, 3298613

30/11/2007

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **PROCESS OF SALE OF PARTICIPATION IN RODOPI S.A.**

The Agricultural Bank of Greece S.A. announces the timely receipt (up to Friday 30th November 2007, 17:00 hours local time), of Non-Binding Expressions of Interest for the sale of its participation in "RODOPI" S.A. from the following prospective investors:

1. ATHENS FAMILY BAKERY S.A. (FERRO)
2. EVROFARMA S.A.
3. FRIESLAND HELLAS S.A.
4. KOLIOS S.A.
5. KRI-KRI DAIRY S.A.
6. NEOGAL DAIRY S.A.
7. SEKE S.A.
8. TYRAS S.A.

## Information pursuant to Article 10 of Law 3401/2005 (announcements to investors)

The evaluation of the aforementioned candidacies for the selection of those who will be invited to participate in the second part of the procedure will be completed within approximately seven (7) days, in accordance with the terms of the procedure.

**11/12/2007**

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **Announcement**

In regard to an article of "HRIMATISTIRIO" newspaper ATEbank announces the following:

1. ATEbank due to the application of Basel II is in the process of evaluating the effect of its participation in ATE Insurance regarding capital adequacy, as all the banks that participate in insurance companies do. ATEbank, in the event that any development arises and especially if any decisions are made by its Board of Directors regarding ATE Insurance's ownership, will inform in due time the investors through the regulatory bodies, as it always does.
2. ATEbank's Governor, Mr D. Miliakos, has resigned from the chairmanship and the Board of Directors of FBBank following the majority interest acquisition by the Restis Group.

In the occurrence of any developments relating to FBBank's ownership, these will be properly announced.

**21/12/2007**

### **AGRICULTURAL BANK OF GREECE S.A.**

#### **ANNOUNCEMENT**

According to the 3/347/12-7-2005 decision of the B.o.D. of the H.C.M.C., ATEbank informs that, its B.o.D. decided on 20-12-2007 to sell the parcel of shares it currently holds in "ETANAL S.A."



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## ATEbank's Group – Participations



## ATEBANK'S GROUP – PARTICIPATIONS

*ATEbank's PARTICIPATIONS (December 2007)*

Companies	Share			Total
	Capital	Direct	Indirect	
<b>ATE INSURANCE SA</b>	40.977.520,50	84,08%	0,39%	84,47%
<b>ATE LEASING SA</b>	30.705.000,00	99,41%	0,50%	99,91%
<b>ATE BANK CARDS SA</b>	1.920.000,00	98,00%	1,68%	99,68%
<b>ATE MUTUAL FUNDS MANAGEMENT COMPANY</b>	910.000,00	54,00%	38,68%	92,68%
<b>ATE TECHNICAL &amp; IT SA</b>	4.298.894,50	82,73%	8,69%	91,42%
<b>ATE SECURITIES SA</b>	28.150.800,65	66,58%	28,10%	94,68%
<b>FIRST BUSINESS BANK</b>	88.200.000,00	49,00%	0,00%	49,00%
<b>TIRESSIAS</b>	900.000,00	13,21%	0,47%	13,68%
<b>HELLENIC SUGAR INDUSTRY SA</b>	26.826.703,57	82,33%	0,00%	82,33%
<b>DODONI SA</b>	11.892.116,99	67,77%	0,00%	67,77%
<b>(K.A.E.) HELLENIC DUTY FREE SHOPS</b>	15.802.500,00	20,11%	0,12%	20,23%
<b>ETANAL SA</b>	146.500,00	75,00%	0,57%	75,57%
<b>(ELVIZ) HELLENIC FEED STAFF COMPANY SA</b>	1.585.380,30	99,82%	0,00%	99,82%
<b>RODOPI SA</b>	937.860,00	70,09%	10,38%	80,47%
<b>SEKAP SA</b>	11.015.718,00	42,87%	1,47%	44,34%
<b>SEVATH SA</b>	7.327.235,59	23,33%	10,91%	34,24%
<b>ASEAR SA</b>	1.444.020,00	20,67%	0,00%	20,67%
<b>ATE ADVERTISING SA</b>	1.053.911,21	47,80%	22,27%	70,07%
<b>ICTHIKA SA</b>	3.578.880,30	10,87%	0,00%	10,87%
<b>VIOCHIM SA</b>	60.000,00	19,51%	0,00%	19,51%
<b>DEVELOPMENT COMPANY OF EASTERN MACEDONIA &amp; THRACE SA</b>	400.539,45	18,32%	34,40%	52,72%
<b>DEVELOPMENT COMPANY OF EVIA SA</b>	146.735,14	10,00%	0,00%	10,00%
<b>EYDAP SA</b>	63.900.000,00	9,999%	0,01%	10,01%
<b>AGROTOYRISTIKI SA</b>	1.435.500,00	10,02%	0,13%	10,15%
<b>AGROPAK SA</b>	8.577.776,33	17,50%	0,00%	17,50%
<b>ABG FINANCE INTERNATIONAL PLC</b>	33.999,73	100,00%	0,00%	100,00%
<b>ATEExcelixi SA</b>	300.000,00	95,00%	4,20%	99,20%
<b>ATEBANK ROMANIA S.A.</b>	32.131.183,87	87,21%	0,00%	87,21%



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## Financial statements availability



## Financial statements availability

The Annual Financial Statements of the Bank and the Group, the Auditors' Reports and the Consolidated Report of the Board of Directors are uploaded on the internet at [www.atebank.gr](http://www.atebank.gr)

The Annual Financial Statements, the Auditors' Reports and the Report of the Board of Directors of the companies included in the consolidated financial statements of the Bank are uploaded on the internet at [www.atebank.gr](http://www.atebank.gr)

