



**SEMESTER FINANCIAL REPORT**  
**As at 30 June 2008**

**Based on the Article 5 of the Greek Law 3556/2007**

23 Panepistimiou st, Athens, 10564

**[www.atebank.gr](http://www.atebank.gr)**

A.M. 24402/06/B/91/39

## **CONTENTS**

A. Statements of the Board of Directors members

B. Board of Directors Semiannual Report

C. Independent Auditors Review Report

D. Interim Financial Statements of ATE Group and Bank

E. Financial statements information for the period from 1<sup>st</sup> January 2008 to 30<sup>th</sup> June 2008

**A. Statements of the Board of Directors members**

**STATEMENTS OF THE BoD MEMBERS**  
**(article 5 par. 2 of L.3556/2007)**

To the best of our knowledge: a) the Interim Financial Statements that have been prepared in accordance with the applicable International Financial Reporting Standards, give a fair and true view of the assets, liabilities and financial position of ATEbank S.A. and the group of companies included in the interim consolidated accounts, as provided in art. 5 par. 3-5 of Law 3556/2007 and b) the Board of Director's interim report as of 30 June 2008 provides all information required by art. 5 par. 6 of Law 3556/2007.

The Governor

The Deputy Governor

The Head of Finance Department

Dimitrios Miliakos

Vasilios Drougas

Christos Stokas

I.D. Σ 085252/1995

I.D. Ξ 376944/1988

I.D. Ξ 470052/1985

## **B. Board of Directors Semiannual Report**

## **Board of Directors Semiannual Report according to L. 3556/2007**

*During the first six months of 2008, the world economy was negatively affected by the continuous turbulence in the financial markets, the slowdown of the US economy and the rise in oil and food prices. In the Eurozone area, economy is still growing satisfactorily mainly due to foreign demand and the increase of investments. Under the current circumstances, economy in the Eurozone is expected to face a slowdown in the second half of 2008 and 2009. On the other hand, the European Central Bank, which raised its base rate by 25 base points in July 2008, at 4.25%, is confronted with difficulties in exercising monetary policy as inflationary pressures intensify during a period of declining economic growth.*

*The slowdown of the global economy, the turbulence in the financial markets and the escalating inflationary pressures inevitably affected the Greek economy as growth rates, even though still higher than the eurozone average, slowed to 3.4%. Investments and private consumption show signs of decline, while inflation remains at high levels.*

*The profitability of Greek Banks is negatively affected by the retail lending growth slowdown as a result of the gradual maturing market, the increase of the cost of funding and the declining stock market. On the other hand, Greek Banks are positively affected by the high growth of business abroad and the investment in new products and services.*

### **Group**

ATEbank exhibited significant improvement in growth and core profitability in the second quarter of 2008, despite the challenging financial environment.

The first half 2008 consolidated profits after tax and minority interest reached €70.1 million compared to €133.0 million in the corresponding period in 2007, a decrease of 47.3% mainly due to negative revaluations from its trading portfolio and no repetition of the significant non-recurring profits from the sale of non-core participations, recorded in the first half of 2007.

Net interest income increased by 0.8%, as interest income increased by 13.3% while interest expenses rose by 33.8% as a result of the higher cost of deposits. As such, the Net Interest Margin, although lower than the level of the first half of 2007, improved compared to the first quarter 2008 and reached 2.96%.

Total assets of ABG Group as at 30.6.2008 amounted to € 25.723,4 million, increased by 16.2% compared to 30.6.2007. Loans and advances to customers, after provisions, amounted to € 16.830,6 million, an increase of 16.0%, with mortgage loans increased by 24.0%, consumer loans by 59.0%, credit cards by 37.5% and SME's by 50.5%.

Compared to the 31st December 2007 total assets increased by 6.0%, reaching the level of €25.723,4 million. Total loans after provisions increased since the end of the year by 0.51%, mainly affected by the reimbursement by the Greek State of loans of €1.7 billion. Excluding this reimbursement the increase of the remaining loan portfolio reached c.12%. Specifically, mortgages

increased by 9.8%, consumer loans by 25.6%, SME loans by 39.6%, agricultural loans by 3.4% and credit cards by 20.3%.

The NPL ratio was further reduced at 7.27% compared to 9.59% at the end of June 2007, as a result of the Bank's effective restructuring and credit risk policies.

Customer deposits reached €20.049,9 million, an increase of 5.0% compared to end of June 2007, mainly due to the increase of time deposits, by 21.3%. The sight deposits increased by 41.7% while the savings deposits decreased. Compared to the 31st December 2007, deposits decreased by 2.8%, mainly due to seasonality reasons.

Loans to deposits ratio as at 30/6/2008 reached 88.9%, ensuring adequate liquidity for future growth during a period of increased funding costs and intense competition in the deposits market, as a result of the turbulence in the credit and capital markets.

Shareholders equity reached €1.201,3 million, reduced by 17.8% compared to 31/12/2007, as a result of the reduction of the available for sale reserves. Total Capital Adequacy ratio as of 30/6/2008 stood at 7.92%, however following the subordinated loan of July 2008 of €250 million the ratio has improved to 9.63%, well above the minimum required by the Bank of Greece.

## **Bank**

*The profits after tax of ATEbank during the first six months of 2008 reached €54.0 million compared to €123.0 million during the corresponding period of 2007. Net Interest Income increase by 0.9% as the increase of interest income by 13.5%, was almost offset by the 33.9% increase of interest expenses. The significant increase of interest expenses is due to the increase of the deposit interest rates and the increase of the participation of time deposits to 34% of total deposits in June 2008 compared to 31% at the end of 2007.*

Total Assets increased by 16.8% compared to 30.6.2007, reaching €24.840,0 million. Loans and advances to customers, after provisions, amounted to € €16.860,2 million, an increase of 15.4%, with mortgage loans increased by 23.9%, consumer loans by 58.2%, credit cards by 37.5% and SME's by 76.5%.

As of 30<sup>th</sup> June 2008, the household and SME's segments represent 47.3% of ATEbank's total loan book (compared to 40.3% in the first six months of 2007), emphasizing the ability of the Bank to penetrate and gain market share in the profitable retail lending market. ATEbank's strategy is based on the development of new products, focused customer approach, expansion of branch network in urban areas and improvement of operating procedures through the use of the top line capabilities of the new state-of-the-art IT center.

Compared to the 31st December 2007 total assets increased by 6.2%, reaching the level of €24.840,0 million. Total loans after provisions, affected by the reimbursement by the Greek State of loans of amount €1.7 billion, increased marginally, by 0.6%. Excluding this reimbursement the increase of the remaining loan portfolio reached c.11%. Specifically, mortgages increased by 9.7%, consumer loans by 26.8%, SME loans by 39.1% and credit cards by 20.3%.

Customer deposits reached €20.081,0 million, an increase of 4.9% year on year, mainly due to the increase by 21.5% of time deposits, the increase by 41.7% of sight deposits and despite the small decrease of savings deposits. Compared to the 31st December 2007, deposits decreased by 3.0%, mainly due to seasonality reasons.

Shareholders equity reached €1.183.3 million, reduced by 18.3% compared to 31/12/2007, as a result of the reduction of the available for sale reserves. Total Capital Adequacy ratio as of 30/6/2008 stood at 7.80%, however following the subordinated loan of July 2008 of €250 million the ratio has improved to 9.68%, well above the minimum required by the Bank of Greece.

### **Sale of Subsidiaries**

*ATEbank continued during the first half of 2008 its efforts to dispose non-core participations. So far, ATEbank has concluded the sale of RODOPI and ETANAL.*

*The process for the sale of 50.08% of the participation in ATE Insurance (ATEbank will retain 34% after the sale) is underway. Such a move will foster the capital adequacy ratio of the Group and will provide significant revenues by the agreement regarding the distribution of bankassurance products.*

### **Related party transactions**

*Related party transactions like members of the BoD and subsidiaries were not of significant importance during the first half of 2008 and were conducted within the normal business practices. The Bank participated in the share capital increase of First Business Bank with the amount of €24.5 million with no alteration of its percentage participation which remains 49%. (Analysis of the related party transactions can be found in note 28 of the interim consolidated financial statements).*



## **Risks and uncertainties**

*The main risks during the second half of the current year stem from the gradual slowdown of the economy which combined with the high inflation levels affects the disposable income of households and the corporate profitability. In turn, such an outcome might further reduce the demand for loans and together with the increase of the deposit cost might affect the net interest income and the credit risk. On the other hand, market risk is correlated with the smoothening in the capital and credit environment and the duration of the slowdown of the economic activity.*

*The continuous improvement of ATEbank's performance regarding the growth of business, the improvement of the asset quality, the capital position and the investment returns, guarantee the ability of the Group to overcome the current challenging financial conditions and to achieve its long term targets.*

*Under the current economic environment and given the performance of the first half 2008, emphasis will be given to:*

*The increase of the net interest income through the growth of the loan portfolio. SME's and consumer credit segments are of top priority, taking though into consideration the increase of the cost of funding and the credit risk.*

*The further improvement of the Bank's loan quality.*

*The further reinforcement of the Bank's capital adequacy, and liquidity through the restructuring of its assets.*

*The attempt to minimize its participation in non-financial sector investments.*

*The careful management of assets through the upgrade of the risk management systems, especially due to the challenging conditions in the economic environment.*

*The immediate implementation of an efficient real estate management program.*

*The continuation of the branch expansion in urban areas.*

*and*

*The further containment of the non productive expenditures in order to improve, together with the income increase, the efficiency ratios.*

***The President of the BoD***

*Dimitrios Miliakos*

## **C. Independent Auditors Review Report**



**KPMG**  
**Certified Auditors AE**  
3 Stratigou Tombra Street  
Aghia Paraskevi  
GR – 153 42 Athens Greece

Στρατηγού Τόμπρα 3  
153 42 Αγία Παρασκευή  
Ελλάς  
APMAE29527/01AT/B/93/162/96

Telephone Τηλ: +30 210 60 62 100  
Fax Φαξ: +30 210 60 62 111  
Internet [www.kpmg.gr](http://www.kpmg.gr)  
e-mail [postmaster@kpmg.gr](mailto:postmaster@kpmg.gr)

## **Independent Auditors report on Review of Interim Financial Information** **(Translated from the original in Greek)**

To the Shareholders of  
AGRICULTURAL BANK OF GREECE A.E.

### **Introduction**

We have reviewed the accompanying stand-alone and consolidated balance sheet of AGRICULTURAL BANK OF GREECE A.E. (the Bank) as of 30 June 2008 and the related stand-alone and consolidated statements of income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes which comprise the interim financial information and which forms an integral part of the six-month financial report of article 5 of Law 3556/2007. The management of the Bank is responsible for the preparation and presentation of this interim financial information, in accordance with International Financial Reporting Standards adopted by the European Union applicable to interim financial information (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," as provided by Greek Auditing Standards. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of 30 June 2008 is not prepared, in all material respects, in accordance with International Financial Reporting Standards which have been adopted by the European Union relating to interim financial information (IAS 34).

## Report on other Legal and Regulatory Requirements

Further to the above interim financial information, we have also reviewed the additional information included in the six-month financial report issued in accordance with article 5 of Law 3556/2007 and the relevant decisions of the Capital Market Commission. Based on our review, the above report includes all the information required by the relevant legislation and decisions and that information is consistent with the accompanying interim financial information.

Athens, 22 August 2008

KPMG Certified Auditors A.E.

Nikolaos Vouniseas,  
Certified Auditor  
AM SOEL 18701

Nikolaos Tsiboukas,  
Certified Auditor  
AM SOEL 17151

**D. Interim Financial Statements of ATE Group and Bank**  
**In accordance with International Financial Reporting Standards**  
**(I.A.S. 34)**



**Interim Consolidated Financial Statements  
as at 30 June 2008**

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

23 Panepistimiou st, Athens, 10564

**[www.atebank.gr](http://www.atebank.gr)**

A.M. 24402/06/B/91/39

**CONTENTS****PAGES**

Interim Consolidated Income Statement	1
Interim Consolidated Balance Sheet	2
Interim Consolidated Statement of Changes in Equity	3
Interim Consolidated Cash Flow Statement	4
Notes to the Interim Consolidated Financial Statements	5-17

**Interim consolidated income statement**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	Note	1/1 - 30/6/2008	1/1 - 30/6/2007	1/4- 30/6/2008	1/4- 30/6/2007
Interest and similar income		552.139	487.493	297.217	252.001
Interest expense and similar charges		(246.683)	(184.395)	(132.212)	(103.113)
<b>Net interest income</b>	<b>9</b>	<b>305.456</b>	<b>303.098</b>	<b>165.005</b>	<b>148.888</b>
Fee and commission income		46.517	53.165	24.713	28.384
Fee and commission expense		(11.703)	(10.020)	(5.045)	(5.224)
<b>Net fee and commission income</b>	<b>10</b>	<b>34.814</b>	<b>43.145</b>	<b>19.668</b>	<b>23.160</b>
Net trading income	<b>11</b>	(20.583)	43.552	(9.781)	22.833
Net gain/(loss) on disposal of non-trading financial instruments	<b>12</b>	5.740	18.459	5.477	6.350
Dividend income	<b>13</b>	20.621	20.649	17.600	14.659
Other operating income	<b>14</b>	33.046	27.569	19.889	11.678
<b>Other income</b>		<b>38.824</b>	<b>110.229</b>	<b>33.185</b>	<b>55.520</b>
<b>Operating income</b>		<b>379.094</b>	<b>456.472</b>	<b>217.858</b>	<b>227.568</b>
Impairment losses	<b>15</b>	(41.535)	(44.075)	(25.691)	(29.029)
Operating expenses	<b>16</b>	(254.269)	(245.980)	(129.285)	(124.115)
<b>Operating profit</b>		<b>83.290</b>	<b>166.417</b>	<b>62.882</b>	<b>74.424</b>
Share of profit of associates		5.466	5.567	2.359	1.700
<b>Profit before income tax</b>		<b>88.756</b>	<b>171.984</b>	<b>65.241</b>	<b>76.124</b>
Income tax expense	<b>17</b>	(9.714)	(40.691)	(18.528)	(21.588)
<b>Profit after income tax from continuing operations</b>		<b>79.042</b>	<b>131.293</b>	<b>46.713</b>	<b>54.536</b>
Profit after income tax from discontinuing operations	<b>8</b>	(4.950)	3.626	(4.641)	4.969
<b>Profit after income tax from continuing and discontinuing operations</b>		<b>74.092</b>	<b>134.919</b>	<b>42.072</b>	<b>59.505</b>
Attributable to:					
Equity holders of the Bank		<b>70.097</b>	<b>132.986</b>	<b>39.776</b>	<b>58.393</b>
Minority interest		<b>3.995</b>	<b>1.933</b>	<b>2.296</b>	<b>1.112</b>
<b>Basic and diluted earnings per share (expressed in Euro per share)</b>	<b>18</b>				
from continuing and discontinued operations		0,08	0,15	0,04	0,06
from continuing operations		0,08	0,14	0,05	0,06

The Consolidated Financial Statements on pages 1 to 17 have been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union applicable to Interim Financial Reporting (IAS 34) and have been approved by the Board of Directors as of 22 August 2008 and are signed by:

The Governor

The Deputy Governor

The Head of Finance Department

Dimitrios Miliakos

Vasilios Drougas

Christos Stokas

The accompanying notes (pages from 5 to 17) are an integral part of these interim consolidated financial statements.



**Interim consolidated balance sheet**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	Note	30/6/2008	31/12/2007
<b>Assets</b>			
Cash and balances with the Central Bank		749.018	1.206.251
Loans and advances to banks		1.623.259	715.100
Trading securities		1.000.694	539.609
Derivative financial instruments		82.878	45.788
Loans and advances to customers	19	16.830.633	16.744.440
Available-for-sale securities	20	1.556.756	1.492.316
Held-to-maturity securities		1.177.403	1.216.632
Investments in associates		215.692	185.631
Investment property		164.279	174.765
Property, plant and equipment	21	460.616	514.611
Intangible assets		31.747	32.568
Deferred tax asset		313.910	325.557
Other assets		908.777	1.080.075
Non-current assets held for sale	8	607.785	0
<b>Total assets</b>		<b>25.723.447</b>	<b>24.273.343</b>
<b>Liabilities</b>			
Deposits from banks		3.135.277	850.545
Deposits from customers	22	20.049.889	20.630.039
Derivative financial instruments		16.410	12.867
Provision for employee benefits	23	22.399	54.869
Other liabilities		355.517	402.117
Subordinated loans		195.217	195.141
Insurance reserves		0	606.707
Liabilities related to non-current assets held for sale	8	676.774	0
<b>Total liabilities</b>		<b>24.451.483</b>	<b>22.752.285</b>
<b>Equity</b>			
Share capital	24	651.920	651.920
Treasury shares		(8.282)	(8.319)
Share premium		93.989	94.231
Reserves	25	48.821	283.551
Accumulated surplus		414.817	439.112
<b>Equity attributable to the Bank's equity holders</b>		<b>1.201.265</b>	<b>1.460.495</b>
Minority interests		70.699	60.563
<b>Total equity</b>		<b>1.271.964</b>	<b>1.521.058</b>
<b>Total equity and liabilities</b>		<b>25.723.447</b>	<b>24.273.343</b>

The accompanying notes (pages from 5 to 17) are an integral part of these interim consolidated financial statements.

**Interim consolidated statement of changes in equity**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	Share capital	Treasury shares	Share premium	Reserves	Accumulated surplus / (deficit)	Minority interests	Total
<b>Balance at 1/1/2007</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	0	0	0	0	132.986	1.933	134.919
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	(1.357)	0	(1.728)	(3.085)
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(11.956)	0	0	(11.956)
Deferred tax on entries recognized directly to equity	0	0	(242)	0	(184)	(67)	(493)
Transfer to reserves due to distribution	0	0	0	(69.235)	69.235	0	0
Entries recognized directly to equity	0	0	0	0	293	0	293
Dividends paid	0	0	0	0	(81.490)	(1.115)	(82.605)
Percentage variation of group participation	0	0	0	(44)	594	(3.316)	(2.766)
Exchange rate differences	0	0	0	4.594	0	314	4.908
(Purchases) / sales of treasury shares	0	1	0	0	0	0	1
<b>Balance at 30 June 2007</b>	<b>651.920</b>	<b>(8.319)</b>	<b>94.472</b>	<b>306.615</b>	<b>330.972</b>	<b>59.361</b>	<b>1.435.021</b>
Profit for the period	0	0	0	0	108.427	2.585	111.012
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	42.865	0	292	43.157
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(54.457)	0	0	(54.457)
Deferred tax on entries recognized directly to equity	0	0	(241)	0	184	67	10
Transfer to reserves due to distribution	0	0	0	390	(390)	0	0
Entries recognized directly to equity	0	0	0	0	(153)	0	(153)
Dividends paid	0	0	0	0	0	(112)	(112)
Percentage variation of group participation	0	0	0	45	72	(69)	48
Exchange rate differences	0	0	0	(11.907)	0	(1.561)	(13.468)
<b>Balance at 31 December 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>
Profit for the period	0	0	0	0	70.097	3.995	74.092
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	(261.900)	0	(2.603)	(264.503)
Deferred tax on entries recognized directly to equity	0	0	(242)	18.963	0	0	18.721
Transfer to reserves due to distribution	0	0	0	9.235	(9.235)	0	0
Entries recognized directly to equity	0	0	0	0	(110)	(33)	(143)
Dividends paid	0	0	0	0	(90.544)	(1.788)	(92.332)
Percentage variation of group participation	0	37	0	(743)	5.497	10.933	15.724
Exchange rate differences	0	0	0	(285)	0	(368)	(653)
<b>Balance at 30 June 2008</b>	<b>651.920</b>	<b>(8.282)</b>	<b>93.989</b>	<b>48.821</b>	<b>414.817</b>	<b>70.699</b>	<b>1.271.964</b>

The accompanying notes (pages from 5 to 17) are an integral part of these interim consolidated financial statements.

**Interim consolidated cash flow statement**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	Note	30/6/2008	30/6/2007
<b>Operating activities</b>			
Profit before tax		88.756	171.984
<b>Adjustment for:</b>			
Depreciation and amortization		16.169	19.428
Impairment losses	15, 19.2	41.535	44.075
Changes in provisions		(65.089)	(62.532)
Change in fair value of trading investments		19.257	(33.774)
(Gain)/loss on the sale of investments, property and equipment		(25.810)	(59.769)
<b>Changes in operating assets and liabilities</b>			
Net (increase)/decrease in loans and advances to banks		(926.327)	565.108
Net (increase)/decrease in trading securities		(488.784)	7.276
Net (increase)/decrease in loans and advances to customers		(167.705)	(1.070.992)
Net (increase)/decrease in other assets		68.345	56.809
Net increase/(decrease) in deposits from banks		2.284.732	(10.558)
Net increase/(decrease) in deposits from customers		(580.150)	1.008.734
Net increase/(decrease) in other liabilities		(29.057)	(284.644)
<b>Cash flows from continuing operating activities</b>		<b>235.872</b>	<b>351.145</b>
<b>Investing activities</b>			
Acquisition of intangible assets, property and equipment		(13.612)	(16.072)
Proceeds from the sale of intangible assets, property and equipment		15.410	5.781
(Purchases)/Proceeds of held to maturity portfolio		0	7.919
(Purchases)/Sales of available for sale portfolio		(640.769)	(16.311)
Dividends received		15.124	17.448
Purchases of subsidiaries and associates		(24.858)	(18.478)
Sale of subsidiaries and associates		4.049	0
<b>Cash flows from continuing investing activities</b>		<b>(644.656)</b>	<b>(19.713)</b>
<b>Financing activities</b>			
Share capital return - Dividends paid	26	(45.272)	(82.605)
Proceeds/(Purchases) of treasury shares		37	1
<b>Cash flows from continuing financing activities</b>		<b>(45.235)</b>	<b>(82.604)</b>
Effect of exchange rate changes on cash and cash equivalent		(1.535)	(113)
<b>Net increase/(decrease) in cash flows from continuing operations</b>		<b>(455.554)</b>	<b>248.715</b>
Cash flows from discontinued operating activities		(10.718)	(21.904)
Cash flows from discontinued investing activities		9.826	16.071
<b>Net increase/(decrease) in cash flows from discontinuing operations</b>		<b>(892)</b>	<b>(5.833)</b>
Cash and cash equivalents at 1 January		1.206.251	947.172
<b>Cash and cash equivalents at 30 June from continuing operations</b>		<b>749.805</b>	<b>1.190.054</b>
<b>minus: Cash and cash equivalents at 30 June from discontinuing operations</b>	8	<b>787</b>	<b>0</b>
<b>Cash and cash equivalents at 30 June</b>		<b>749.018</b>	<b>1.190.054</b>

The accompanying notes (pages from 5 to 17) are an integral part of these interim consolidated financial statements.

## 1. INFORMATION ABOUT THE GROUP

The Agricultural Bank of Greece Group, "the Group", provides primarily financial and banking services to individuals and businesses. At the same time it also maintains 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 since 2000 and are included in the FTSE 20 Index (index for Large Capitalization Companies).

The Group has a network of 474 branches in Greece and 18 abroad, 17 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 918 ATMs (Automatic Teller Machines) in Greece and 1 in Romania, while 45% of the branches are privately owned.

The Group has 9.792 employees of whom 6.942 in the banking and finance sector.

The Group besides the parent company includes the following subsidiaries and associate companies:

Name of Subsidiary / Associate	Address	Activity	Percentage of Participation	
			30/6/2008	31/12/2007
<b><u>Financial Sector</u></b>				
FIRST BUSINESS BANK	Athens	Bank	49,00%	49,00%
A.T.E. LEASING S.A.	Athens	Leasing	99,91%	99,91%
A.T.E. CARDS S.A.	Athens	Credit Cards Management	99,68%	99,68%
A.T.E. A.X.E.P.E.Y.	Athens	Brokerage Services	94,68%	94,68%
A.T.E. AEDAK	Athens	Mutual Funds Management	92,68%	92,68%
ATE TECHNIKI PLIROFORIKI S.A.	Athens	Real Estate	91,42%	91,42%
ATE RENT S.A.	Athens	Leasing	99,11%	99,11%
A.B.G. FINANCE INTERNATIONAL P.L.C.	London	Finance	100,00%	100,00%
ATEbank ROMANIA S.A.	Romania	Bank	74,13%	87,21%
AIK BANKA	Serbia	Bank	20,83%	20,83%
<b><u>Non-Financial Sector</u></b>				
ATE INSURANCE S.A.	Athens	Insurance Company	84,08%	84,08%
HELLENIC SUGAR COMPANY S.A.	Thessaloniki	Sugar Production	82,33%	82,33%
SEKAP S.A.	Xanthi	Cigarette Production	46,35%	45,12%
DODONI S.A.	Giannena	Dairy Production	67,77%	67,77%
ELVIZ S.A.	Imathia	Feedstuff Production	99,82%	99,82%
ATE ADVERTISING	Athens	Advertising	62,28%	64,88%
ATExcelixi	Athens	Educational services	99,20%	99,20%

All companies are consolidated using the method of full consolidation except for FIRST BUSINESS BANK S.A., AIK BANKA and SEKAP S.A. which are consolidated using the equity method.

## 2. STATEMENT OF COMPLIANCE

The interim financial statements of the Group as of 30 June 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union applicable to Interim Financial Reporting (IAS 34). They do not include all the information required for full annual Financial Statements, and should be read in conjunction with the Financial Statements of the Group as at and for the year ended 31 December 2007.

The financial statements in stand alone and consolidated basis were approved by the Board of Directors on 22 August 2008 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 Group in the preparation of the interim financial statements as of 30 June 2008, are the same as those presented in the published financial statements as of 31 December 2007.

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

### 4. ESTIMATION

The preparation of the interim financial statements requires that management makes judgements, estimates 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 estimates.

During the current period there were no changes in the management estimations.

### 5. RISK MANAGEMENT AND CAPITAL ADEQUACY

Risk management of the Group mainly concerns:

- 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 and benefits for shareholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are daily monitored by the Bank's authorized departments, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as adopted 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 (Directives of the Bank of Greece 2563/05 & 2587/07), that applies the direction of the European Union relating to the capital adequacy of financial institutions and investment companies. According to the above-mentioned 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 their nature –and reflecting an estimation of credit, market and other risks associated with-each asset and counter party, 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 Group for the period ended 30 June 2008.

<b>Tier 1 Capital</b>	<b>30/6/2008</b>
Total equity	1.262.293
Less: Intangible assets	(31.518)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(116.462)
	<b>1.114.313</b>

## Tier 2 Capital

Supplementary capital	210.349
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(160.861)
	<b>49.488</b>
<b>Deductions from total regulatory capital</b>	<b>(14.381)</b>
<b>Regulatory capital</b>	<b>1.149.420</b>
<b>Risk-weighted assets</b>	<b>14.504.129</b>
<b>Capital adequacy ratio</b>	<b>7,92%</b>

The capital ratio for the Group as of 30/6/2008 is estimated to rise to 7,92%.

In order to offset the minor difference from the minimum capital ratio limit set by the Bank of Greece (8%), within July of 2008, a subordinated loan, classified as Tier 2 Capital, for the amount of EUR 250 million was issued, which replaced the old one which was redeemed on 24.12.2007. With this addition the capital ratio of the Group rises to 9,63%.

## 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.

(Amounts in thousand Euro)

30/6/2008

	Financial sector	Commercial and industrial sector	Continuing operations	Insurance sector	Continuing and discontinuing operations
Net interest income	306.077	(2.469)	303.608	8.532	312.140
Net fee and commission income	33.407	(23)	33.384	85	33.469
Net trading income	(15.047)	204	(14.843)	(5.981)	(20.824)
Dividend income	20.574	47	20.621	215	20.836
Other operating income	17.548	27.694	45.242	23.179	68.421
<b>Total operating income</b>	<b>362.559</b>	<b>25.453</b>	<b>388.012</b>	<b>26.030</b>	<b>414.042</b>
Impairment losses	(41.535)	0	(41.535)	0	(41.535)
Operating expenses	(245.805)	(22.040)	(267.845)	(25.347)	(293.192)
<b>Operating Results</b>	<b>75.219</b>	<b>3.413</b>	<b>78.632</b>	<b>683</b>	<b>79.315</b>
Income from associates	5.466	0	5.466	0	5.466
<b>Profit before tax</b>	<b>80.685</b>	<b>3.413</b>	<b>84.098</b>	<b>683</b>	<b>84.781</b>
Income tax expense	(20.607)	10.893	(9.714)	(975)	(10.689)
Intercompany transactions per sector	9.671	(5.013)	4.658	(4.658)	0
<b>Profit after tax</b>	<b>69.749</b>	<b>9.293</b>	<b>79.042</b>	<b>(4.950)</b>	<b>74.092</b>
Total assets per sector	26.252.573	451.465	26.704.038	690.926	27.394.964
Intercompany transactions per sector	(1.578.196)	(10.179)	(1.588.375)	(83.142)	(1.671.517)
Net equity and liabilities per sector	26.252.573	451.465	26.704.038	690.926	27.394.964
Intercompany transactions per sector	(1.369.850)	(283.676)	(1.653.526)	(17.991)	(1.671.517)

(Amounts in thousand Euro)

30/6/2007

	Financial sector	Commercial and industrial sector	Continuing operations	Insurance sector	Continuing and discontinuing operations
Net interest income	302.982	(2.346)	300.636	9.142	309.778
Net fee and commission income	44.669	184	44.853	90	44.943
Net trading income	62.035	(24)	62.011	1.129	63.140
Dividend income	20.612	36	20.648	567	21.215
Other operating income	13.030	27.749	40.779	20.269	61.048
<b>Total operating income</b>	<b>443.328</b>	<b>25.599</b>	<b>468.927</b>	<b>31.197</b>	<b>500.124</b>
Impairment losses	(42.229)	0	(42.229)	0	(42.229)
Operating expenses	(238.386)	(27.194)	(265.580)	(20.752)	(286.332)
<b>Operating Results</b>	<b>162.713</b>	<b>(1.595)</b>	<b>161.118</b>	<b>10.445</b>	<b>171.563</b>
Income from associates	5.567	0	5.567	0	5.567
<b>Profit before tax</b>	<b>168.280</b>	<b>(1.595)</b>	<b>166.685</b>	<b>10.445</b>	<b>177.130</b>
Income tax expense	(36.043)	(4.648)	(40.691)	(1.520)	(42.211)
Intercompany transactions per sector	7.655	(2.356)	5.299	(5.299)	0
<b>Profit after tax</b>	<b>139.892</b>	<b>(8.599)</b>	<b>131.293</b>	<b>3.626</b>	<b>134.919</b>
<hr/>					
Total assets per sector	22.501.960	529.971	23.031.931	681.212	23.713.143
Intercompany transactions per sector	(1.493.097)	(13.256)	(1.506.353)	(79.995)	(1.586.348)
Net equity and liabilities per sector	22.501.960	529.971	23.031.931	681.212	23.713.143
Intercompany transactions per sector	(1.289.456)	(278.878)	(1.568.334)	(18.014)	(1.586.348)

## 7. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

Within the current period the Bank mainly disposed some of its subsidiaries. The main transactions of the period are as follows:

- Disposal of the participation (75%) to ETANAL S.A. for the amount of Euro 360 thousand at 4/2/2008. A loss of Euro 67 thousand from the disposal of the above mentioned investment was recorded on the income statement of the period.
- Disposal of the participation (75,41%) to RODOPI S.A. A profit of Euro 2,1 million from the disposal of the above mentioned investment was recorded on the income statement of the period.
- Additional acquisition of 1,23% in the share capital of the associate SEKAP S.A., with total cost of € 358 thousand.
- Participation in the share capital increase of FBB of amount € 24.500 thousand without affecting the participation which remains at 49%.
- The Shareholders' General Meeting of the Bank's subsidiary ATEbank ROMANIA, held at 22/2/2008 decided the Share Capital increase without the participation of existing shareholders. The Share Capital increase was paid in full by the International Finance Corporation, which consists the investing division of the World Bank. Upon completion of the procedure the participation of ATEbank is 74,13% (from 87,21%).

## 8. NON-CURRENT ASSETS HELD FOR SALE

ATE Insurance S.A. is presented as an asset held for sale after the decision of the Board of Directors which was made on July 2008. More specifically, the Board of Directors' decision refers to its intention to dispose 50,08% of ATE Insurance S.A.'s share capital as well as the establishment of strategic alliance in the Bancassurance area. The sale is

estimated to be completed by the end of the current year. Upon completion of the transaction, based on the above-mentioned data, the Bank's percentage of participation in ATE Insurance S.A. will diminish to 34%.

The assets of ATE Insurance S.A. rise to € 608 approximately million while its liabilities are approximately € 676 million.

The assets and liabilities held for sale are analyzed below:

(Amounts in thousand Euro)

	30/6/2008
<b>Assets</b>	
Cash and balances with the Central Bank	787
Loans and advances to banks	14.916
Trading securities	8.948
Loans and advances to customers	6.148
Available-for-sale securities	321.751
Held-to-maturity securities	39.719
Investment property	5.073
Property, plant and equipment	55.625
Deferred tax asset	24.155
Other assets	130.663
<b>Total assets</b>	<b>607.785</b>
<b>Liabilities</b>	
Provision for employee benefits	32.831
Other liabilities	24.268
Insurance reserves	619.675
<b>Total liabilities</b>	<b>676.774</b>

The financial results deriving from ATE Insurance S.A., which was classified as discontinuing operation are analyzed below:

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Interest and similar income	7.101	7.611
Interest expense and similar charges	(76)	(122)
<b>Net interest income</b>	<b>7.025</b>	<b>7.489</b>
Net trading income	(5.998)	977
Net gain/(loss) on disposal of non-trading financial instruments	17	152
Dividend income	215	567
Insurance activities income	16.878	14.313
Other operating income	1.240	411
<b>Other income</b>	<b>12.352</b>	<b>16.420</b>
<b>Operating income</b>	<b>19.377</b>	<b>23.909</b>
Operating expenses	(23.352)	(18.763)
<b>Operating profit</b>	<b>(3.975)</b>	<b>5.146</b>
<b>Profit before tax</b>	<b>(3.975)</b>	<b>5.146</b>
Income tax expense	(975)	(1.520)
<b>Profit after tax</b>	<b>(4.950)</b>	<b>3.626</b>



The number of persons employed at 30/6/2008 was 409 (30/6/2007: 411).

## 9. NET INTEREST INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Interest and similar income:</b>		
Loans and advances to customers	446.290	399.132
Loans to banks	23.383	42.314
Finance leases	11.660	8.805
Debt instruments	70.806	37.242
	<b>552.139</b>	<b>487.493</b>
<b>Interest expense and similar charges:</b>		
Customer deposits	(216.760)	(161.994)
Bank deposits	(23.789)	(12.558)
Subordinated loans	(6.134)	(9.843)
	<b>(246.683)</b>	<b>(184.395)</b>
<b>Net interest income</b>	<b>305.456</b>	<b>303.098</b>

## 10. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Fee and commission income</b>		
Loans and advances to customers	14.772	12.004
Money transfers	6.774	7.800
Mutual funds	2.712	3.566
Letters of guarantee	2.515	2.787
Equity brokerage	1.823	2.599
Credit cards	3.936	4.978
Import-exports	519	559
Other	13.466	18.872
	<b>46.517</b>	<b>53.165</b>
<b>Fee and commission expenses</b>		
Contribution to Savings Guarantee Fund	(5.750)	(5.032)
Other	(5.953)	(4.988)
	<b>(11.703)</b>	<b>(10.020)</b>
<b>Net fee and commission income</b>	<b>34.814</b>	<b>43.145</b>

## 11. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Trading portfolio</b>		
<b>Gain minus Losses</b>		
Derivative financial instruments	13.040	3.472
Foreign exchange differences	(4.497)	(113)

#### Sales

Equity instruments	(12.340)	5.572
Debt instruments	(351)	656

#### Revaluation

Equity instruments	(10.791)	1.191
Debt instruments	(2.311)	15.380
Derivative financial instruments	(3.333)	17.394
	<b>(20.583)</b>	<b>43.552</b>

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

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Financial assets available for sale</b>		
<b>From sale</b>		
Equity instruments	2.285	12.258
Other	3.455	6.280
<b>Impairment</b>		
Equity instruments	0	(79)
	<b>5.740</b>	<b>18.459</b>

### 13. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Trading securities	1.610	2.012
Available for sale securities	19.011	18.637
	<b>20.621</b>	<b>20.649</b>

### 14. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Gross profit on sale of goods and services	13.021	16.761
Gain from the sale of fixed assets	5.641	3.419
Income from investment property	1.878	1.449
Income from sequential activities	3.054	2.799
Other	9.452	3.141
	<b>33.046</b>	<b>27.569</b>

### 15. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Loans and advances to customers	(41.535)	(42.229)
Other	0	(1.846)
	<b>(41.535)</b>	<b>(44.075)</b>

## 16. OPERATING EXPENSES

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Staff costs	(179.003)	(177.034)
Third party fees	(12.816)	(13.343)
Advertising and promotion expenses	(6.726)	(9.434)
Telecommunication expenses	(3.592)	(4.151)
Insurance fees	(169)	(155)
Repairs and maintenance	(4.318)	(4.499)
Travel	(4.658)	(3.479)
Stationery	(2.175)	(1.713)
Utility services	(1.572)	(1.270)
Depreciation	(16.168)	(19.428)
Operating lease rentals	(7.847)	(6.468)
Other taxes	(3.685)	(2.605)
Other	(11.540)	(2.401)
	<b>(254.269)</b>	<b>(245.980)</b>

## 17. INCOME TAX EXPENSE

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Current tax	(1.822)	(2.635)
Tax differences for the year 2006	0	(202)
Deferred tax	7.892	(37.854)
	<b>(9.714)</b>	<b>(40.691)</b>

According to the Greek Law, the income tax on the profits of the period is calculated since the 1<sup>st</sup> January of 2007 on the basis of the tax rate of 25%.

The significant difference in deferred tax compared to 31 December 2007 is mainly due to the fact that the backing of the reformation of Hellenic Sugar Company is also recorded in its tax books and thus the previous year formed tax liability is offset.

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:

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
ATE RENT	2004 – 2007

ATE ADVERTISING	2007
ATEExcelixi	2007
ATEbank ROMANIA	2005 – 2007

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

## 18. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 30/6/2008	1/1 - 30/6/2007
Earnings after tax (in thousands of euro) from continuing and discontinuing operations	70.097	132.986
Weighted average of number of shares in issue	903.336.826	902.418.635
<b>Basic and diluted earnings per share (expressed in euro per share)</b>	<b>0,08</b>	<b>0,15</b>

	1/1 - 30/6/2008	1/1 - 30/6/2007
Earnings after tax (in thousands of euro) from continuing operations	75.047	129.360
Weighted average of number of shares in issue	903.336.826	902.418.635
<b>Basic and diluted earnings per share (expressed in euro per share)</b>	<b>0,08</b>	<b>0,14</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 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.

## 19. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

19.1 Loans and advances to customers analysis	30/6/2008	31/12/2007
Credit cards	370.832	308.298
Consumer loans	959.923	764.086
Mortgages	5.579.012	5.082.849
<b>Loans to private individuals</b>	<b>6.909.767</b>	<b>6.155.233</b>
Loans to the agricultural sector	2.045.662	1.978.305
Corporate loans	3.032.741	2.977.817
Small and medium sized firms	1.517.419	1.086.627
<b>Loans to corporate entities</b>	<b>6.595.822</b>	<b>6.042.749</b>
Finance leasing	427.267	382.580
<b>Loans to the public sector</b>	<b>3.900.825</b>	<b>5.183.478</b>
	<b>17.833.681</b>	<b>17.764.040</b>
Less: allowance for uncollectibility	(1.003.048)	(1.019.600)
	<b>16.830.633</b>	<b>16.744.440</b>

The allocation of Loans and advances to customers into separate categories, as of 31/12/2007, has been restated in order to be easily compared with the equivalent categories as of 30/6/2008. This amendment is consistent with the new directive of the Basel II, which is applicable since 1/1/2008.

## 19.2 ALLOWANCE FOR UNCOLLECTIBILITY

Movement in the allowance for uncollectibility	2008	2007
<b>Balance at 1 January</b>	<b>1.019.600</b>	<b>1.403.111</b>
Provision for impairment	41.535	42.229
Recoveries	0	608
Loans written-off	(58.083)	(153.620)
Exchange rate differences	(4)	128
<b>Balance at 30 June</b>	<b>1.003.048</b>	<b>1.292.456</b>
<b>Balance at 1 July</b>		<b>1.292.456</b>
Provision for impairment		35.873
Recoveries		(608)
Loans written-off		(307.822)
Exchange rate differences		(299)
<b>Balance at 31 December</b>		<b>1.019.600</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.

## 20. AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	30/6/2008	31/12/2007
<b>Debt securities:</b>		
Governmental bonds	165.421	340.741
Other issuers	812.907	301.433
	978.328	642.174
<b>Equity securities:</b>		
Listed	502.995	714.234
Unlisted	9.846	15.560
Equity fund	47.012	48.906
	559.853	778.700
<b>Mutual fund units</b>	18.575	71.442
	<b>1.556.756</b>	<b>1.492.316</b>

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 9.846 thousand, (31/12/2007: € 15.560 thousand), which are carried at cost because fair value can not be determined.

## 21. PROPERTY, PLANT AND EQUIPMENT

During the six-month period, the Group made purchases and sales of property, plant and equipment, of total net value Euro 6,3 million. (31/12/2007: 46,4 million).

## 22. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	30/6/2008	31/12/2007
<b>Retail customers:</b>		
Current accounts	157.099	201.866
Saving accounts	10.578.225	11.736.435
Term deposits	6.475.881	5.962.535
	<b>17.211.205</b>	<b>17.900.836</b>
<b>Private sector entities:</b>		
Current accounts	548.938	847.624
Term deposits	201.175	158.227
	<b>750.113</b>	<b>1.005.851</b>
<b>Public sector entities</b>		
Current accounts	1.974.450	1.521.237
Term deposits	114.121	202.115
	<b>2.088.571</b>	<b>1.723.352</b>
	<b>20.049.889</b>	<b>20.630.039</b>

Term deposits include repurchase agreements of EUR 31.245 thousand (31/12/2007: EUR 65.230 thousand).

## 23. PROVISION FOR PENSION LIABILITIES

- Provision for Compensation due to retirement (Law 2112/20)

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.

The actuarial gains or losses are amortized based on the average residual labor life of the employees so long as their accumulated surplus exceeds, the highest amount between the present value of the defined benefit obligation of the plan and the fair value of its assets, by 10%. In any other case, the actuarial gains are not recognized.

- Lump Sum granted on retirement

The Bank 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.

## 24. SHARE CAPITAL

As at 30/6/2008 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.

## 25. RESERVES

(Amounts in thousand Euro)

	30/6/2008	31/12/2007
Statutory reserve	45.651	35.453
Tax free reserves	66.520	66.895
Revaluation reserve available-for-sale investments	(77.343)	165.594
Other reserves	19.212	20.543
Foreign currency differences	(5.219)	(4.934)
	<b>48.821</b>	<b>283.551</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. According to the regulations of the new tax L. 2634/2008, the above mentioned option has been ceased since the fiscal year of 2007. The tax-free reserves mentioned above had been formed in the fiscal year of 2006.

**Available for sale reserve:** 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.

## 26. DIVIDEND PER SHARE

The annual shareholders' meeting on 14 May 2008 approved the Board of Directors' suggestion for distribution of dividends for year 2007 profits of total amount Euro 90,5 million (that is Euro 0,10 per share). In the above mentioned amount an interim dividend of Euro 45,25 million is included (that is Euro 0,05 per share), which was paid in December 2007. The remaining amount of the approved dividend has been fully paid within the current period.

## 27. 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):

	30/6/2008	31/12/2007
Letters of guarantee	867.048	415.727
Letters of credit	1.620	1.519
	<b>868.668</b>	<b>417.246</b>

### (c) Assets pledged

Assets are pledged with the Central Bank as guarantee for Repos deposits. Their nominal value amounts to EUR 2.032 mil. as of 30 June 2008 (31/12/2007: EUR 900 mil.).

## 28. 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

	30/6/2008	31/12/2007
Loans	2.688	2.646
Deposits	7.354	8.946

Key Management Personnel Fees	30/6/2008	30/6/2007
Fees	(1.769)	(1.319)
Other	(231)	(149)

b) With its associates

(Amounts in thousand Euro)

ASSETS	30/6/2008	31/12/2007
Loans and advances to customers	90.000	137.375
<b>Total assets</b>	<b>90.000</b>	<b>137.375</b>

LIABILITIES		
Deposits from customers	67	75
<b>Total liabilities</b>	<b>67</b>	<b>75</b>

INCOME STATEMENT	30/6/2008	30/6/2007
<b>Income</b>		
Interest and similar income	2.572	2.824
Other Operating income	40	28
<b>Total income</b>	<b>2.612</b>	<b>2.852</b>

<b>Expenses</b>		
Fee and commission expense	0	(24)
<b>Total expenses</b>	<b>0</b>	<b>(24)</b>

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

## 29. SUBSEQUENT EVENTS

In July 2008 the following events took place:

- A subordinated loan for the amount of EUR 250 million was issued, which replaced the old one which was redeemed on 24.12.2007.
- The sale of part of participation in ATE Insurance S.A. as well as the establishment of strategic alliance in the Bancassurance area, were decided.

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





**Interim Financial Statements  
as at 30 June 2008**

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

23 Panepistimiou st, Athens, 10564

**[www.atebank.gr](http://www.atebank.gr)**

A.M. 24402/06/B/91/39

## **CONTENTS**

## **PAGES**

Interim Income Statement	1
Interim Balance Sheet	2
Interim Statement of Changes in Equity	3
Interim Cash Flow Statement	4
Notes to the Interim Financial Statements	5-15

**Interim income statement**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	Note	1/1 - 30/6/2008	1/1 - 30/6/2007	1/4 - 30/6/2008	1/4 - 30/6/2007
Interest and similar income		544.583	479.676	292.482	246.490
Interest expense and similar charges		(246.212)	(183.917)	(133.862)	(103.609)
<b>Net interest income</b>	<b>8</b>	<b>298.371</b>	<b>295.759</b>	<b>158.620</b>	<b>142.881</b>
Fee and commission income		37.438	40.209	20.397	21.972
Fee and commission expense		(13.861)	(10.742)	(7.040)	(6.117)
<b>Net fee and commission income</b>	<b>9</b>	<b>23.577</b>	<b>29.467</b>	<b>13.357</b>	<b>15.855</b>
Net trading income	<b>10</b>	(20.612)	43.221	(9.506)	22.770
Net gain/(loss) on disposal of non-trading financial instruments	<b>11</b>	4.298	18.518	3.982	6.330
Dividend income	<b>12</b>	24.737	23.833	21.717	17.843
Other operating income	<b>13</b>	12.144	10.612	8.531	7.787
<b>Other income</b>		<b>20.567</b>	<b>96.184</b>	<b>24.724</b>	<b>54.730</b>
<b>Operating income</b>		<b>342.515</b>	<b>421.410</b>	<b>196.701</b>	<b>213.466</b>
Impairment losses	<b>14</b>	(41.000)	(43.846)	(26.000)	(28.846)
Operating expenses	<b>15</b>	(227.085)	(219.868)	(119.144)	(111.933)
<b>Profit before tax</b>		<b>74.430</b>	<b>157.696</b>	<b>51.557</b>	<b>72.687</b>
Income tax expense	<b>16</b>	(20.451)	(34.735)	(18.298)	(17.069)
<b>Profit after tax</b>		<b>53.979</b>	<b>122.961</b>	<b>33.259</b>	<b>55.618</b>
Basic and diluted earnings per share (expressed in Euro per share)	<b>17</b>	0,06	0,14	0,04	0,07

The Financial Statements on pages 1 to 15 have been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union applicable to Interim Financial Reporting (IAS 34) have been approved by the Board of Directors as of 22 August 2008 and are signed by:

The Governor

The Deputy Governor

The Head of Finance Department

Dimitrios Miliakos

Vasilios Drougas

Christos Stokas

The accompanying notes (pages from 5 to 15) are an integral part of these interim financial statements.

**Interim balance sheet**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	<b>Note</b>	<b>30/6/2008</b>	<b>31/12/2007</b>
<b>Assets</b>			
Cash and balances with the Central Bank		719.886	1.180.630
Loans and advances to banks		1.618.007	682.021
Trading securities		1.000.176	518.479
Derivative financial instruments		82.878	45.788
Loans and advances to customers	<b>18</b>	16.860.183	16.849.837
Available-for-sale securities	<b>19</b>	1.554.228	1.183.005
Held-to-maturity securities		1.177.403	1.177.360
Investments in subsidiaries and associates		423.238	478.742
Investment property		164.279	169.658
Property, plant and equipment	<b>20</b>	295.555	298.529
Intangible assets		4.914	5.512
Deferred tax asset		305.808	304.538
Other assets		556.291	505.120
Non-current assets held for sale	<b>7,28</b>	77.156	0
<b>Total assets</b>		<b>24.840.002</b>	<b>23.399.219</b>
<b>Liabilities</b>			
Deposits from banks		3.047.657	769.327
Deposits from customers	<b>21</b>	20.080.992	20.713.674
Derivative financial instruments		16.410	12.867
Provision for employee benefits	<b>22</b>	9.811	9.811
Other liabilities		302.152	244.882
Subordinated loans		199.667	199.616
<b>Total liabilities</b>		<b>23.656.689</b>	<b>21.950.177</b>
<b>Equity</b>			
Share capital	<b>23</b>	651.920	651.920
Share premium		93.989	94.231
Reserves	<b>24</b>	61.547	279.914
Accumulated surplus		375.857	422.977
<b>Total equity</b>		<b>1.183.313</b>	<b>1.449.042</b>
<b>Total equity and liabilities</b>		<b>24.840.002</b>	<b>23.399.219</b>

The accompanying notes (pages from 5 to 15) are an integral part of these interim financial statements.

**Interim statement of changes in equity**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	Share capital	Share premium	Reserves	Accumulated surplus / (deficit)	Total
<b>Balance at 1/1/2007</b>	<b>651.920</b>	<b>94.714</b>	<b>365.195</b>	<b>222.668</b>	<b>1.334.497</b>
Profit for the period 1/1 - 30/6/2007	0	0	0	122.961	122.961
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	7.481	0	7.481
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	(11.316)	0	(11.316)
Deferred tax on entries recognized directly to equity	0	(242)	0	0	(242)
Dividends paid	0	0	0	(81.490)	(81.490)
Transfer to reserves	0	0	(70.708)	70.708	0
<b>Balance at 30/6/2007</b>	<b>651.920</b>	<b>94.472</b>	<b>290.652</b>	<b>334.847</b>	<b>1.371.891</b>
Profit for the period 1/7 - 31/12/2007	0	0	0	88.130	88.130
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	42.425	0	42.425
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	(53.163)	0	(53.163)
Deferred tax on entries recognized directly to equity	0	(241)	0	0	(241)
<b>Balance at 31/12/2007</b>	<b>651.920</b>	<b>94.231</b>	<b>279.914</b>	<b>422.977</b>	<b>1.449.042</b>
Profit for the period 1/1 - 30/6/2008	0	0	0	53.979	53.979
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	(247.885)	0	(247.885)
Deferred tax on entries recognized directly to equity	0	(242)	18.963	0	18.721
Dividends paid	0	0	0	(90.544)	(90.544)
Transfer to reserves	0	0	10.555	(10.555)	0
<b>Balance at 30/6/2008</b>	<b>651.920</b>	<b>93.989</b>	<b>61.547</b>	<b>375.857</b>	<b>1.183.313</b>

The accompanying notes (pages from 5 to 15) are an integral part of these interim financial statements.

**Interim cash flow statement**  
**For the period ended 30 June 2008**  
**(Amounts in thousands of Euro)**

	Note	30/6/2008	30/6/2007
<b>Operating activities</b>			
Profit before tax		74.430	157.696
<b>Adjustment for:</b>			
Depreciation and amortization		12.521	14.091
Impairment losses	14, 18.2	41.000	43.846
Changes in provisions		(50.023)	(52.923)
Change in fair value of trading investments		16.332	(33.917)
(Gain)/loss on the sale of investments, property and equipment		(27.345)	(48.244)
<b>Changes in operating assets and liabilities</b>			
Net (increase)/decrease in loans and advances to banks		(939.238)	561.793
Net (increase)/decrease in trading securities		(494.448)	5.381
Net (increase)/decrease in derivative financial instruments		0	0
Net (increase)/decrease in loans and advances to customers		(85.175)	(1.047.211)
Net (increase)/decrease in other assets		(30.733)	17.561
Net increase/(decrease) in deposits from banks		2.278.330	14.765
Net increase/(decrease) in deposits from customers		(632.682)	949.927
Net increase/(decrease) in other liabilities		38.634	(308.869)
<b>Cash flows from operating activities</b>		<b>201.603</b>	<b>273.896</b>
<b>Investing activities</b>			
Acquisition of intangible assets, property and equipment		(7.554)	(10.057)
Proceeds from the sale of intangible assets, property and equipment		10.215	5.785
(Purchases)/Proceeds of held to maturity portfolio		0	35.534
(Purchases)/Sales of available for sale portfolio		(615.653)	38.953
Dividends received		17.312	16.607
Purchases of subsidiaries		(24.858)	(40.821)
Sale of subsidiaries		4.049	0
<b>Cash flows from investing activities</b>		<b>(616.489)</b>	<b>46.001</b>
<b>Financing activities</b>			
Share capital return - Dividends paid	25	(45.272)	(81.490)
<b>Cash flows from financing activities</b>		<b>(45.272)</b>	<b>(81.490)</b>
Effect of exchange rate changes on cash and cash equivalent		(586)	(203)
<b>Net increase/(decrease) in cash flows</b>		<b>(460.744)</b>	<b>238.204</b>
Cash and cash equivalents at 1 January		1.180.630	925.536
<b>Cash and cash equivalents at 31 March</b>		<b>719.886</b>	<b>1.163.740</b>

The accompanying notes (pages from 5 to 15) are an integral part of these interim financial statements.

## 1. INFORMATION ABOUT THE BANK

Agricultural Bank, (the Bank or ATE), was founded in 1929 in order mainly to provide banking services on its own behalf and on behalf of third parties that contribute to the modernization and growth of the economy and specifically of the Agricultural Sector. From 2005 the bank uses the brand name "ATEbank".

The Bank has a network of 474 branches in Greece and 18 abroad, 17 of which in Romania «ATEbank Romania» and 1 in Germany which offer to their clients a wide range of banking activities. The Bank also has 918 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).

## 2. STATEMENT OF COMPLIANCE

The interim financial statements as of 30 June 2008 have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) as adopted by the European Union applicable to Interim Financial Reporting (IAS 34). They do not include all the information required for full annual Financial Statements, and should be read in conjunction with the Financial Statements of the Bank as at and for the year ended 31 December 2007.

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

The financial statements in stand alone and consolidated basis were approved by the Board of Directors on 22 August 2008 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 June 2008, are the same as those presented in the published financial statements as of 31 December 2007.

The Bank's functional currency is euro. Except indicated otherwise, these financial statements are presented in thousands of euro.

## 4. ESTIMATION

The preparation of the interim financial statements requires that Management makes judgements, estimates and assumptions which may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

During the current period there were no changes in the management estimation.

## 5. RISK MANAGEMENT AND CAPITAL ADEQUACY

Risk management of the Bank mainly concerns:

- 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 keep on providing returns and benefits for shareholders; and

- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored by the Bank's authorized departments, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as adopted 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 directives by the Bank of Greece (2563/05 & 2587/2007), 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 their nature, reflecting an estimation of credit, market and other risks associated with each asset and counter party, 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 period ended 30 June 2008.

<b>Tier 1 Capital</b>	<b>30/6/2008</b>
Total equity	1.183.313
Less: Intangible assets	(4.914)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(92.510)
	<b>1.085.889</b>
<b>Tier 2 Capital</b>	
Supplementary capital	215.252
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(148.583)
	<b>66.669</b>
Deductions from total regulatory capital	<b>(77.156)</b>
<b>Regulatory capital</b>	<b>1.075.402</b>
<b>Risk-weighted assets</b>	<b>13.786.004</b>
<b>Capital adequacy ratio</b>	<b>7,80%</b>

The capital ratio for the Bank as of 30/6/2008, is estimated to rise to 7,88% concerning Tier 1 Capital and to 7,80% concerning Tier 2 Capital. In order to offset the minor difference from the minimum capital ratio set by the Bank of Greece (8%), within July of 2008, a subordinated loan, classified as Tier 2 Capital, for the amount of EUR 250 million was issued, which replaced the old one which was redeemed on 24.12.2007. With this addition the capital ratio of the Bank rises to 9,68%.



## 6. SEGMENT REPORTING

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

(Amounts in thousand Euro)

30/6/2008

	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	216.095	24.150	34.378	25.352	(1.604)	298.371
Net fee and commission income	4.979	4.596	5.413	8.238	351	23.577
Dividend income	0	0	0	0	24.737	24.737
Net trading income	0	0	0	0	(16.314)	(16.314)
Other operating income	1.987	2.258	551	334	7.014	12.144
<b>Total operating income</b>	<b>223.061</b>	<b>31.004</b>	<b>40.342</b>	<b>33.924</b>	<b>14.184</b>	<b>342.515</b>
Operating expenses	(148.838)	(22.138)	(21.887)	(21.077)	(13.145)	(227.085)
Impairment losses	(21.789)	(4.228)	(14.983)	0	0	(41.000)
<b>Profit before tax</b>	<b>52.434</b>	<b>4.638</b>	<b>3.472</b>	<b>12.847</b>	<b>1.039</b>	<b>74.430</b>
Income tax expense						(20.451)
<b>Profit after tax</b>						<b>53.979</b>

(Amounts in thousand Euro)

30/6/2007

	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	161.578	20.288	35.221	47.846	30.826	295.759
Net fee and commission income	7.847	1.759	6.689	13.042	130	29.467
Dividend income	0	0	0	0	23.833	23.833
Net trading income	0	0	0	0	61.739	61.739
Other operating income	3.903	720	451	400	5.138	10.612
<b>Total operating income</b>	<b>173.328</b>	<b>22.767</b>	<b>42.361</b>	<b>61.288</b>	<b>121.666</b>	<b>421.410</b>
Operating expenses	(128.601)	(17.973)	(21.256)	(26.496)	(25.542)	(219.868)
Impairment losses	(18.380)	(2.790)	(17.830)	0	(4.846)	(43.846)
<b>Profit before tax</b>	<b>26.347</b>	<b>2.004</b>	<b>3.275</b>	<b>34.792</b>	<b>91.278</b>	<b>157.696</b>
Income tax expense						(34.735)
<b>Profit after tax</b>						<b>122.961</b>

## 7. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

Within the current period the Bank mainly disposed some of its subsidiaries. The main transactions of the period are as follows:

- Disposal of the participation (75%) to ETANAL S.A. for the amount of Euro 360 thousand at 4/2/2008. A profit of Euro 250 thousand from the disposal of the above mentioned investment was recorded on the income statement of the period.
- Disposal of the participation (70,09%) to RODOPI S.A. for the amount of Euro 3.689 thousand. A profit of Euro 593 thousand from the disposal of the above mentioned investment was recorded on the income statement of the period.

- c. Additional acquisition of 1,23% in the share capital of the associate SEKAP S.A., with total cost of € 358 thousand
- d. Participation in the share capital increase of FBB of amount € 24.500 thousand without affecting the participation which remains at 49%
- e. The Shareholders' General Meeting of the Bank's subsidiary ATEbank ROMANIA, held at 22/2/2008 decided the Share Capital increase without the participation of existing shareholders. The Share Capital increase was paid in full by the International Finance Corporation, which consists the investing division of the World Bank. Upon completion of the procedure the participation of ATEbank is 74,13% (from 87,21%).
- f. Subsequently of the 30<sup>th</sup> June of 2008, the disposal of a main part of participation (almost 50% of share capital) in ATE Insurance S.A. was decided. The sale is estimated to be completed by the end of the current year. A specific note for the Discontinuing Operations is provided in the consolidated financial statements, in Note 8.

## 8. NET INTEREST INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Interest and similar income:</b>		
Loans and advances to customers	450.991	401.001
Loans to banks	22.786	41.433
Debt instruments	70.806	37.242
	<b>544.583</b>	<b>479.676</b>
<b>Interest expense and similar charges:</b>		
Customer deposits	(217.281)	(163.186)
Bank deposits	(21.456)	(9.468)
Subordinated loans	(6.134)	(9.843)
Financial leasing (Lessor)	(1.341)	(1.420)
	<b>(246.212)</b>	<b>(183.917)</b>
<b>Net interest income</b>	<b>298.371</b>	<b>295.759</b>

## 9. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Fee and commission income</b>		
Loans and advances to customers	13.715	11.295
Custody services	1.745	2.206
Import-exports	519	510
Letters of guarantee	2.515	2.787
Money transfers	6.182	7.303
Other	12.762	16.108
	<b>37.438</b>	<b>40.209</b>
<b>Fee and commission expenses</b>		
Contribution to Savings Guarantee Fund	(5.750)	(5.032)
Other	(8.111)	(5.710)
	<b>(13.861)</b>	<b>(10.742)</b>
<b>Net fee and commission income</b>	<b>23.577</b>	<b>29.467</b>

## 10. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Trading Portfolio</b>		
<b>Gain minus Losses</b>		
Derivative financial instruments	13.040	3.472
Foreign exchange differences	(4.440)	(396)
<b>Sales</b>		
Equity instruments	(12.340)	5.572
Debt instruments	(540)	656
<b>Revaluation</b>		
Equity instruments	(10.742)	1.158
Debt instruments	(2.257)	15.365
Derivative financial instruments	(3.333)	17.394
	<b>(20.612)</b>	<b>43.221</b>

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

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
<b>Financial assets available for sale</b>		
<b>From sale</b>		
Equity instruments	843	12.238
Other	3.455	6.280
	<b>4.298</b>	<b>18.518</b>

## 12. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Trading securities	1.532	2.092
Available for sale securities	18.971	18.421
Subsidiaries	4.234	3.320
	<b>24.737</b>	<b>23.833</b>

## 13. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Gain from the sale of fixed assets	5.444	3.419
Income from investment property	1.582	1.273
Income from sequential activities	3.054	2.799
Other	2.064	3.121
	<b>12.144</b>	<b>10.612</b>

## 14. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Loans and advances to customers	(41.000)	(42.000)
Other	0	(1.846)
	<b>(41.000)</b>	<b>(43.846)</b>

## 15. OPERATING EXPENSES

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Staff costs	(165.358)	(165.431)
Third party fees	(12.124)	(8.734)
Advertising and promotion expenses	(6.598)	(5.009)
Telecommunication expenses	(3.026)	(3.497)
Insurance fees	(590)	(563)
Repairs and maintenance	(3.784)	(3.880)
Travel	(4.491)	(3.289)
Stationery	(1.727)	(1.263)
Utility services	(1.339)	(1.119)
Depreciation	(12.521)	(14.091)
Operating lease rentals	(6.858)	(5.623)
Other taxes	(3.148)	(2.396)
Other	(5.521)	(4.973)
	<b>(227.085)</b>	<b>(219.868)</b>

The number of persons employed by the Bank at 30/6/2008 was 6.282 (30/6/2007: 6.220).

## 16. INCOME TAX EXPENSE

(Amounts in thousand Euro)

	1/1 - 30/6/2008	1/1 - 30/6/2007
Tax differences for the year 2006	0	(202)
Deferred tax	(20.451)	(34.533)
	<b>(20.451)</b>	<b>(34.735)</b>

According to the Greek Law, the income tax on the profits of the period is calculated since the 1<sup>st</sup> January of 2007 on the basis of the tax rate of 25%.

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.

For the years 2005 to 2007 as well as for the period 01/01/2008 – 30/06/2008, the relative provision has been accounted according to IFRS.

## 17. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 30/6/2008	1/1 - 30/6/2007
Earnings after tax (in thousands of euro)	53.979	122.961
Weighted average of number of shares in issue	905.444.444	905.444.444
<b>Basic and diluted earnings per share (expressed in euro per share)</b>	<b>0,06</b>	<b>0,14</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 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.

## 18. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

<b>18.1 Loans Analysis</b>	<b>30/6/2008</b>	<b>31/12/2007</b>
Credit cards	370.832	308.298
Consumer loans	931.891	735.493
Mortgages	5.574.132	5.079.895
<b>Loans to private individuals</b>	<b>6.876.855</b>	<b>6.123.686</b>
Loans to the agricultural sector	2.045.662	1.978.305
Corporate loans	3.547.225	3.483.946
Small and medium sized firms	1.394.670	1.002.559
<b>Loans to corporate entities</b>	<b>6.987.557</b>	<b>6.464.810</b>
<b>Loans to the public sector</b>	<b>3.900.825</b>	<b>5.183.478</b>
	<b>17.765.237</b>	<b>17.771.974</b>
Less: allowance for uncollectibility	(905.054)	(922.137)
	<b>16.860.183</b>	<b>16.849.837</b>

The allocation of Loans and advances to customers into separate categories, as of 31/12/2007, has been restated in order to be easily compared with the equivalent categories as of 30/6/2008. This amendment is consistent with the new directive of the Basel II, which is applicable since 1/1/2008.

## 18.2 ALLOWANCE FOR UNCOLLECTIBILITY

<b>Movement in the allowance for uncollectibility</b>	<b>2008</b>	<b>2007</b>
<b>Balance at 1 January</b>	<b>922.137</b>	<b>1.300.856</b>
Provision for impairment	41.000	42.000
Loans written-off	(58.083)	(153.397)
<b>Balance at 30 June</b>	<b>905.054</b>	<b>1.189.459</b>
<b>Balance at 1 July</b>		<b>1.189.459</b>
Provision for impairment		35.000
Loans written-off		(302.322)
<b>Balance at 31 December</b>		<b>922.137</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.

## 19. AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	<b>30/6/2008</b>	<b>31/12/2007</b>
<b>Debt securities:</b>		
Governmental bonds	165.421	91.408
Other issuers	812.907	298.886
	978.328	390.294
<b>Equity securities:</b>		
Listed	501.108	711.812
Unlisted	9.206	7.956
Equity fund	47.012	48.906
	557.326	768.674
<b>Mutual fund units</b>	<b>18.574</b>	<b>24.037</b>
	<b>1.554.228</b>	<b>1.183.005</b>

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 9.206 thousand, (31/12/2007: EUR 7.956 thousand), which are carried at cost because fair value can not be determined.

## 20. PROPERTY, PLANT AND EQUIPMENT

During the six-month period, the Bank implemented purchases and sales of property, plant and equipment, total net value of Euro 5,6 million. (31/12/2007: 24,2 million).

## 21. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	30/6/2008	31/12/2007
<b>Retail customers:</b>		
Current accounts	157.099	201.866
Saving accounts	10.578.225	11.736.435
Term deposits	6.440.992	5.926.875
	<b>17.176.316</b>	<b>17.865.176</b>
<b>Private sector entities:</b>		
Current accounts	549.452	867.950
Term deposits	266.653	257.196
	<b>816.105</b>	<b>1.125.146</b>
<b>Public sector entities</b>		
Current accounts	1.974.450	1.521.237
Term deposits	114.121	202.115
	<b>2.088.571</b>	<b>1.723.352</b>
	<b>20.080.992</b>	<b>20.713.674</b>

Term deposits include repurchase agreements of EUR 39.435 thousand as of 30/6/2008, (31/12/2007: EUR 75.212 thousand).

## 22. PROVISION FOR PENSION LIABILITIES

The Bank 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.

## 23. SHARE CAPITAL

As at 30 June 2008 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 current period no changes in ATEbank's share capital have taken place.

## 24. RESERVES

(Amounts in thousand Euro)

	30/6/2008	31/12/2007
Statutory reserve	56.505	45.950
Tax free reserves	61.115	61.115
Revaluation reserve available-for-sale investments	(56.889)	172.033
Other reserves	816	816
	<b>61.547</b>	<b>279.914</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 amounts 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. According to the regulations of the new tax L. 2634/2008, the above mentioned option has been ceased since the fiscal year of 2007. The tax-free reserves mentioned above had been formed in the fiscal year of 2006.

**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.

## 25. DIVIDEND PER SHARE

The annual shareholders' meeting on 14 May 2008 approved the Board of Directors' suggestion for distribution of dividends for year 2007 profits of total amount Euro 90,5 million (that is Euro 0,10 per share). In the above mentioned amount an interim dividend of Euro 45,25 million is included (that is Euro 0,05 per share), which was paid in December 2007. The remaining amount of the approved dividend has been fully paid within the current period.

## 26. 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):

	30/6/2008	31/12/2007
Letters of guarantee	867.048	415.727
Letters of credit	1.620	1.519
	<b>868.668</b>	<b>417.246</b>

### (c) Assets pledged

Assets are pledged with the Central Bank as guarantee for Repos deposits. Their nominal value amounts to EUR 2.032 million as of 30 June 2008 (31/12/2007: EUR 900 million).

## 27. 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

	30/6/2008	31/12/2007
Loans and advances	590	568
Deposits	825	895
<b>Key Management Personnel Fees</b>	<b>30/6/2008</b>	<b>30/6/2007</b>
Fees	(331)	(354)
Other	(66)	(69)

b) With its subsidiaries and associates

(Amounts in thousand Euro)

<b>ASSETS</b>	<b>30/6/2008</b>	<b>31/12/2007</b>
Loans to banks	22.000	0
Loans and advances to customers	514.484	643.504
Other assets	2.624	2.337
<b>Total assets</b>	<b>539.108</b>	<b>645.841</b>

<b>LIABILITIES</b>		
Deposits from customers	84.566	141.987
Other liabilities	65.531	52.193
Subordinated loans	4.450	4.475
<b>Total liabilities</b>	<b>154.547</b>	<b>198.655</b>

<b>INCOME STATEMENT</b>	<b>30/6/2008</b>	<b>30/6/2007</b>
<b>Income</b>		
Interest and similar income	11.739	8.501
Fee and commission income	2.932	3.319
Dividends received	4.234	3.320
Operating income	1.209	1.340
<b>Total income</b>	<b>20.114</b>	<b>16.480</b>

<b>Expenses</b>		
Interest and similar expenses	(3.593)	(4.183)
Fee and commission expense	(10.233)	(5.236)
Operating expenses	(10.173)	(12.372)
<b>Total expenses</b>	<b>(23.999)</b>	<b>(21.791)</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.).



## 28. SUBSEQUENT EVENTS

In July 2008 the following events took place:

- a. A subordinated loan for the amount of EUR 250 million was issued, which replaced the old one which was redeemed on 24.12.2007.
- b. The sale of part of participation in ATE Insurance S.A. as well as the establishment of strategic alliance in the Bancassurance area, were decided.

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

**E. Financial Statements Information for the period from 1<sup>st</sup> January 2008 to 30 June 2008 in consolidated and non consolidated basis, applied in accordance with the decisions 6/448/11.10.2007 and 1/480/24.07.2008 of the Capital market Commission**

AM 24402/06/B/91/39  
23 PANEPISTIMIOU STR., 105 64 ATHENS  
Financial Information for the period from 1 January 2008 to 30 June 2008  
(According to the DecisionS 6/448/11.10.2007 and 1/480/24.7.2008 of the Board of Directors of the Capital Market Commission)

The financial information listed below is aiming to provide an overview of the financial position and the financial results of ATEbank S.A. and its Group. Consequently, readers are advised to visit the web site of the Bank where the financial statements prepared in accordance with International Financial Reporting Standards are available, as well as the auditor's report when necessary, before any investment decision or other transaction with the Bank is entered into.

Website: www.atebank.gr  
Approval date of the interim financial statements by the BoD: 22 August 2008  
Certified Auditors: Nikolaos E. Vouniseas (AM SOEL: 18701), Nikolaos Tsiboukas (AM SOEL: 17151)  
Audit Company: KPMG Certified Auditors S.A.  
Type of Audit Opinion: Unqualified opinion

BALANCE SHEET (Consolidated and non consolidated)					INCOME STATEMENT (Consolidated and non consolidated)								
Amounts in thousands of Euro					Amounts in thousands of Euro								
ASSETS	GROUP		BANK		1 Jan 2008 30 Jun 2008	1 Jan 2007 30 Jun 2007	1 Apr 2008 30 Jun 2008	1 Apr 2007 30 Jun 2007	1 Jan 2008 30 Jun 2008	1 Jan 2007 30 Jun 2007	1 Apr 2008 30 Jun 2008	1 Apr 2007 30 Jun 2007	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007									
Cash and balances with the Central Bank	749.018	1.206.251	719.886	1.180.630	Net interest income	305.456	303.098	165.005	148.888	298.371	295.759	158.620	142.881
Loans and advances to banks	1.623.259	715.100	1.618.007	682.021	Net fee and commission income	34.814	43.145	19.668	23.160	23.577	29.467	13.357	15.855
Loans and advances to customers (after provisions)	16.830.633	16.744.440	16.860.183	16.849.837	Dividend income	20.621	20.649	17.600	14.659	24.737	23.833	21.717	17.843
Trading securities	1.000.694	539.609	1.000.176	518.479	Net Gains / (Losses) on disposal of non and trading financial instruments	(14.843)	62.011	(4.304)	29.183	(16.314)	61.739	(5.524)	29.100
Derivative financial instruments - assets	82.878	45.788	82.878	45.788	Other operating income	33.046	27.569	19.889	11.678	12.144	10.612	8.531	7.787
Available-for-sale securities	1.556.756	1.492.316	1.554.228	1.183.005	Operating income	379.094	456.472	217.858	227.568	342.515	421.410	196.701	213.466
Held-to-maturity securities	1.177.403	1.216.632	1.177.403	1.177.360	Impairment losses	(41.535)	(44.075)	(25.691)	(29.029)	(41.000)	(43.846)	(26.000)	(28.846)
Investments in subsidiaries - associates	215.692	185.631	423.238	478.742	Staff costs	(179.003)	(177.034)	(83.659)	(81.237)	(165.358)	(165.431)	(83.459)	(81.608)
Investment property	164.279	174.765	164.279	169.658	Other operating expenses	(59.098)	(49.518)	(37.990)	(32.667)	(49.206)	(40.346)	(29.516)	(23.308)
Property, plant and equipment	460.616	514.611	295.555	298.529	Depreciation	(16.168)	(19.428)	(7.636)	(10.211)	(12.521)	(14.091)	(6.169)	(7.017)
Intangible assets	31.747	32.568	4.914	5.512	Share of profits from associates	5.466	5.567	2.359	1.700	0	0	0	0
Other assets	1.222.687	1.405.632	862.099	809.658	Profit before tax	88.756	171.984	65.241	76.124	74.430	157.696	51.557	72.687
Non-current assets held for sale	607.785	0	77.156	0	Income tax	(9.714)	(40.691)	(18.528)	(21.588)	(20.451)	(34.735)	(18.298)	(17.069)
TOTAL ASSETS	25.723.447	24.273.343	24.840.002	23.399.219	Profit after tax	79.042	131.293	46.713	54.536	53.979	122.961	33.259	55.618
EQUITY AND LIABILITIES					Profit after tax from discontinuing operations								
Share capital	651.920	651.920	651.920	651.920		(4.950)	3.626	(4.641)	4.969	-	-	-	-
Other equity elements	549.345	808.575	531.393	797.122	Profit after tax from continuing and discontinuing operations	74.092	134.919	42.072	59.505	53.979	122.961	33.259	55.618
Equity attributable to the Bank's equity holders	1.201.265	1.460.495	1.183.313	1.449.042	Attributed to:								
Minority interests	70.699	60.563	0	0	Equity Holder of the Bank	70.097	132.986	39.776	58.393	53.979	122.961	33.259	55.618
Total equity	1.271.964	1.521.058	1.183.313	1.449.042	Minority interests	3.995	1.933	2.296	1.112	-	-	-	-
Deposits from banks	3.135.277	850.545	3.047.657	769.327	Basic and Diluted Earnings per share (€ per share):								
Deposits from customers	20.049.889	20.630.039	20.080.992	20.713.674	From continuing & discontinuing operations	0.0776	0.1474	0.0440	0.0647	-	-	-	-
Derivative financial instruments - liabilities	16.410	12.867	16.410	12.867	From continuing operations	0.0831	0.1433	0.0492	0.0592	0.0596	0.1358	0.0367	0.0614
Subordinated loans	195.217	195.141	199.667	199.616									
Provisions / Other liabilities	377.916	1.063.693	311.963	254.693									
Liabilities related to non-current assets held for sale	676.774	0	0	0									
Total liabilities	24.451.483	22.752.285	23.656.689	21.950.177									
TOTAL EQUITY & LIABILITIES	25.723.447	24.273.343	24.840.002	23.399.219									

STATEMENT OF CHANGES IN EQUITY (Consolidated and non consolidated)				30 Jun 2008				30 Jun 2007		30 Jun 2008				30 Jun 2007	
Amounts in thousands of Euro															
	GROUP		BANK												
	2008	2007	2008	2007											
Equity at the beginning of the period 01/01	1.521.058	1.395.805	1.449.042	1.334.497											
Profit / (loss) after tax of the period (continuing and discontinuing operations)	74.092	134.919	53.979	122.961	Cash flows from continuing operating activities	235.872	351.145	201.603	273.896						
Dividends paid	(92.332)	(82.605)	(90.544)	(81.490)	Cash flows from discontinuing operating activities	(10.718)	(21.904)	0	0						
Available for sale reserve - revaluation	(264.503)	(3.085)	(247.885)	7.481	Net increase/(decrease) in cash and cash equivalent(a)	225.154	329.241	201.603	273.896						
Available for sale reserve - transferred to income of the period	0	(11.956)	0	(11.316)	Cash flows from continuing investing activities	(644.656)	(19.713)	(616.489)	46.001						
Deferred tax on entries recognized directly to equity	18.721	(493)	18.721	(242)	Cash flows from discontinuing investing activities	9.826	16.071	0	0						
Percentage variation of group participation	15.724	(2.766)	0	0	Net increase/(decrease) from investing activities(b)	(634.830)	(3.642)	(616.489)	46.001						
Exchange rate differences	(653)	4.908	0	0	Cash flows from continuing financing activities	(45.235)	(82.604)	(45.272)	(81.490)						
Other	(143)	294	0	0	Net increase/(decrease) from financing activities(c)	(45.235)	(82.604)	(45.272)	(81.490)						
Equity at the end of the period 30/06	1.271.964	1.435.021	1.183.313	1.371.891	Net increase/(decrease) on cash and cash equivalents of the period (a)+(b)+(c)	(454.911)	242.995	(460.158)	238.407						
					Effect of exchange rate changes on cash and cash equivalents	(1.535)	(113)	(586)	(203)						
					Net increase/(decrease) of the period	(456.446)	242.882	(460.744)	238.204						
					Cash and cash equivalents at the beginning of the period	1.206.251	947.172	1.180.630	925.536						
					Cash and cash equivalents at the end of the period from continuing operations	749.805	1.190.054	719.886	1.163.740						
					Minus: Cash and cash equivalents at the end of the period from discontinuing operations	787	0	0	0						
					Cash and cash equivalents at the end of the period	749.018	1.190.054	719.886	1.163.740						

#### NOTES:

- The companies that included in the interim consolidated financial statements, their registration offices, the percentage of participation in them, the activities and the consolidation method of them are mentioned in Note 1 of the interim consolidated financial statements.
- The Bank's percentage of participation in ATEbank Romania S.A. decreased by approximately 13% due to the share capital increase which took place during the current period in which the Bank did not participate.
- The Group's financial statements as at 30/06/2008 do not include ETANAL S.A. (sold at 04/02/2008) and RODOPI S.A. (sold 02/04/2008), which were consolidated using the full consolidation method as at 31/12/2007.
- Subsequently of the 30th June of 2008, the disposal of a main part of participation (almost 50.08% of share capital) in ATE Insurance S.A. was decided. The sale is estimated to be completed by the end of the current year while ATEbank's percentage of participation will diminish to 34%. A specific note for the Discontinuing Operations is provided in the consolidated financial statements, in Note 8.
- The total number of personnel for the Bank and the Group at the end of the current period is as follows:

	GROUP		BANK	
	30-June-08	30-June-07	30-June-08	30-June-07
Permanent personnel:	8.779	9.173	6.282	6.220
Seasonal personnel:	1.013	144	0	0
Total personnel:	9.792	9.317	6.282	6.220

- All transactions (income and expenses) from the beginning of the fiscal year as well as the assets and liabilities of the Bank and the Group at the end of the current period resulting from their related parties transactions, according to IAS 24, with separate indication of BoD and key management personnel fees, their transactions and their claims and obligations are shown below:

	GROUP	BANK
	30-June-08	30-June-08
a) Income:	€ 2,61 mil.	€ 20,11 mil.
b) Expenses:	0	€ 23,99 mil.
y) Assets:	€ 92,68 mil.	€ 539,69 mil.
d) Liabilities:	€ 7,42 mil.	€ 155,37 mil.
e) Key Management personnel fees:	€ 2,00 mil.	€ 0,39 mil.

- The accumulated provisions made for each of the following cases are:

	GROUP	BANK
	30-June-08	30-June-08
Litigations:	€ 19,7 mil.	0
Unaudited Tax years:	€ 17,2 mil.	€ 8,5 mil.
Other Provisions:	€ 10,9 mil.	€ 8,1 mil.
	€ 47,8 mil.	€ 16,6 mil.

- The treasury shares owned by the Group at 30/6/2008 (shares 2.107.292 and cost 8.282 mil.) are deducted from the Group's equity.
- A separate note for the Bank's and the Group's unaudited tax years is provided in the interim consolidated financial statements, in Note 17.

THE GOVERNOR

DIMITRIOS MILIAKOS  
I.D. 085252/95

ATHENS, 22 AUGUST 2008  
THE DEPUTY GOVERNOR

VASILIOS DROUGAS  
I.D. 376944/88

THE HEAD OF  
FINANCE DEPARTMENT

CHRISTOS STOKAS  
I.D. 414057/87