



**Interim Financial Statements  
as at 30 September 2010**

**In accordance with International Financial Reporting Standards  
(I.A.S. 34)**

The attached interim financial statements were approved by the BoD of the Agricultural Bank of Greece on 24 November 2010 and are available on the web address [www.atebank.gr](http://www.atebank.gr)

<b>CONTENTS</b>	<b>PAGES</b>
Interim Statement of Financial Position	1
Interim Income Statement	2
Interim Statement of Comprehensive Income	3
Interim Statement of Changes in Equity	4
Interim Statement of Cash Flows	5
Notes to the Interim Financial Statements	6 - 18

**Interim statement of financial position**  
**As at 30 September 2010**  
**(Amounts in thousands of Euro)**

	<b>Note</b>	<b>30/9/2010</b>	<b>31/12/2009</b>
<b>Assets</b>			
Cash and balances with the Central Bank	<b>12</b>	822.850	996.565
Loans and advances to banks		2.396.235	2.369.942
Trading securities		266.921	895.698
Derivative financial instruments		28.653	25.838
Loans and advances to customers	<b>13</b>	20.375.441	22.133.349
Investment portfolio	<b>14</b>	5.031.865	3.608.079
Investments in subsidiaries and associates	<b>16</b>	479.546	459.662
Investment property		158.854	162.330
Property, plant and equipment	<b>17</b>	287.076	296.877
Intangible assets		2.026	3.686
Deferred tax asset		456.431	382.359
Other assets		796.214	704.706
<b>Total assets</b>		<b>31.102.112</b>	<b>32.039.091</b>
<b>Liabilities</b>			
Deposits from banks		9.009.167	6.379.410
Deposits from customers	<b>18</b>	19.836.565	22.682.801
Liabilities at fair value through profit or loss	<b>19</b>	473.742	931.587
Derivative financial instruments		149.831	104.303
Provision for employee benefits	<b>20</b>	8.767	8.767
Other liabilities		311.838	329.825
Subordinated loans		249.096	248.794
<b>Total liabilities</b>		<b>30.039.006</b>	<b>30.685.487</b>
<b>Equity</b>			
Share capital	<b>21</b>	1.326.920	1.326.920
Share premium		92.686	92.711
Other reserves		(198.520)	(27.057)
Accumulated deficit		(157.980)	(38.970)
<b>Total equity</b>		<b>1.063.106</b>	<b>1.353.604</b>
<b>Total equity and liabilities</b>		<b>31.102.112</b>	<b>32.039.091</b>

The accompanying notes (pages from 6 to 18) are an integral part of these interim financial statements.

**Interim income statement**  
**For the period ended 30 September 2010**  
**(Amounts in thousands of Euro)**

	Note	1/1 - 30/9/2010	1/1 - 30/9/2009	1/7 - 30/9/2010	1/7 - 30/9/2009
Interest and similar income		866.031	861.062	297.896	284.366
Interest expense and similar charges		(273.784)	(332.526)	(91.655)	(84.564)
<b>Net interest income</b>	<b>7</b>	<b>592.247</b>	<b>528.536</b>	<b>206.241</b>	<b>199.802</b>
Fee and commission income		59.855	65.692	20.349	21.168
Fee and commission expense		(20.230)	(23.909)	(5.602)	(8.471)
<b>Net fee and commission income</b>	<b>8</b>	<b>39.625</b>	<b>41.783</b>	<b>14.747</b>	<b>12.697</b>
Net trading income	<b>9</b>	(124.354)	139.060	(528)	30.014
Net investment income		(1.139)	14.028	(603)	2.716
Dividend income		6.955	15.968	322	452
Other operating income		11.067	9.783	4.064	3.595
<b>Other income</b>		<b>(107.471)</b>	<b>178.839</b>	<b>3.255</b>	<b>36.777</b>
<b>Operating income</b>		<b>524.401</b>	<b>749.158</b>	<b>224.243</b>	<b>249.276</b>
Staff cost		(282.279)	(277.152)	(94.396)	(94.403)
Other		(75.688)	(83.245)	(29.442)	(32.639)
Depreciation		(21.280)	(20.689)	(6.985)	(6.704)
Impairment losses		(283.891)	(234.620)	(111.611)	(94.620)
<b>Profit/(loss) before tax</b>		<b>(138.737)</b>	<b>133.452</b>	<b>(18.191)</b>	<b>20.910</b>
Tax	<b>10</b>	19.727	(37.188)	(4.804)	(9.356)
<b>Profit/(loss) after tax</b>		<b>(119.010)</b>	<b>96.264</b>	<b>(22.995)</b>	<b>11.554</b>
Basic earnings/(losses) per share (expressed in Euro per share)	<b>11</b>	(0,1737)	0,0861	(0,0397)	(0,0013)
Diluted earnings/(losses) per share (expressed in Euro per share)		(0,1737)	0,0854	(0,0397)	0,0109

The accompanying notes (pages from 6 to 18) are an integral part of these interim financial statements.

## Interim statement of comprehensive income

For the period ended 30 September 2010

(Amounts in thousands of Euro)

	1/1 - 30/9/2010	1/1 - 30/9/2009	1/7 - 30/9/2010	1/7 - 30/9/2009
<b>Profit/(loss) after tax</b>	<b>(119.010)</b>	<b>96.264</b>	<b>(22.995)</b>	<b>11.554</b>
<b>Other comprehensive income</b>				
Revaluation reserve available-for-sale investments:				
- Valuation for the period	(233.172)	158.294	26.343	80.671
- (Gain)/Loss transferred to income statement	18.841	21.978	9.111	7.449
on disposal of available-for-sale securities				
- Tax related	42.868	(36.054)	(7.089)	(17.624)
<b>Other comprehensive income net of tax</b>	<b>(171.463)</b>	<b>144.218</b>	<b>28.365</b>	<b>70.496</b>
<b>Total comprehensive income net of tax</b>	<b>(290.473)</b>	<b>240.482</b>	<b>5.370</b>	<b>82.050</b>

The accompanying notes (pages from 6 to 18) are an integral part of these interim financial statements.

## Interim statement of changes in equity

For the period ended 30 September 2010

(Amounts in thousands of Euro)

	Share capital	Share premium	Available-for-sale securities reserve	Other Reserves	Accumulated surplus / (deficit)	Total
<b>Balance at 1/1/2009</b>	<b>651.920</b>	<b>93.748</b>	<b>(322.395)</b>	<b>118.436</b>	<b>347.146</b>	<b>888.855</b>
<b>Total comprehensive income:</b>						
Profit/(loss) for the year 1/1-30/9/2009	0	0	0	0	96.264	96.264
Other comprehensive income net of tax	0	0	144.218	0	0	144.218
Total comprehensive income net of tax	0	0	144.218	0	96.264	240.482
<b>Transactions with shareholders recognised directly to equity:</b>						
Deferred tax on entries recognized directly to equity	0	(233)	0	0	0	(233)
Transfer to reserves	0	0	0	1.263	(1.263)	0
Share capital increase	675.000	(675)	0	0	0	674.325
Total transactions with shareholders	675.000	(908)	0	1.263	(1.263)	674.092
<b>Balance at 30/9/2009</b>	<b>1.326.920</b>	<b>92.840</b>	<b>(178.177)</b>	<b>119.699</b>	<b>442.147</b>	<b>1.803.429</b>
<b>Balance at 1/1/2010</b>	<b>1.326.920</b>	<b>92.711</b>	<b>(146.756)</b>	<b>119.699</b>	<b>(38.970)</b>	<b>1.353.604</b>
<b>Total comprehensive income:</b>						
Profit/(loss) for the year 1/1-30/9/2010	0	0	0	0	(119.010)	(119.010)
Other comprehensive income net of tax	0	0	(171.463)	0	0	(171.463)
Total comprehensive income net of tax	0	0	(171.463)	0	(119.010)	(290.473)
<b>Transactions with shareholders recognised directly to equity:</b>						
Deferred tax on entries recognized directly to equity	0	(25)	0	0	0	(25)
Total transactions with shareholders	0	(25)	0	0	0	(25)
<b>Balance at 30/9/2010</b>	<b>1.326.920</b>	<b>92.686</b>	<b>(318.219)</b>	<b>119.699</b>	<b>(157.980)</b>	<b>1.063.106</b>

The accompanying notes (pages from 6 to 18) are an integral part of these interim financial statements.

**Interim statement of cash flows**  
**For the period ended 30 September 2010**  
**(Amounts in thousand Euro)**

	<b>Note</b>	<b>30/9/2010</b>	<b>30/9/2009</b>
<b>Operating activities</b>			
Profit / (Loss) before tax		(138.737)	133.452
<b>Adjustment for:</b>			
Depreciation and amortization		21.280	20.689
Impairment losses		283.891	234.620
Changes in provisions		(25.815)	(99.842)
Change in fair value of trading investments		10.809	(51.715)
(Gain)/loss on the sale of investments, property and equipment		18.184	(109.232)
<b>Changes in operating assets and liabilities</b>			
Net (increase)/decrease in loans and advances to banks		54.692	13.583
Net (increase)/decrease in trading securities		33.610	(590.243)
Net (increase)/decrease in loans and advances to customers		1.547.182	(242.743)
Net (increase)/decrease in other assets		(38.705)	(6.096)
Net increase/(decrease) in deposits from banks		2.629.757	(920.821)
Net increase/(decrease) in deposits from customers		(2.846.236)	838.891
Net increase/(decrease) in other liabilities		29.326	151.622
<b>Cash flows from operating activities</b>		<b>1.579.238</b>	<b>(627.835)</b>
<b>Investing activities</b>			
Acquisition of intangible assets, property and equipment		(15.205)	(16.989)
Proceeds from the sale of intangible assets, property and equipment		13.858	4.992
(Purchases)/Proceeds of held to maturity portfolio		(640.791)	0
(Purchases)/Sales of available for sale portfolio		(998.401)	640.650
Dividends received		5.014	15.487
Purchases of subsidiaries		(36.477)	(28)
<b>Cash flows from investing activities</b>		<b>(1.672.002)</b>	<b>644.112</b>
<b>Financing activities</b>			
Share capital increase expenses		0	(675)
Proceeds / (Redemptions) from debt issued		0	(200.000)
<b>Cash flows from financing activities</b>		<b>0</b>	<b>(200.675)</b>
Effect of exchange rate changes on cash and cash equivalents		33	(1.057)
<b>Net increase/(decrease) in cash flows</b>		<b>(92.731)</b>	<b>(185.455)</b>
Cash and cash equivalents at 1 January		2.888.038	1.891.147
<b>Cash and cash equivalents at 30 September</b>	<b>12</b>	<b>2.795.307</b>	<b>1.705.692</b>

The accompanying notes (pages from 6 to 18) are an integral part of these interim 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. The purpose of the Bank, according to the Article of Association is to provide banking services that contribute to the modernization and growth of the economy and more specifically the Agricultural Sector. The Bank's basic business activities are retail banking, corporate loans, the public sector, investment banking and treasury.

The Bank has a network of 483 branches in Greece and 36 abroad, 35 of which in Romania, (ATEbank Romania), and 1 in Germany which offer to the clients a wide range of banking activities. The Bank also has 948 ATMs (Automatic Teller Machines) in Greece and 55 in Romania, while 45% of the branches are privately owned.

The number of persons employed by the Bank as at 30/9/2010 was 6.403 (30/9/2009: 6.550).

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).

The Bank's financial statements as at 31/12/2009 are available upon request at the Bank's registered office (23 Panepistimiou Str., Athens) or on the web address [www.atebank.gr](http://www.atebank.gr).

## **2. STATEMENT OF COMPLIANCE**

The interim financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, applicable to Interim Financial Reporting (IAS 34). The interim financial statements do not provide all the information required in the preparation of the annual financial statements and thus they should be examined in conjunction with the Bank's annual financial statements for the year ended 31 December 2009.

ATEbank also prepares consolidated financial statements in consistency to the above mentioned accounting standards.

The financial statements in standalone and consolidated basis were approved by the Board of Directors on 24 November 2010 and are available on the web address [www.atebank.gr](http://www.atebank.gr).

## **3. PRINCIPAL ACCOUNTING POLICIES**

The accounting policies which have been applied by the Bank in the preparation of the interim financial statements as of 30 September 2010, are the same as those presented in the published financial statements as of 31 December 2009.

## **4. USE OF ESTIMATION AND JUDGEMENT**

The preparation of financial statements according to I.F.R.S. requires management to make judgements, estimations and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimations.

For the preparation of those interim financial statements, the Bank followed the same estimations and assumptions concerning the adoption of the accounting policies as those made for the preparation of the financial statements as of 31 December 2009.



## **5. FINANCIAL RISK MANAGEMENT AND CAPITAL ADEQUACY**

### **5.1 FINANCIAL RISK MANAGEMENT**

The Bank's objectives as far as risk management is concerned, 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 as to continue providing returns to shareholders and benefits to other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The most significant financial risks to which the Bank is exposed are credit risk, liquidity risk, market risk, operational risk and insurance cover risk.

The BoDs has the ultimate responsibility for the estimation of the risk policy and management and has formed the Asset and Liability Management Committee (ALCO) and the Risk Management Committee.

The Risk Management Committee is responsible for the implementation and supervision of the principles and the financial risk management policy as indicated by the 2577/06 direction of the Bank of Greece.

Therefore, the Bank's position regarding the objectives and the financial risk management policies followed is consistent to the published consolidated financial statements of 31/12/2009.

### **5.2 CAPITAL ADEQUACY**

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 for supervisory purposes. The required information is filed with the Authority on a quarterly basis.

Capital adequacy for the Bank is measured according to the relevant direction of the Bank of Greece 2606/2008, that applies the direction of the European Union relating to the capital adequacy of financial institutions and investment companies.

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 risk (credit, market and other risks) reflecting an estimate of those 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 capital adequacy ratio is determined according to Basel II. The new supervisory frame of capital adequacy, applicable from January 1st 2008, introduces capital claims against operational risk and includes amendments in the estimation of capital claims against credit risk.

The table below summarizes the composition of regulatory capital of the Bank for the period ended 30 September 2010.

	<b>30/09/2010</b>
Tier 1 Capital	1.187.077
Tier 2 Capital	162.174
Deductions from total regulatory capital	(65.507)
<b>Regulatory capital</b>	<b>1.283.744</b>
Risk-weighted assets	15.267.732
<b>Capital adequacy ratio</b>	<b>8,41%</b>

The current capital adequacy ratio for the Bank as of 30/09/2010 is estimated to reach 8,41% (31/12/2009: 9,60%) while the Tier I ratio is expected to reach 7,78% (31/12/2009: 9,14%).

## 6. SEGMENT REPORTING

The Bank has 5 operating segments, as described below, which are considered to be its strategic sectors. These segments provide different services which are managed separately because different standards and promotion policy are required. For every single strategic sector, the Management assesses the internal reports on a monthly basis.

The segments are briefly described below:

- a) Retail Banking** – comprises individuals, free-lancers and private companies. This segment manages all the deposit and financing products of this certain group of customers.
- b) Small and Medium Enterprises** – comprises all the associate small and medium enterprises. This segment manages all the deposit and financing products of this certain group of customers.
- c) Corporate Sector** – comprises all the associate large companies. This segment manages all the deposit and financing products as well as the letters of guarantee of this certain group of customers.
- d) Public Sector** – comprises financing of the public sector as well as of the companies under state control. This segment manages all the deposit and financing products as well as other operations such as payment of agricultural subsidies etc.
- e) Treasury** – comprises financing activities, investment banking, dealing room's activities in the interbank market (interbank placements and loans, bonds and derivative financial instruments transactions etc) and the Bank's property management.

Segment reporting for the period ended 30/9/2010 is as follows:

(Amounts in thousands of Euro)

	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
<b>As at 30 September 2010</b>						
Net interest income	419.061	51.887	23.856	25.390	72.053	592.247
Net fee and commission income	7.354	7.441	4.875	19.493	462	39.625
Dividend income	0	0	0	0	6.955	6.955
Net trading income	0	0	0	0	(125.493)	(125.493)
Other operating income	2.207	233	405	321	7.901	11.067
<b>Total operating income</b>	<b>428.622</b>	<b>59.561</b>	<b>29.136</b>	<b>45.204</b>	<b>(38.122)</b>	<b>524.401</b>
Operating expenses	(239.512)	(45.371)	(33.332)	(29.151)	(31.881)	(379.247)
Impairment losses	(208.262)	(94.091)	(33.617)	27.408	24.671	(283.891)
<b>Profit / (Loss) before tax</b>	<b>(19.152)</b>	<b>(79.901)</b>	<b>(37.813)</b>	<b>43.461</b>	<b>(45.332)</b>	<b>(138.737)</b>
Tax						19.727
<b>Profit / (Loss) after tax</b>						<b>(119.010)</b>

**As at 30 September 2010**

Bonds	0	0	0	0	4.919.765	4.919.765
Treasury	0	0	0	0	2.085.011	2.085.011
Loans	10.752.078	2.204.521	4.588.890	4.225.088	0	21.770.577
<b>Total assets</b>	<b>10.752.078</b>	<b>2.204.521</b>	<b>4.588.890</b>	<b>4.225.088</b>	<b>7.004.776</b>	<b>28.775.353</b>
Treasury	0	0	0	0	8.987.331	8.987.331
Deposits	17.365.886	480.457	490.366	1.499.856	0	19.836.565
Subordinated loans	0	0	0	0	249.096	249.096
<b>Total liabilities</b>	<b>17.365.886</b>	<b>480.457</b>	<b>490.366</b>	<b>1.499.856</b>	<b>9.236.427</b>	<b>29.072.992</b>

**(Amounts in thousands of Euro)**

	<b>Retail banking</b>	<b>Small and medium enterprises</b>	<b>Corporate sector</b>	<b>Public sector</b>	<b>Treasury</b>	<b>Total</b>
<b>As at 30 September 2009</b>						
Net interest income	309.701	56.893	71.583	69.435	20.924	528.536
Net fee and commission income	13.713	5.737	7.391	14.187	755	41.783
Dividend income	0	0	0	0	15.968	15.968
Net trading income	0	0	0	0	153.088	153.088
Other operating income	2.595	278	648	384	5.878	9.783
<b>Total operating income</b>	<b>326.009</b>	<b>62.908</b>	<b>79.622</b>	<b>84.006</b>	<b>196.613</b>	<b>749.158</b>
Operating expenses	(224.841)	(30.487)	(45.730)	(38.109)	(41.919)	(381.086)
Impairment losses	(98.743)	(30.997)	(54.995)	(24.260)	(25.625)	(234.620)
<b>Profit / (Loss) before tax</b>	<b>2.425</b>	<b>1.424</b>	<b>(21.103)</b>	<b>21.637</b>	<b>129.069</b>	<b>133.452</b>
Tax						(37.188)
<b>Profit / (Loss) after tax</b>						<b>96.264</b>

**As at 31 December 2009**

Bonds	0	0	0	0	4.119.402	4.119.402
Treasury	0	0	0	0	2.168.567	2.168.567
Loans	10.620.513	2.469.849	4.239.886	5.934.963	0	23.265.211
<b>Total assets</b>	<b>10.620.513</b>	<b>2.469.849</b>	<b>4.239.886</b>	<b>5.934.963</b>	<b>6.287.969</b>	<b>29.553.180</b>
Treasury	0	0	0	0	6.377.558	6.377.558
Deposits	19.571.480	844.512	355.746	1.911.063	0	22.682.801
Subordinated loans	0	0	0	0	248.794	248.794
<b>Total liabilities</b>	<b>19.571.480</b>	<b>844.512</b>	<b>355.746</b>	<b>1.911.063</b>	<b>6.626.352</b>	<b>29.309.153</b>

The Bank's main activities are in Greece with minor presence in Germany, therefore, geographical segment results are not presented.

**7. NET INTEREST INCOME**
**(Amounts in thousand Euro)**

	<b>1/1 - 30/9/2010</b>	<b>1/1 - 30/9/2009</b>
<b>Interest and similar income:</b>		
Loans and advances to customers	739.096	770.201
Loans to banks	21.432	23.166
Debt instruments	105.503	67.695
	<b>866.031</b>	<b>861.062</b>
<b>Interest expense and similar charges:</b>		
Customer deposits	(187.993)	(257.379)
Bank deposits	(78.481)	(61.339)
Subordinated loans	(6.312)	(12.320)
Financial leasing (Lessor)	(998)	(1.488)
	<b>(273.784)</b>	<b>(332.526)</b>
<b>Net interest income</b>	<b>592.247</b>	<b>528.536</b>

## 8. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 30/9/2010	1/1 - 30/9/2009
<b>Fee and commission income</b>		
Loans and advances to customers	31.416	31.648
Custody services	1.075	1.463
Import-exports	571	766
Letters of guarantee	3.985	5.312
Money transfers	8.233	11.146
Other	14.575	15.357
	<b>59.855</b>	<b>65.692</b>
<b>Fee and commission expenses</b>		
Contribution to Savings Guarantee Fund	(9.843)	(10.713)
Other	(10.387)	(13.196)
	<b>(20.230)</b>	<b>(23.909)</b>
<b>Net fee and commission income</b>	<b>39.625</b>	<b>41.783</b>

## 9. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 30/9/2010	1/1 - 30/9/2009
<b>Trading Portfolio</b>		
<b>Gain minus Losses</b>		
Derivative financial instruments	(88.355)	(6.946)
<b>Foreign exchange differences</b>	899	17.332
<b>Sales</b>		
Equity instruments	(1.614)	1.693
Debt instruments	(24.475)	75.266
<b>Valuation</b>		
Equity instruments	(608)	179
Debt instruments	(19.536)	21.523
Derivative financial instruments	9.335	30.013
	<b>(124.354)</b>	<b>139.060</b>

## 10. TAX

(Amounts in thousand Euro)

	1/1 - 30/9/2010	1/1 - 30/9/2009
Tax provision for unaudited financial years	(1.500)	(1.500)
Non deductible taxes	(10.000)	0
Deferred tax	31.227	(35.688)
	<b>19.727</b>	<b>(37.188)</b>

The tax of the period was calculated on the basis of the current tax rate of 24%. According to Law 3697/2008, the tax ratio diminishes one percent every year from 2010 to become 20% in 2014.

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. The Bank has been audited by the tax authorities and has settled all its tax obligations up until 31 December 2004. The tax audit for the fiscal years 2005 to 2008 was completed in November 2010.

For the unaudited years the relative provision has been accounted and as at 30/9/2010 it amounts to EUR 13,1 million.

## 11. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 30/9/2010	1/1 - 30/9/2009
Earnings/(losses) after tax (in thousands of euro)	(119.010)	96.264
Minus: Dividend to preference shareholders	(38.229)	(18.308)
Earnings/(losses) after tax attributable to the holders of common stocks	(157.239)	77.956
Weighted average of number of shares in issue	905.444.444	905.444.444
Weighted average of number of shares in issue of diluted earnings per share	1.367.975.157	1.126.639.301
<b>Basic earnings/(losses) per share (expressed in Euro per share)</b>	<b>(0,1737)</b>	<b>0,0861</b>
<b>Diluted earnings/(losses) per share (expressed in Euro per share)</b>	<b>(0,1737)</b>	<b>0,0854</b>

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

Diluted EPS is determined by adjusting the weighted average number of ordinary shares in issue during the year to dilutive potential ordinary shares. The latter are the preference shares issued to the Greek Government (Note 21).

The conversion of the preference shares into ordinary ones as at 30/09/2010 was made based on article 1 of 54201/B' 2884/26.11.2008 decision of the Ministry of Economy and Finance.

The diluted losses per share are lower than the basic ones and according to IAS 33 their disclosure is not obligatory.

## 12. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand Euro)

	30/9/2010	31/12/2009
Cash in hand	364.310	424.828
Balances with Central Bank	458.540	571.737
	<b>822.850</b>	<b>996.565</b>

To compose the Statement of Cash Flows, the Bank considers as cash and cash equivalents the following:

(Amounts in thousand Euro)

	30/9/2010	30/9/2009
Cash and balances with Central bank	822.850	761.068
Purchase and resale agreements of trading securities	1.471.434	780.694
Short-term placements with other banks	501.023	163.930
	<b>2.795.307</b>	<b>1.705.692</b>

## 13. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

13.1 Loans per sector	30/9/2010	31/12/2009
Credit cards	562.147	554.456
Consumer loans	1.386.458	1.417.498
Mortgages	6.838.783	6.752.280
<b>Loans to individuals</b>	<b>8.787.388</b>	<b>8.724.234</b>
Loans to the agricultural sector	2.212.912	2.182.955
Corporate loans	4.446.865	4.076.300
Small and medium sized firms	2.098.327	2.346.759
<b>Loans to corporate entities</b>	<b>8.758.104</b>	<b>8.606.014</b>
<b>Loans to the public sector</b>	<b>4.225.085</b>	<b>5.934.963</b>
	<b>21.770.577</b>	<b>23.265.211</b>
Less: allowance for uncollectibility	(1.395.136)	(1.131.862)
	<b>20.375.441</b>	<b>22.133.349</b>

<b>13.2 Movement in the allowance for uncollectibility</b>	<b>2010</b>	<b>2009</b>
<b>Balance at 1 January</b>	<b>1.131.862</b>	<b>705.943</b>
Provision for impairment	265.024	230.000
Loans written-off	(1.750)	(11.543)
<b>Balance at 30 September</b>	<b>1.395.136</b>	<b>924.400</b>
<b>Balance at 1 October</b>		<b>924.400</b>
Provision for impairment		358.062
Loans written-off		(150.600)
<b>Balance at 31 December</b>		<b>1.131.862</b>

For a Loan write off materialization, a proposal is submitted by the Write off Committee, which is subsequently verified by 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.

#### **14. INVESTMENT PORTFOLIO** (Amounts in thousand Euro)

	<b>30/9/2010</b>	<b>31/12/2009</b>
Available-for-sale securities	1.997.504	2.803.089
Held-to-maturity securities	3.034.361	804.990
	<b>5.031.865</b>	<b>3.608.079</b>

#### **14.1 AVAILABLE-FOR-SALE SECURITIES** (Amounts in thousand Euro)

	<b>30/9/2010</b>	<b>31/12/2009</b>
<b>Debt securities:</b>		
Greek Government bonds	964.494	1.640.360
Other issuers	660.647	787.249
	1.625.141	2.427.609
<b>Equity securities:</b>		
Listed	219.246	340.190
Unlisted	114.801	990
Equity funds	25.962	19.503
	360.009	360.683
<b>Mutual fund units</b>	12.354	14.797
	<b>1.997.504</b>	<b>2.803.089</b>

All available-for-sale securities are carried at fair value, except for the unlisted equity securities of EUR 114.801 thousand (31/12/2009: 990 thousand), which are carried at cost because fair value can not be determined.

#### **14.2 HELD TO MATURITY SECURITIES** (Amounts in thousand Euro)

	<b>30/9/2010</b>	<b>31/12/2009</b>
Greek Government bonds	3.034.361	804.990
	<b>3.034.361</b>	<b>804.990</b>

Held to maturity securities include Greek Government Bonds, that are held by the Bank from the issue date and intends to hold until their maturity. The fair value of the above mentioned bonds as of 30/09/2010 is EUR 2.683.535 thousand (31/12/2009: EUR 761.182 thousand).

The above portfolio includes Greek Government bonds of EUR 675 mil. which the Bank received from the Greek State during its share capital increase through the issuance of preference shares (Note 21).

On 01/04/2010, the Bank reclassified Greek Government bonds from "Available for sale securities" to "Held to maturity securities" the fair value of which is estimated to EUR 1.951 mil.. The difference between the fair value and the cost of acquisition of these bonds was recognised on "Revaluation

reserve available-for-sale investments" until 31/03/2010 and will be gradually amortised until their maturity. The Bank has the intention and ability to retain the above mentioned securities for the foreseeable future.

## **15. RECLASSIFICATION OF TRADING AND INVESTMENT PORTFOLIO**

As at 01/07/2008 and 01/10/2008, according to the IAS 39 amendments, the Bank reclassified its listed shares as well as other debt securities from "Trading securities" to "Available for sale securities", the fair value of which at 30/09/2010 is estimated to EUR 134,7 million. Their negative valuation of EUR 2,3 million for the period 01/01/2009 – 30/09/2010 is recognized on "Revaluation reserve available-for-sale investments" (the accumulated loss of valuation for the period 01/07/2008 – 30/09/2010 which is recognised on the same reserve is EUR 21,9 million).

In addition, debt securities of fair value EUR 72,9 million (amortised cost EUR 68,4 mil.) were reclassified from "Trading securities" to the "Loans and advances to customers" (31/12/2009: amortised cost EUR 68,2 mil., fair value EUR 71,4 mil.). Also, debt securities of EUR 61,9 million were reclassified from "Available for sale securities" to "Loans and advances to customers" since these securities are not negotiated in an active market and for which an allowance for uncollectibility of EUR 43,2 million was formed in fiscal year 2008.

The Bank has the intention and ability to retain the above-mentioned securities for the foreseeable future.

## **16. INVESTMENT CHANGES IN SUBSIDIARIES AND ASSOCIATES**

### **16.1 ACQUISITION OF NON-CONTROLLED PERCENTAGE OF SUBSIDIARIES**

During the current period, the Bank increased its participation in certain subsidiaries which were held by other companies of the Group or by third parties as follows:

- a. Additional acquisition of the issued shares of the subsidiary ATE Leasing S.A. (0,59%) for EUR 134 thousand. The Bank now holds 100% of the subsidiary's share capital.
- b. Additional acquisition of the issued shares of the subsidiary ATE Cards S.A. (2,00%), for EUR 52 thousand. The Bank now holds 100% of the subsidiary's share capital.
- c. Additional acquisition of the issued shares of the subsidiary ATEExcelixi S.A. (5,00%), for EUR 35 thousand. The Bank now holds 100% of the subsidiary's share capital.
- d. Additional acquisition of the issued shares of the subsidiary ATE Techniki Pliroforiki S.A. (10,34%), for EUR 656 thousand. The Bank now holds 93,07% of the subsidiary's share capital.
- e. Additional acquisition of the issued shares of the subsidiary ATE Advertising S.A. (16,41%), for EUR 295 thousand. The Bank now holds 65,04% of the subsidiary's share capital.
- f. Additional acquisition of the issued shares of the subsidiary ATE AXEPEY S.A. (33,41%), for EUR 9.458 thousand. The Bank now holds 100% of the subsidiary's share capital.
- g. Additional acquisition of the issued shares of the subsidiary ATE AEDAK S.A. (46,00%), for EUR 2.580 thousand. The Bank now holds 100% of the subsidiary's share capital.
- h. pursuant to the voluntary tender offer addressed to the shareholders of ATE Insurance S.A. and after the completion of the off-exchange transfer of the transferred shares, the Bank acquired 15,92% ownership of the company's share capital and voting rights for EUR 6.676 thousand. Therefore, as at 30/9/2010, the Bank held 100% of ATE Insurance S.A. issued shares.
- i. the subsidiary company ELVIZ S.A. increased its share capital by EUR 16.593 thousand. The increase was fully covered by ATEbank and thus it now holds 99,98% of the subsidiary's share capital as opposed to 99,82% held before the increase.

## 16.2 PARTICIPATION PERCENTAGE DEDUCTION IN ASSOCIATES

During the current period, the Bank's associate FBBank increased its share capital by EUR 28.942.832,94. ATEbank did not participate in the increase and therefore its participation percentage in the company's share capital diminished to 40,52% from 49% held before the increase.

## 17. PROPERTY, PLANT AND EQUIPMENT

During the current period, the Bank implemented purchases and sales of property, plant and equipment, of EUR 4,6 million total net value. (31/12/2009: 15,3 million).

## 18. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	30/9/2010	31/12/2009
<b>Retail customers:</b>		
Current accounts	137.008	211.536
Saving accounts	10.708.206	11.827.490
Term deposits	6.520.672	7.532.454
	<b>17.365.886</b>	<b>19.571.480</b>
<b>Private sector entities:</b>		
Current accounts	461.415	606.147
Term deposits	509.408	594.111
	<b>970.823</b>	<b>1.200.258</b>
<b>Public sector entities:</b>		
Current accounts	1.090.837	1.710.498
Term deposits	409.019	200.565
	<b>1.499.856</b>	<b>1.911.063</b>
	<b>19.836.565</b>	<b>22.682.801</b>

## 19. LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30/09/2010 the Bank had short selling positions in bonds of total amount of EUR 462,9 mil. whose fair value amounted to EUR 473,7 mil. (31/12/2009: EUR 970,8 mil. and EUR 931,6 mil. respectively).

## 20. PROVISION FOR EMPLOYEE BENEFITS

(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%.

(b) Defined benefit plans

- Early Retirement Plan

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.

- 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.

## 21. SHARE CAPITAL

On 12.01.2009 the Shareholders' General Meeting approved the increase of the Bank's share capital by the amount of EUR 675 mil. with the issuance of 937.500.000 preference shares of nominal value of EUR 0,72 per share, by abolition of the preference right according to article 1 of the Law 3723/2008 concerning the "Liquidity Reinforcement to the economy to face the consequences of the international financial crisis".

In the context of this law and the contractual agreement between the Bank and the Greek State as signed on 14/05/2009, the Bank acquired a 5-year term Greek Government Bond of nominal value of EUR 675 mil. with a floating rate. At the same time, a multiple share was issued by the Bank, which equals the total preference shares of the Greek State. The share capital increase was fully certified as at 21/05/2009, with the Board of Director's approval.

Following the above, as at 30 September 2010 the share capital of the Bank is EUR 1.326.919.999,69 and consists of 905.444.444 authorized and issued common shares of nominal value of EUR 0,72 per share and 937.500.000 preference shares of nominal value of Euro 0,72 per share, fully paid.

According to the above-mentioned law (L.3723/2008), the preference shares provide a fixed return of 10% over the contributed capital and must compulsory be repurchased by the Bank at the issue price after a 5-year period or optionally prior to the end of this period. In case the Bank cannot repurchase the preference shares due to capital adequacy, then the preference shares are converted into common shares.

It should also be mentioned that the preference shares cannot be transferred from the Greek State to third parties or introduced in an active market. The 10% fixed return is calculated on an accrued annual basis and is paid within one month from the approval of the annual financial statements by the General Shareholders Meeting while it stands under the prerequisite of the existence of distributable amounts, in compliance with the article 44 of L. 2190/1920. Based on the aforementioned, due to the lack of distributable amounts, the Bank's General Meeting decided not to proceed to the payment of the 10% return on preference shares for the fiscal year 2009.

Based on the article 39 of the Law 3844/2010 which amended the article 1 of the Law 3723/2008, the banks have the right not to repurchase the preference shares from the Greek State within a 5-year period but are obliged to impose gradual accumulative increase of 2% per year to the annual fixed return of 10% attributed to the Greek State.

As at 30 September 2010, the net of tax dividend attributable to preference shareholders amounted to EUR 38,2 mil.

## 22. CONTINGENT LIABILITIES AND COMMITMENTS

### (a) Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. Where it is considered necessary, relevant provision has been made in order to cover potential losses. In the opinion of management, after consultation, with legal counsel, in cases where no provision has been made and an unfavourable outcome for the Bank is possible, 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 in thousand Euro)

	30/9/2010	31/12/2009
Letters of guarantee	291.184	376.582
Letters of credit	737	639
	<b>291.921</b>	<b>377.221</b>

### (c) Assets pledged

#### (Amounts in thousand Euro)

	30/9/2010	31/12/2009
Loans to customers	3.903.422	3.538.708
Trading bonds	24.700	0
Available-for-sale bonds	1.201.715	1.410.000
Held to maturity bonds	2.742.500	130.000
Loans to customers according to Law 3723/2008	1.781.901	1.241.437
	<b>9.654.238</b>	<b>6.320.145</b>

In accordance with the Monetary Policy Council Act No 54/27.2.2004 as in force, and following its amendment by Monetary Policy Council Act 61/6.12.2006 the Bank of Greece accepts as collateral for monetary policy purposes and intraday credit non marketable assets, which should meet the terms and conditions of the above acts. In this frame, the Bank has collateralised customer loans and securities in the Bank of Greece with a view to raise its liquidity either intradaily or via participation in main or exceptional or long-term refunding from the European Central Bank and as a guarantee to customers' repos-deposits.

Furthermore, in accordance to the article 3 of the Law 3723/2008 concerning the "Liquidity Reinforcement to the economy to face the consequences of the international financial crisis", the Bank entered into loan facilities of EUR 1,4 bil. which are kept by the European Central Bank as collateral for the liquidity reinforcement. The Bank has additionally pledged customer receivables of EUR 1,8 bil. as a collateral to the Greek Government.

Moreover, in force of article 2 of L. 3723/2008 concerning the "Liquidity Reinforcement to the economy to face the consequences of the international financial crisis", the Bank has issued a EUR 648 mil. bond collateralised by the Greek State.

## 23. 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) subsidiaries and associate companies of the Group b) BoD Members and members of the key management personnel, as well as close members of the family and financial dependants of the above.

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

a) With its subsidiaries and associates

(Amounts in thousand Euro)

<b>ASSETS</b>	<b>30/9/2010</b>	<b>31/12/2009</b>
Loans to banks	65.000	0
Loans and advances to customers	745.204	854.881
Other assets	3.065	2.450
<b>Total assets</b>	<b>813.269</b>	<b>857.331</b>
<b>LIABILITIES</b>		
Deposits from customers	217.958	202.851
Other liabilities	43.649	47.241
Subordinated loans	249.096	248.794
<b>Total liabilities</b>	<b>510.703</b>	<b>498.886</b>
<b>INCOME STATEMENT</b>		
	<b>30/9/2010</b>	<b>30/9/2009</b>
<b>Income</b>		
Interest and similar income	26.552	20.385
Fee and commission income	2.348	2.198
Dividends received	1.708	725
Operating income	2.612	3.901
<b>Total income</b>	<b>33.220</b>	<b>27.209</b>
<b>Expenses</b>		
Interest and similar expenses	(17.802)	(16.073)
Fee and commission expense	(8.302)	(11.068)
Operating expenses	(11.243)	(17.996)
<b>Total expenses</b>	<b>(37.347)</b>	<b>(45.137)</b>

b) 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)

	<b>30/9/2010</b>	<b>31/12/2009</b>
Loans and advances	173	99
Deposits	5.341	635
<b>Key Management Personnel Fees</b>		
	<b>30/9/2010</b>	<b>30/9/2009</b>
Fees	(362)	(406)
Other	(122)	(113)

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.)

## 24. SUBSEQUENT EVENTS

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

---

Athens, 24 November 2010

THE GOVERNOR

THE VICE CHAIRMAN

THE HEAD OF FINANCE  
DEPARTMENT

THEODOROS PANTALAKIS

ADAMANTINI LAZARI

CHRISTOS STOKAS