ATEbank
AGRICULTURAL BANK OF GREECE

2008

ANNUAL FINANCIAL REPORT

ACCORDING TO ARTICLE 4 OF THE LAW 3556 / 2007

INDEX

1. Statements of the Board Of Directors Members

STATEMENTS OF THE BoD MEMBERS
(in accordance with article 4 par. 2 of L.3556/2007)

To the best of our knowledge, the annual financial statements that have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity and financial performance of AGRICULTURAL BANK OF GREECE S.A. (the Bank), and of the group of companies included in the consolidated financial statements taken as a whole, and that the Board of Director's annual report presents fairly the evolution, the financial performance and position of the Bank and of the group of companies included in the consolidated financial statements taken as a whole, including the description of the main risks and uncertainties that they have to deal with.

Athens, 27 March 2009

The Governor	The Deputy Governor	Member of BoD
Dimitrios Miliakos	Vasilios Drougas	Grigirios Konstantinidis
I.D. Σ 085252/1995	I.D. Ξ 376944/1988	I.D. A 106797/1961

2. Board of Directors’ Management Report

BOARD OF DIRECTORS' MANAGEMENT REPORT FOR THE YEAR 2008

Ladies and gentleman,

In 2008, the continuous financial crisis, already initiated by the end of 2007 in the United States of America, has expanded further and has influenced significantly the global economy.
In the United States, the financial system has been severely restructured following the bankruptcy, purchase or transformation of big investment Banks into commercial ones as well as the partial nationalization of other banks and financial institutions. In Europe, big financial Groups have encountered liquidity and capital adequacy problems and were "rescued" due to Governments' intervention, while other ones have suffered significant devaluation of their net assets presenting great losses after a series of profitable fiscal years.
The unexpected intensity and extent of the financial crisis had as result the coordinated or stand alone intervening of governments, central banks or supranational organizations, basically aiming at restoring the functionality of financial markets, the rescuing of big financial groups and the reestablishment of the economic faith among financial counterparties.
Despite the multilevel efforts, the mal-functionality of the financial markets, the lack of liquidity, the devaluation of solvency funds and the continuous lack of trust among financial institutions, resulted to the further decrease of bank credits. This further suppression of bank credits has led to the negative impact laid by the crisis on the real economy. As a result, there has been a sharp reduction of actual demand and a significant recession of the financial activity as well as of the real GDP growth rate in all developed countries and regions (USA, Japan, E.U.)
The consequences of the financial crisis upon the Greek banking system were comparatively fewer. Greek Banks are characterized by satisfactory capital adequacy and robust deposit basis. The crisis' negative results were encountered during the second half of 2008 basically through the reduction of liquidity in Greek inter-bank market, the sharp augmentation of funding cost and the important decrease of their investments' value, resulting from the down falling of capital and money markets and the eventual risks of the business expansion to the southeastern and eastern European countries. It's also worth noting the concern caused by the increased credit risk due to business and consumer credit in the fields of a down turning economic cycle.
On the other hand, the high but decreasing Greek economy growth (2008: 3% vs. 2007:4%) supported the achievement of the satisfactory credit growth by 15,1%, despite the retarding of household lending growth (2007: 22.4% vs. 2008:12,8%) keeping significantly under control the negative results of the global financial crisis on the real economy.
During 2009, the further reduction of the economy growth rate is expected to affect the banking activities, especially the credit growth and the non-performing loans level, compressing the profitability of banking institutions.

In order to face immediately the consequences of the financial crisis, the Greek government, implementing policies similar to that adopted by foreign governments, has proceeded to the realization of a banking sector support package of € 28 bn., aiming at enhancing bank solvency and market liquidity. These measures, in combination with serial reductions of the refinancing operations interest rate realized by Central European Bank, and the gradual smoothing out of the financial market environment, have already lead to the gradual reduction of banking interest rates as well as the normalization of the flow of household and business bank credits.

Ladies and Gentlemen,

In the fields of self protecting against probable risks, Agricultural Bank of Greece has set as a priority the enhancement of its capital basis, the maintenance of adequate liquidity and the indemnity of its assets' quality, even with a temporary profitability decrease. Meanwhile, the Bank has been participating from the very beginning in Government's and Central Bank's initiatives in order to keep a satisfactory level of the economy's financing and vitalize the economic growth.

Setting all the above mentioned as a crucial pillar of its 2008 strategic plan,

- ABG participates in the Greek Government liquidity Support Package (Law 3723/9-12-08), following the decision of the General Meeting of the Shareholders on 12th January 2009, regarding the Share Capital Increase by € 675 mil. with the issue of 937.500.000 preference stocks, of € 0,72 nominal value each, in favour of Greek State with the exemption of old shareholders, to further enhance capital basis.

- On 12th January 2009 the General Shareholders' Meeting approved a program for the issue of covered bonds up to the amount of € 5 bn. as well as a program regarding the issuance of mid term notes (MTN) up to the amount of € 5 bn. Given the relative late increase of the deposits' cost, these programs aim at the differentiation of the funding and liquidity sources of the Bank and the flexibility in relation with the market conditions, as well as the reduction of the weighted funding cost by using the Bank Assets as pledge.

- on November 2008, the Bank announced a package of measures in favor of the agricultural sector characterized by a strong sense of social responsibility consisting of:

    - ✓ One year installment freezing for all investment loans granted to farmers, as main profession, and prolongation of payback period.
    - ✓ Three year Automatic renewal of the Mid Term Farmers' loan without the principal repayment but only with interest payment.
    - ✓ 20% increase of performing working capital limits in order to cover farmers' liquidity needs due to production cost increase.
    - ✓ 0,5% reduction of floating rate mortgage loans for farmers

- In parallel, the Bank, first among the banking sector, has proceeded to the disbursement of working capital loans to SMEs under the guarantee and subsidy of Loan Guarantee Fund of Small, Medium and Very small Businesses (TEMPME SA.) In this context, the Bank has already accepted 11.700 applications approximately from enterprises amounting € 1,2 bn. And has already approved 7.500 loans of € 563 mil., while it has been participating in the mortgage loan program of Labor Housing Organization. Additionally, the Bank will ensure € 100 mil. funds from the European Investment Bank (EIB) for the financing of SMEs' investment plans.

- In the context of the General Shareholders' Meeting decisions on 14th May 2008, ATEbank has guaranteed a Subordinated Loan of € 250 mil. Issued on 17th July 2008 by ABG Finance International plc subsidiary in London, in replacement of a respective loan of € 200 mil. called back on December 2007. The above mentioned loan is taken into account in Core TIER II funds, improving the capital adequacy ratio of the Bank and the Group.

- On the 22th February 2008, the General Shareholders' Meeting of ATEbank Romania subsidiary approved the Share Capital Increase with the exemption of old Shareholders. The increase was totally covered by International Finance Corporation, the investment arm of the World Bank, by the € 10.530.891 cash payment and the transformation of the bond loan into shares amounting € 4.955.586. After the procedure's conclusion, the shareholders' participation was formed as follows: ATEbank 74,13% (from 87,21%), IFC 15%, other shareholders 10,87%. In this way, ATEbank ROMANIA owner's capital has been enhanced and greater diversification of business risks has been achieved.

- On the 27th March 2008, the Boards of ATEbank and its subsidiaries ELVIZ S.A. and SEVATH S.A. decided on the sale of 309.810 shares (percentage: 97,12%) of Xanthi Rodopi Milk Company SA to TIRAS S.A. for € 5.111.865 (€ 16,5 per share). In this way, the Bank has disengaged from a non-financial sector company receiving a satisfactory reimbursement, while reassuring the going concern and the upgrading of the company with beneficiary effects on the primary sector income and the regional employment.

- On the 9th of June 2008, ATEbank paid € 24.500.140,14 for its participation in the Share Capital increase of First Business Bank S.A., in relation with its ownership percentage at the company (49%).

- On December 2008, the negotiations regarding the sale of a majority shares' package of ATE insurance SA to a selected investor concluded unsuccessfully. Being the major shareholder, the Bank's disengagement strategy from the company will be reviewed in due time. In the meantime, the target will be the development of the company through effective collaboration in bank assurance products as well as the further improvement of financial results.

Operating in a constantly deteriorating economic environment ATEbank Group has realized significant financial achievements during 2008, in terms of basic business figures.
The main characteristics of this period were the following:

- Stabilization of operating income,
- Assets increase,
- Further reduction of the NPLs ratio to historical low levels
- The pre-emptive increase in bad debt provisions.

As a result of the worsening financial environment and measures taken for the strengthening of the bank, the consolidated profit after taxation and minority interests reached € 27,8 mil. for 2008, vs. € 241,4 mil. for 2007. This decrease has been an expected result due to the non recurring income realised during 2007 of €71,1mil. coming from share sales from AFS portfolio, negative results of financial activities stemming from the deterioration of financial markets, and lastly due to the pre-emptive increase in bad debt provisions during the 4th Q2008 of €134mil.

Interest income, as at 31/12/2008, has reached € 1.220 mil. standing for an increase of 20,7% vs. 2007, resulting form the Bank's credit expansion and the strategic turn to products with higher interest rate margins. Net interest income has stabilized at positive increase growth rates (+1,7%) at € 625,4 mil., vs. € 614,9 mil. as at 31st December 2007. Fourth Q2008 net interest income, although affected by the strong augmentation of funding cost, have reached € 152,7 mil., an amount deemed satisfactory under current economic situation compared to the respective period of 2007 (€147,8 mil.).

Net fee and commission income reached € 89,4 mil. vs. € 84,5mil. for year 2007. Other non-interest and non-fee income retained the influence from the money and capital market negative environment, reaching € 92,0 mil, as at 31st December 2008, versus € 251,3 mil. for 2007.

Operating expenses showed an increase of 5,7% compared to the correspondent period last year, reaching € 600,4 mil. for 2008. It should be noted that 4th Q2008 operating expenses present 1% marginal increase compared to the respective 2007 period, as a result of the cost rationalisation policy implemented by the Bank from September 2008 onwards.

The total Group assets have increased by 17,3% (Bank 18,21%), mainly due to loan portfolio growth.

Total loan portfolio has increased by 21,9% versus 31st December 2007 at € 21,7 bn. achieving a significantly higher increase than the market credit growth, reaching 15,1% for year 2008. In contrast with former policies, ATEbank has continued the program initialized on 2004 by the current Management for the purification of loan portfolio, realizing write-offs of € 412mil. for the period of 1st January 2008 until 31st December 2008, resulting to a cumulative write-off charge of 2,1€ bn. at Group level since year 2004. After write-offs and provisions the loan portfolio presents an increase of 24,5%, amounting € 20,9 bn.

Mortgage loan portfolio has reached € 6,1 bn., maintaining a satisfactory growth rate of 20,8% and increasing the Bank's market share to 8%. Consumer loan portfolio has impressively increased, although at a lower pace, by 55,4% vs. 31st December 2007, reaching € 1,2 bn. In the meanwhile, the credit cards' balances increased by the high growth rate of 46,5% reaching € 451,7 mil. As a result the households' portfolio continues magnifying at a higher rate than the market, reaching € 7,8 bn. vs. € 6,2 bn. as at 31st December 2007 (26,4% increase).

Significant performance has also been realized in SMEs credit, being a strategic target group for the Bank. The balances of loans to SMEs have increased during 2008 by 61,9% in relation with 2007 reaching € 1,8 bn.

As a result of the above mentioned high growth rates, the percentage of consumer and SME loans (retail loan market) out of the total portfolio has increased to 44% for 2008 from 41% for 2007, confirming the successful implementation of the Bank's strategy.

The total ratio of Non performing loans past due 90 days kept its down falling trend for another quarter, being formed at the historical low level of 5,6% vs. 7.3% for December 2007. Despite the continuous reduction of NPLs, ATEbank has proceeded to a significant bad debt provisions increase (from 48 bps to 100 bps upon average loan portfolio) for the 4th Q2008, since the deteriorating economic circumstances call for a more conservative approach on this sector. By the end of December provisions reached, € 204,2 mil. vs. € 79,9 mil. for 2007.

Provisioning coverage ratio has reached 66,0% (60,7% for the Bank), whereas, taking into account the loan collaterals, the ratio stands well above 100%.

The efficient management of the credit risk is regarded as a crucial task for the Bank and the Group. Total credit risk exposure of the Group basically stems from the business and household lending, the investment and transactional Group activities, the derivatives' transactions and the settlement of securities.

The credit risk embedded in each credit exposure depends, among others, on the general economic and market environment, the financial exposure of the debtors, the amount, the nature and the timeframe of the exposures as well as on the collaterals and guarantees.

ATEbank has adopted and implemented an overall framework of credit risk management which has led to the reduction of the total undertaken credit risk and the improvement of the loan portfolio quality. In order to effectively control the credit risk exposure, certain levels of risk tolerance have been set by the bank units in charge of credit risk management.

The small rise of NPLs resulting from commercial and agricultural lending, being noticed during the 4th Q2008, is attributed to the economic crisis' consequences. On the other hand, consumer and mortgage portfolio NPLs have remained relatively stable during 2008.

Deposits have increased by 1.6% compared with December 2007 formed at € 21,0 bn. The moderate increase of deposits resembles the Group's choice to diversify from the market competition concerning attracting high interest paying deposits which was quite intense on 2008, aiming at preserving the loans/deposits ratio around 100% and given the satisfactory levels of liquidity sustained by the Group. This choice, along with the high year end short-time seasonal bridge-finance public sector loan has led the loans/deposits ratio at year end at 103,3%.
Group equity amounted € 866,7 mil. vs. € 1,4 bn. for 2007. Equity level has been seriously affected by the negative valuation of the investment portfolio of shares traded in Athens Stock Exchange, which has been acquired on 2000 upon the listing of the Bank in the Stock Exchange, by the amount of € 442 mil. In the previous years the Bank had followed a gradual disinvestment policy regarding its investment portfolio. However, this policy could not be sustained during 2008 due to the fall in share prices. Should the general assessment for gradual recovery of capital markets from year 2010 be verified, the Bank will re-examine its disinvestment policy regarding the investment portfolio in order to redeem current losses and further improve its capital adequacy.

At the end of December 2008, Group subsidiaries had at their possession 2.120.825 shares of ATEbank, with an acquisition cost of € 8.338.252 και market value of € 2.969.155. At the same period, the Bank had no own shares at its possession, as the respective policy had negative past results. It is worth noting that own shares acquisition cost is presented as a reducing element of the equity funds.

Group capital adequacy ratio stands at 8.58%. The participation of ATEbank in the economic package of the Greek State for the banking sector, through the issuance of preference stocks, has enriched its capital position. The total capital adequacy ratio is estimated today at 13.82% while the Tier I capital ratio is estimated at 11.45%.

To ensure capital solvency, the Group has chosen to follow a conservative policy regarding financial risk assumption. Since the last quarter of 2008, there has been an intense use of hedging instruments regarding interbank transactions, while further hedging activities have been realised covering from positions producing interest rate and currency risk exposures as well.

Market risk undertaken by the Bank may relate either with its trading or with its investment portfolio, or other asset – liability financial elements.
Trading portfolio market risk management takes place via established limits (open position limit & limit of tolerable loss) for each type of financial instrument approved by the Asset-Liability Committee (ALCO).These limits are set according to the financial position of the Bank, the willingness to undertake risk, the strategic goals and the prevailing market characteristics. In parallel, part of the risks undertaken is hedged through derivative instruments. The Bank implements an internal model for risk measurement based on maximum potential loss (Value-at-Risk), which is based on Monte-Carlo simulation for one-day time interval and confidence interval of 99%. Also, during regular time intervals simulation, exercises regarding extreme market price volatility (stress testing) are elaborated, in order to assess the financial position assumed.

Liquidity risk can be defined as the failure of the Bank to stand up to its short term liabilities or as the need to borrow at a high funding cost for their coverage. The Bank has always emphasized on Liquidity Risk Management having alternative plans for its management. The recent financial crisis, during the last quarter of 2008, has not caused a problem in running the Bank business neither has increased severely funding costs since the Bank has access to all traditional liquidity sources of the banking system. Besides, in order to face the increasing mid-term finance needs of the Group, it has been decided, as already noted, to promote the issuance of covered bonds and mid-term notes of € 5 bn. each.

The Bank, nowadays, has a branch network of 479 branches operating in Greece (478 as at 31st December 2008) and 28 branches operating abroad, of which 27 branches belonging to ATEbank Romania (ex MindBank) and also one branch operating in Germany (26 as at 31st December 2008). The branch network offers to its clientele the whole spectrum of banking services and products. Additionally, ATEbank operates 960 ATMs (Automatic Teller Machines) in Greece and 25 in Romania, while 45% of the branches are owned by the Group.

The outstanding balances of the Group's companies' transactions with members of their Boards of Directors, their close family members or companies related to them, as well as the corresponding income and expenses as at 31st December 2008 are formed as follows:

Amounts in thousands €

Loans and advances to customers	3.456
Deposits from customers	6.077
Key Management Personnel Fees	3.803

Furthermore, the outstanding balances and the corresponding results of the most significant transactions with subsidiaries are as follows:

ATEbank S.A. - INTERCOMPANIES TRANSACTIONS

A S S E T S & L I A B I L I T I E S

amounts in thousands €	Loans & Advances to Banks	Other assets	Loans & advances to customers	Deposits from customers	Subordinated loans	Other liabilities
ATE LEASING S.A.			387.407	3.174		47.574
ABG BANK CARDS S.A.			13.025			12.942
ABG MUTUAL FUNDS S.A.		1.008		1.523		25
ABG TECHNICAL & IT S.A.		130	1.218	1.870		2.889
ATE SECURITIES S.A.		169		9.018		104
ATE INSURANCE S.A.		945		53.868		239
HELLENIC SUGAR INDUSTRY			152.142	1.590		
DODONI S.A.			43.256	504		
ELVIZ S.A.			23.518	1.395		3
ATE RENT				350		1
ATE ADVERTISING S.A.				1.126		2.761
ATEBANK ROMANIA S.A.	77.000					
ATEXCELIXI S.A.		139				261
ABG FINANCE INTERN.					448.353	
T O T A L :	**77.000**	**2.391**	**620.566**	**74.418**	**448.353**	**66.799**

ATEbank S.A. - INTERCOMPANIES TRANSACTIONS

I N C O M E

amounts in thousands €	Fee & commission expense	Fee & commission income	Interest expense & similar charges	Interest & similar income	Other operating expenses	Other operating income	Dividends received
ATE LEASING S.A.			3.439	19.835			
ABG BANK CARDS S.A.	14.546					2.035	2.070
ABG MUTUAL FUNDS S.A.		2.405	320			15	702
ABG TECHNICAL & IT S.A.			53	29	7.042		
ATE SECURITIES S.A.	1.044		237	124	391	232	
ATE INSURANCE S.A.		2.472	2.794		8.529		
HELLENIC SUGAR INDUSTRY			17	6.880		334	
DODONI S.A.				3.999			
ELVIZ S.A.		1.632		58			
ATE RENT	356						
ATE ADVERTISING S.A.			48		9.429		335
ATEBANK ROMANIA S.A.				1.648			
ATEXCELIXI S.A.					3.259	856	
ABG FINANCE INTERN.			20.120				196
T O T A L :	**15.946**	**6.509**	**27.028**	**32.573**	**28.650**	**3.472**	**3.303**

Ladies and gentlemen

We experience nowadays the most critical world economic crisis since the end of World War Two, while at the same time, the international financial system still finds itself being in turmoil and has not yet avoided completely the danger for further systemic dislocation.

The Greek banking system proved to be extremely resistant against the direct negative impact of the financial crisis. Whether, however, the already deteriorating economic climate in our country, aggravated by the long term known structural problems, could be reversed in a relatively short period, will depend not only up on the developments in the global economy, but also on the successful implementation of measures already taken and that will be taken at supranational and national level to revive the real economy.

To achieve this goal, we believe that the Greek banks have to play a very active and positive role.

Especially for ATEbank:

The basic goal of our strategy is to maintain and improve the relative position of the Bank in the Greek banking market under the current economic conditions. To achieve this strategy, we will take the following course:

Firstly, there will be measures aiming to improve immunity to countering the effects of the crisis, specifically ensure that there will be sufficient liquidity at the lowest possible cost and strengthen the capital base of the Bank. Secondly, operational policies will be adopted, such that will allow the Bank to contribute to the greatest extent possible to the strengthening of the real economy, by obtaining bank credit flow to its growing customer base. Our goal is to extend credit for 2009 above 10%, again focusing on retail banking and taking the necessary steps to minimize the negative impact of the economic cycle in the quality of loan portfolio.
Alongside, the inevitable compression of profitability as a result of the worsening macro-and micro-economic conditions will be offset by the intensification of cost containment efforts to retain operating costs to the previous year level, and by the closer cooperation among the financial companies of the Group and the Bank to improve network exploitation, although year 2009 is expected to be a difficult year for financial services companies and products such as ATE Securities S.A. and ATE Mutual Funds.

On the other hand, it is estimated that there is scope for development of insurance banking products, a perspective that will improve the profitability of the subsidiary ATE Insurance S.A. There will be strict monitoring of new credit approvals and disbursements provided by ATEbank Group subsidiaries, namely Leasing S.A. and ATE Bank Cards aiming to improve control of credit risk and limit bad debts.

Hellenic Sugar Industry is currently going through the last of a three year adaptation scheme to the new Common Market Organisation for sugar industry and continues the effort of reorganization in accordance with the approved three-year business plan. The main business objective is to reduce production costs through the triptych: a) improvement of industrial efficiency, b) achievement of production in line with the overall quota to support the growing beet and c) reduction of payroll costs by classification of its staff to the beneficial arrangement of Law 3660/208, and by controlling other cost factors. ATEbank ROMANIA although it operates in a relatively less favourable economic environment, due to its small size and efficient operation, is not expected to face problems and will present a small profit.

In today's negative economic climate, we believe that the Bank will stand up to the challenges, given its impressive progress during the last recent years. The hitherto gradual supersession of the Bank in the banking system has been stalled, and ATEbank has gained significant market shares despite of the strong market competition and without the accumulated knowledge advantage of the commercial banks.

We managed to change the very culture of the Bank, releasing the latent potential of its staff and allowing it to compete successfully on equal terms with the market competition˙ we've upgraded all functions related to new technologies˙ we've radically renovated and expanded the branches network and have offered new alternative channels of service to our customers˙ we've renewed to a high degree our human resources, making large-scale recruitment˙ we've managed to reduce the non-performing loans ratio at historically low levels for the Bank˙ we have provided a permanent, sustainable solution to

the personnel insurance issue˙ we've restructured ,with significant success, the portfolio holdings of the Bank and successfully expanded our activities outside the Greek borders.
The above mentioned, constitute accomplishments that are finally recognized by the most objective judge, the banking public, which in a series of market researches has stated its satisfaction from the services offered by the Bank and has also given a "vote" of confidence for ATEbank institution, proving in this way that a Bank under state ownership operating within market competition, can be viable and competitive for the benefit not only of shareholders but also for the society in general.

EXPLANATORY REPORT
ACCORDING TO PARAGRAPH 7 OF ARTICLE 4 OF LAW 3556/2007

This explanatory report of the Board of Directors (BoD) to the Ordinary General Meeting of the Bank's Shareholders contains detailed information with regard to the issues under paragraphs 7 & 8, Article 4 of Law 3556/2007, as it is effective today.

I. Structure of the Bank's share capital

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

The Bank's share capital increased by six hundred seventy five million euro (675 000 000) according to the decision of the Extraordinary General Shareholders Meeting on 12.01.2009, by issuing nine hundred thirty seven million five hundred thousand (937 500 000) preference shares of face value equal to seventy two cents (€ 0.72) each one. The amount of the Bank's share capital increase will be undertaken entirely by the Greek State which will offer bonds of equal value, whereas the newly issued preference shares will have the following rights:

a) the right to a ten per cent (10%) fixed yield on the selling price of each of the preference shares undertaken by the Greek State:

i. Before the ordinary shares.
ii. Before the issue of dividend share according to paragraph 3 of Article 1, Law 3723/2008 and
iii. Irrespective of dividend share issue to the Bank's ordinary Shareholders and only if the capital adequacy indices (Bank and Group) satisfy the minimum requirements set by the Bank of Greece for that specific time period.

The ten per cent (10%) fixed yield is estimated accrued on a yearly basis proportionately to the time period during which the Greek State remains the privileged Shareholder and is paid within a month from the approval of the annual financial statements by the Ordinary General Shareholders Meeting. It is also subject to the condition that there are distributed amounts under the order of Article 44a of Law 2190/1920 and more specifically that there are profits of the last financial year or earlier financial years or even reserve funds given that the Ordinary Shareholders Meeting had already decided upon their distribution. If the distributed amounts are inadequate a privileged right of appropriation of the ten per cent (10%) fixed yield is offered until the exhaustion of the amounts stated above.

b) the right to vote at the General Privileged Shareholders Meeting in the specific occasions defined in Law 2190/1920.

c) the right to participate in the BoD meetings of the Bank via a representative, appointed as an extra member of the BoD.
d) the right of the Greek State's representative, appointed as an extra member of the BoD, to veto any decision related to dividend distribution and any payment policies to the Chairman, the Chief Executive, the remaining members of the BoD and the General Directors and their deputies, under the decision of the Greek Minister of Economics and Finance or if the Greek State's representative judges that the BoD decision could set in danger the depositors interests or substantially affect the credibility and the smooth functioning of the Bank.

e) the right of appearance of the appointed by the Greek State, extra member of the BoD, in the General Meeting of the Ordinary Shareholders and the right to veto on the issues stated above.

f) the right of the representative of the Greek State of free access to the account books and data of the Bank for the purposes of Law 3723/2008 and

g) the pre-emptive right on the proceeds of the liquidation, against all other shareholders in the case in which the Bank has gone into liquidation.

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

The Bank's shares are transferred according to the Law and there are no restrictions to their transfer by the Articles of Incorporation, considering furthermore that they are intangible shares listed in the ASE.

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

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

IV. Shares granting special control rights

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

V. Restrictions to the right to vote

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

VI. Agreements of the Bank's shareholders

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

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

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

VIII. BoD authorization to issue new or buy treasury shares

BoD in accordance with Article 29, paragraph 3, Law 2190/1920 is authorized by the General Meeting of the Shareholders, as long as the last forms a quorum of 2/3 of fully paid share capital, to implement their decision related to the increase of share capital.

According to the provisions, of the Article 16 of Law 2190/1920, as it is effective after modifications, the BoD may acquire, after the approval of the General Meeting of the Shareholders, treasury shares through the ASE up to ten per cent (10%) of the Banks' shares under the specific conditions and procedures stated in the Article 16 of Law 2190/1920.

The Bank's General Shareholders Meeting on 14th May 2008 decided the acquisition of treasury shares of up to two point five per cent (2.5 %) of existing shares, within a twelve (12) month time period with prices ranging between € 4.10 and € 0.72 per share.

IX. Significant agreements in force, which are modified or expire as a result of audit change following a public proposal

There are no agreements in force, which are modified or expire as a result of change of the control of the Bank after a public proposal.

X. Agreements between the members of the Board of Directors or the Bank's employees

There are no agreements set out between the Bank and the members of its Board of Directors or its employees, allowing for compensation, especially in the case of resignation or dismissal on no serious grounds or termination of tenure or employment as a result of a public proposal.

On behalf of the Bank's BoD,

Mr. Dimitrios Miliakos
BoD Chairman

3. Independent Auditor’s Report (on the Consolidated Financial Statements)

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Aghia Paraskevi
GR – 153 42 Athens Greece

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Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ATE BANK A.E.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of ATE BANK A.E. (the "Bank") which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatements.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, of the consolidated financial position of the Bank as of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on other legal and regulatory requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37, 43a and 107 of C.L. 2190/1920.

Athens, 27 March 2009

KPMG Certified Auditors AE

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701

Nick Tsiboukas
Certified Auditor Accountant
AM SOEL 17151

4. Consolidated Financial Statements as at 31.12.2008

ATEbank
AGRICULTURAL BANK OF GREECE

Consolidated
Financial Statements
31 December 2008

In accordance with International Financial Accounting Standards

23 Panepistimiou St., Athens, 10564

www.atebank.gr

R.N.S.A. 24402/06/B/91/39

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Consolidated income statement
For the year ended 31 December 2008
(Amounts in thousands of Euro)

	Note	1/1 - 31/12/2008	1/1 - 31/12/2007
Interest and similar income		1.220.102	1.011.236
Interest expense and similar charges		(594.671)	(396.326)
Net interest income	**7**	**625.431**	**614.910**
Fee and commission income		120.839	107.520
Fee and commission expense		(31.427)	(23.024)
Net fee and commission income	**8**	**89.412**	**84.496**
Net trading income	**9**	(27.924)	45.532
Net income of non-trading financial instruments	**10**	9.301	83.604
Dividend income	**11**	24.167	26.887
Other operating income	**12**	86.502	95.239
Other income		**92.046**	**251.262**
Operating income		**806.889**	**950.668**
Staff cost	**13**	(398.530)	(394.920)
Other expenses	**14**	(164.803)	(137.449)
Depreciation	**26, 27, 28**	(37.079)	(35.679)
Impairment losses	**15**	(204.196)	(79.948)
Operating profit		**2.281**	**302.672**
Share of profit of associates		13.069	13.990
Profit before tax		**15.350**	**316.662**
Income tax	**16**	14.419	(70.731)
Profit after tax		**29.769**	**245.931**
Attributable to:			
Equity holders of the Bank		**27.849**	**241.413**
Minority interest		**1.920**	**4.518**
Basic and diluted earnings per share (expressed in Euro per share)	**17**	0,0308	0,2675

The accompanying notes (pages from 5 to 55) are an integral part of these consolidated financial statements.

Consolidated balance sheet
For the year ended 31 December 2008
(Amounts in thousands of Euro)

	Note	31/12/2008	31/12/2007
Assets			
Cash and balances with the Central Bank	18	1.277.038	1.206.251
Loans and advances to banks	19	957.446	715.100
Trading securities	20	342.661	539.609
Derivative financial instruments	21	25.786	45.788
Loans and advances to customers	22	20.853.981	16.744.440
Investment portfolio	23	2.515.084	2.708.948
Investments in associates	25	204.700	185.631
Investment property	26	187.985	174.765
Property, plant and equipment	27	498.748	514.611
Intangible assets	28	29.082	32.568
Deferred tax asset	29	440.589	325.557
Other assets	30	1.140.746	1.080.075
Total assets		**28.473.846**	**24.273.343**
Liabilities			
Deposits from banks	31	4.971.653	850.545
Deposits from customers	32	20.965.347	20.630.039
Derivative financial instruments	21	62.405	12.867
Provision for employee benefits	33	54.629	54.869
Other liabilities	34	422.776	402.117
Subordinated loans	35	444.156	195.141
Insurance reserves	36	622.224	606.707
Total liabilities		**27.543.190**	**22.752.285**
Equity			
Share capital	37	651.920	651.920
Treasury shares		(8.338)	(8.319)
Share premium		93.748	94.231
Reserves	38	(252.626)	283.551
Accumulated surplus		382.008	439.112
Equity attributable to the Bank's equity holders		**866.712**	**1.460.495**
Minority interests		63.944	60.563
Total equity		**930.656**	**1.521.058**
Total equity and liabilities		**28.473.846**	**24.273.343**

The accompanying notes (pages from 5 to 55) are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2008
(Amounts in thousands of Euro)

	Share capital	Treasury shares	Share premium	Reserves	Accumulated surplus	Minority interests	Total
Balance at 1/1/2007	**651.920**	**(8.320)**	**94.714**	**384.613**	**209.538**	**63.340**	**1.395.805**
Profit for the period 1/1 - 31/12/2007	0	0	0	0	241.413	4.518	245.931
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	41.508	0	(1.436)	40.072
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(66.413)	0	0	(66.413)
Deferred tax on entries recognized directly to equity	0	0	(483)	0	0	0	(483)
Transfer to reserves due to distribution	0	0	0	(68.845)	68.845	0	0
Entries recognized directly to equity	0	0	0	0	140	0	140
Dividends paid	0	0	0	0	(81.490)	(1.227)	(82.717)
Percentage variation of group participation	0	0	0	1	666	(3.385)	(2.718)
Exchange rate differences	0	0	0	(7.313)	0	(1.247)	(8.560)
(Purchases) / sales of treasury shares	0	1	0	0	0	0	1
Balance at 31 December 2007	**651.920**	**(8.319)**	**94.231**	**283.551**	**439.112**	**60.563**	**1.521.058**
Profit for the period 1/1 - 31-/12/2008	0	0	0	0	27.849	1.920	29.769
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	(603.183)	0	(5.073)	(608.256)
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(350)	0	0	(350)
Deferred tax on entries recognized directly to equity	0	0	(483)	90.146	0	1.764	91.427
Transfer to reserves due to distribution	0	0	0	9.273	(9.273)	0	0
Entries recognized directly to equity	0	0	0	0	(186)	0	(186)
Dividends paid	0	0	0	0	(90.544)	(1.788)	(92.332)
Percentage variation of group participation	0	37	0	(744)	15.050	10.910	25.253
Exchange rate differences	0	0	0	(31.319)	0	(4.352)	(35.671)
(Purchases) / sales of treasury shares	0	(56)	0	0	0	0	(56)
Balance at 31 December 2008	**651.920**	**(8.338)**	**93.748**	**(252.626)**	**382.008**	**63.944**	**930.656**

The accompanying notes (pages from 5 to 55) are an integral part of these consolidated financial statements.

Consolidated cash flow statement
For the year ended 31 December 2008

(Amounts in thousands of Euro)	Note	31/12/2008	31/12/2007
Operating activities			
Profit before tax		15.350	316.662
Adjustment for:			
Depreciation and amortization	**26, 27, 28**	37.079	35.679
Impairment losses	**15**	204.196	79.948
Changes in provisions		(11.775)	(29.084)
Change in fair value of trading investments		25.500	(25.413)
(Gain)/loss on the sale of investments, property and equipment		(59.724)	(156.985)
Changes in operating assets and liabilities			
Net (increase)/decrease in loans and advances to banks		(220.868)	20.390
Net (increase)/decrease in trading securities		(99.595)	77.302
Net (increase)/decrease in loans and advances to customers		(4.161.756)	(3.323.626)
Net (increase)/decrease in other assets		(53.777)	(80.554)
Net increase/(decrease) in deposits from banks		4.121.108	699.517
Net increase/(decrease) in deposits from customers		335.308	2.540.743
Net increase/(decrease) in other liabilities		(22.416)	(483.665)
Cash flows from operating activities		**108.630**	**(329.086)**
Investing activities			
Acquisition of intangible assets, property and equipment		(58.738)	(66.930)
Proceeds from the sale of intangible assets, property and equipment		38.705	28.375
(Purchases)/Proceeds of held to maturity portfolio		1.041.637	62.978
(Purchases)/Sales of available for sale portfolio		(1.235.430)	103.734
Dividends received		20.615	22.885
Purchases of subsidiaries and associates		(24.858)	(23.642)
Sale of subsidiaries and associates		4.049	0
Cash flows from investing activities		**(214.020)**	**127.400**
Financing activities			
Share capital return - Dividends paid	**39**	(45.272)	(82.717)
Proceeds/(Purchases) of treasury shares		(19)	1
Proceeds from debt issued	**35**	248.392	0
Cash flows from financing activities		**203.101**	**(82.716)**
Effect of exchange rate changes on cash and cash equivalent		(2.194)	(2.014)
Net increase/(decrease) in cash flows		**95.517**	**(286.416)**
Cash and cash equivalents at 1 January		1.874.807	2.161.223
Cash and cash equivalents at 31 December	**18**	**1.970.324**	**1.874.807**

The accompanying notes (pages from 5 to 55) are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

The Agricultural Bank of Greece Group, "the Group" provides primarily financial and banking services to individuals and businesses. At the same time, it 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 Bank's registered office is at 23 Panepistimiou Str. in the municipality of Athens. The purpose of the Bank, according to the Article of Association is to provide banking services on its own behalf, on behalf of third parties, that contribute to the modernization and growth of the economy and more specifically the agricultural sector.

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

(Amounts in thousand Euro)

Name of Subsidiary	Activity	Percentage of Participation	
		2008	2007
Financial Sector			
FIRST BUSINESS BANK	Bank	49,00%	49,00%
A.T.E. LEASING A.E.	Leasing	99,91%	99,91%
A.T.E. CARDS A.E.	Credit Cards Management	99,68%	99,68%
A.T.E. A.X.E.P.E.Y.	Brokerage Services	94,68%	94,68%
A.T.E. AEDAK	Mutual Funds Management	92,68%	92,68%
ATE TECHNIKI PLIROFORIKI	Real Estate	91,42%	91,42%
ATE RENT	Leasing	99,11%	99,11%
A.B.G. FINANCE INTERNATIONAL P.L.C.	Finance	100.00%	100.00%
ATEbank ROMANIA S.A.	Bank	74,13%	87,21%
AIK BANKA	Bank	20,83%	20,83%
Non-Financial Sector			
ATE INSURANCE S.A.	Insurance	84,08%	84,08%
HELLENIC SUGAR COMPANY	Sugar Production	82,33%	82,33%
SEKAP	Cigarette Production	44,18%	42,95%
DODONI	Dairy Production	67,77%	67,77%
ELVIZ	Feedstuff Production	99,82%	99,82%
ATE ADVERTISING	Advertising	62,28%	64,88%
ATExcelixi	Educational services	99,20%	99,20%

ATE Insurance S.A.'s subsidiary in Romania, ATE Insurance S.A Romania, is not included in ATEbank's consolidated financial statements of 31/12/2008 due to its immaterial impact on the Group's financial results. Its after tax income as at 31/12/2008 amounted to EUR 454 thousand and its equity to EUR 6.428 thousand.

The Bank has a network of 478 branches in Greece and 26 abroad, 25 of which in Romania (ATEbank Romania) and 1 in Germany, which offer to the customers a wide range of banking activities. The Bank also has 960 ATMs (Automatic Teller Machines) in Greece and 25 in Romania. Approximately 45% of the branches are privately owned.

The Group has 9.458 employees, of which 7.112 are in the banking and finance sector.

The Group is managed by the Bank's 11-membered Board of Directors, elected by the Shareholders' General Meeting on May 23, 2007, ends in 2010 and as at 31 December 2008 consists of:

CHAIRMAN (Executive member)
Dimitrios I. Miliakos

VICE CHAIRMAN (Executive member)
Vasilios T. Drougkas

VICE CHAIRMAN (Executive member)
Panagiotis N. Varagkis

NON-EXECUTIVE MEMBERS
Grigorios T. Konstantinidis
Ioannis N. Katsaounis
Vasilios S. Mperedimas
Grigorios I. Alexiadis
Ioannis M. Tsagkarakis
Nikolaos K. Mpaltas

NON-EXECUTIVE INDEPENDENT MEMBERS
Sotiris A. Revithis
Dimitrios G. Karnavos

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union.
The financial statements were approved by the Board of Directors on 27 March 2009 and are available on the web address www.atebank.gr

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following financial instruments which are presented at fair value:

- derivative financial instruments
- trading portfolio financial instruments
- available for sale financial instruments

2.3 Functional currency

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

2.4 Use of estimation and judgement

The preparation of financial statements according to IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Deviations to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that

period, or in the period of the revision and future periods if the revision affects both current and future periods.
Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

2.5 Comparable figures

In certain occasions, the comparable figures of the previous year are readjusted to be easily compared to the current year's figures.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by ATE Group entities, according to IAS 39 amendment "Financial Instruments: Recognition and Measurement", as mentioned in Note 3.11

3.1 Investments in subsidiaries and associates

(a) Subsidiaries

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

(b) Associates

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

(c) Special purpose entities (SPEs)

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

(d) Funds management

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

(e) Transactions eliminated on consolidation

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

3.2 Foreign currency transactions

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

3.3 Foreign entities

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

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

3.4 Interest income and expense

Interest income and expense is recognized in the income statement as it accrues, taking into account the effective yield of the instrument or the applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the relevant period.
The effective interest rate is the rate that exactly discounts the future cash receipts or payments through the expected life of the financial instrument.
Once a financial asset or a group of financial assets has been written off as a result of an impairment loss, account of interest ceases.

3.5 Fee and commission income

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

3.6 Net trading income

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

3.7 Net investment income

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

3.8 Dividend income

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

3.9 Operating lease rentals

Payment of operating lease rentals are allocated as an expense in the income statement based on the direct method during the rental period. The received rental grants are recorded in the income statement as an integral part of the expense during the rental period.

3.10 Income Tax

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

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

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be adequate in order to offset temporary differences. Deferred tax assets are reduced to the extent that it is probable that the related tax benefit will not be realized.

3.11 Financial assets

Initial Recognition

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

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

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

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

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

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, and available-for-sale are recognized at trade date – the date on which the Group commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets not at fair value through profit and loss are primarily recognized at fair value plus the transaction expenses.

Reclassification of financial instruments: In October 2008, IASB issued the amendment of IAS 39 "Financial Instruments: Recognition and measurement", according to which companies are allowed to reclassify certain non derivative financial assets:

a) from account "Investments available for sale" to account "Loans and advances to customers", so long as they have the ability and intention to retain them in the long term or until their expiration.

b) from account "Trading portfolio" to accounts "Loans and advances to customers" and "Investments available for sale".

The amendment requires additional disclosures and can be applied retrospectively from 1st of July 2008. Using the above mentioned amendment the Group reclassified certain non derivative financial instruments. Analysis of the reclassification is provided in Note 24.

Derecognition

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

Valuation

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

Offsetting

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

3.12 Impairment of financial assets

(a) Assets carried at amortised cost

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

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

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

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

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

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

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

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

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

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

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

(b) Assets carried at fair value

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

3.13 Derivative financial instruments and hedging accounting

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

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

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

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

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

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

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

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

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

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

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

3.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand and not pledged balances held with the Central Bank with maturities of less than three months from the Balance Sheet date. They are not exposed to material risk from changes in their fair value and they are used by the Group to cover short-term liabilities.

3.15 Repurchase agreements

The Group enters into agreements for purchases (sales) of investments and to resell (repurchase) substantially the identical investments at a certain future date at a fixed price. Investments purchased with an engagement to be reselled at a future date, are not presented in the financial statements. The amounts paid are recorded in loans and advances to banks or customers. The receivables are collateralized by the underlying security.

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

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

3.16 Property, plant and equipment

Land and buildings are used by the Group either for branches or for administrative purposes. All property, plant and equipment is stated at cost less accumulated depreciation. Purchase cost includes expenses directly related to their acquisition.

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

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

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

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

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

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

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

3.17 Investment Property

Properties held by the Group either to earn rental income, capital appreciation, or both, are classified as investment property. Investment property is measured at the cost of acquisition minus its accumulated depreciation.

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

3.18 Intangible Assets

Intangible assets include goodwill arising from the acquisition of subsidiaries as well as software which is stated at cost less accumulated amortisation.
(a) Goodwill
Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.
Positive goodwill is a non amortized intangible asset which is assessed on each balance sheet date for impairment.
Negative goodwill is recognised immediately in profit or loss.
Goodwill should be allocated to the cash generating units on the acquisition date. In case that there are difficulties in the immediate allocation of the fair value of assets, this can be postponed but should be performed within twelve months from the acquisition date.
(b) Software
Amortization is charged over the estimated useful life, which the Group has defined to three years.

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

3.19 Leases

The Group as the lessor

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the present value of the minimum lease payments of the arrangement is presented within loans and advances.
The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease loans are subject to the same impairment testing as applied to customer loans and advances as described in note 3.12.

The Group as the lessee

Lease agreements that the lessor transfers the use of an asset for a predetermined period without transferring the risks and rewards incidental to ownership are classified as operational leases. In this case the Group doesn't recognize the leased assets on the balance sheet. The operational lease payments (lease payments made that correspond to the use of the leased asset free of any incentives given by the lessor) are recognised on the income statement during the life of the contract.
In case where the Group is the lessee under a finance lease, fixed assets under the finance lease are recognised as assets and the respective obligation for the lease payments as a liability on the balance sheet. At the inception of the lease, fixed assets leased under finance leases are recognised on the balance sheet at amounts equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Leased assets are depreciated over their useful life, if it is longer than the lease term, only if it is expected that the ownership of the leased assets will pass to the Group at the end of the lease term. Finance lease payments are apportioned between the capital element and the finance charge. The capital element is used as a reduction of the outstanding liability and the finance charge at the income statement is allocated to periods during the lease term.

3.20 Provisions

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

3.21 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

When benefits are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in the income statement on a straight-line basis over the employees' expected average remaining working life.

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

3.22 Share capital

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

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

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

3.23 Earnings per share

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

3.24 Segment reporting

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

3.25 Insurance Contracts

As of 1st January 2005, according to IFRS 4, risk from insurance contracts is segregated according to IFRS 4, and contracts are classified as insurance or investment contracts. The Insurance company of the Group has both life insurance contracts and non-life insurance contracts.
Insurance contracts are defined as those contracts that contain significant insurance risk at the inception of the contract which is transferred from the insured party to the insurance company and the insurance company agrees to indemnify the insured party when a determined doubtful future event occurs that has a negative effect on the insured party.
Premiums from insurance contracts are recognized as revenue (written premium) on a pro rata basis over the related policy duration.
The premiums are reported before the deduction of the related commissions.

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

b) Insurance reserves
Insurance reserves are the insurance company's net contractual obligations that are originated from the insurance contracts, and include the mathematical reserves, the unearned premium reserves and outstanding claims reserve.
Mathematical reserves contain the life insurance and are the difference created between the present value of the cash obligations that the insurance company has taken up for every life insurance contract and the premiums owed by the policy holder which are payable to the insurance company. This difference is calculated using the approved from the corresponding authority technical base (mortality

table, technical interest rate) at the beginning of the contract. If loss is ascertained when the liability adequacy test is performed, extra reserve is charged.
Unearned premium reserves include the ratio of written premiums that relate to future periods.
The outstanding claims reserve covers insurance risk liabilities occurred at balance sheet date regardless of whether they have been reported or not and whether the related insurance compensations and expenses have been paid or not, in case the exact amount is not defined or the insurance company's responsibility is doubted.
The estimated provision's amount is defined according to available information at the date of the financial statements' composition such as fact reports, medical reports and juridical verdicts.
The outstanding claims reserve incorporates a reserve for incurred but not reported claims to the insurance company at balance sheet date (I.B.N.R.). The calculation of insurance reserves conducted on balance sheet date is in accordance to Law 400/1970 and the relevant decisions of the Ministry of Development.
The change in insurance reserves concerns the increase/decrease in relation to the prior year insurance reserves. The company's portion on the change of insurance reserves is transferred to the income statement and the remaining amount is debited in the reinsurance account according to the reinsurance treaties.

c) Liability Adequacy Test
At each reporting date a liability adequacy test is performed by the Group's insurance company to ensure the adequacy of the unearned premiums according to IFRS 4. In performing the test current best estimates of future contractual cash flows claims from insurance contracts are used.
Any inadequacy is immediately charged to the income statement increasing the equivalent inadequate reserve.
The company derecognises a financial obligation arising from an insurance contract when its either fulfilled, expired or terminated.

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

3.26 Inventories

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

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

3.27 New Standards

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these consolidated financial statements

- Amendment to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Group's 2009 consolidated financial statements, with retrospective application and there will be no impact on Group's consolidated financial statements.

- Revised IFRS 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to the Group's operations:

  – The definition of a business has been broadened, which may result in more acquisitions being treated as business combinations.
  – Contingent consideration will be measured at fair value, with subsequent changes in fair value recognised in profit or loss.
  – Transaction costs, other than share and debt issue costs, will be expensed as incurred.
  – Any pre-existing interest in an acquiree will be measured at fair value, with the related gain or loss recognised in profit or loss.
  – Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis.

  Revised IFRS 3, which becomes mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.

- IFRS 8 *Operating Segments* introduces the "management approach" to segment reporting IFRS 8, which becomes mandatory for the Group's 2009 consolidated financial statements, will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Group's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business and geographical segments. The adoption of this standard by the Group will have an impact on the presentation of segment reporting.

- Revised IAS 1 *Presentation of Financial Statements* (2007) introduces the term "total comprehensive income," which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for the Group's 2009 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements of the Group.

- Revised IAS 23 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Revised IAS 23 will become mandatory for the Group's 2009 consolidated financial statements and will constitute a change in accounting policy for the Group. The adoption of this standard will not have any significant impact on the Group's consolidated financial statements.

- Amended IAS 27 *Consolidated and Separate Financial Statements (2008)* requires accounting for changes in ownership interests in a subsidiary that occur without loss of control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

- Amendments to IAS 32 and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* require puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity if certain conditions are met. The amendments, which become mandatory for the Group's 2009 consolidated financial statements with retrospective application required, are not expected to have any significant impact on the consolidated financial statements.

- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. These amendments are applicable restrospectivley for annual periods beginning on or after 1 July 2009.

- IFRIC 13 *Customer Loyalty Programmes* addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13 becomes mandatory for the Group's 2009 consolidated financial statements and will be applicable retrospectively and is not expected to have any significant impact on the consolidated financial statements.

- IFRIC 15 – "Agreements for the Construction of Real Estate": This interpretation is effective for annual periods beginning on or after 1 January 2009 and applies to the accounting for revenues and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. Agreements in the scope of this interpretation are agreements for the construction of real estate. In addition to the construction of real estate, such agreements may include the delivery of other goods or services (such as sale of land or provision of property management services).

- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* clarifies that:

  - net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation
  - the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged
  - on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss.

  IFRIC 16, which becomes mandatory for the Group's 2009 consolidated financial statements is not expected to have any significant impact on the consolidated financial statements.

- IFRIC 17: Distributions of Non-cash Assets to Owners

  This Interpretation applies to the non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners for (a) the distributions of non-cash assets (eg items of property, plant and equipment, businesses as defined in IFRS 3, ownership interests in another entity or disposal groups as defined in IFRS 5) and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. It applies only to distributions made by an entity in which all owners of the same class of equity instruments are treated equally and does not apply to a distribution of a non-cash asset that is ultimatley controlled by the same party or parties before and after the distribution and when an entity distributes some of its ownership interest in a subsidiary but retains control of the subsidiary. This interpretation is applicable prospectively for annual periods beginning on or after 1 July 2009. Retrospective application is not permitted

- IFRIC 18: Transfer of Assets from Customers

  This Interpretation applies to (a) the accounting for transfers of items of property, plant and equipment by entities that receive such transfers from their customers and (b) the accounting for cash received by an entity from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment which for both cases mentioned previously, the entity then uses the property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services, or to do both. It addresses whether the asset received or constructed meets the definition of an asset, the measurement of this asset and revenue recognition for services exchanged for the asset. This interpretation should be applied prospectively to transfers of assets from customers received on or after 1 July 2009.

4. RISK MANAGEMENT

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

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

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

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

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

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

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

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

4.1 CREDIT RISK

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

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

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

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

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

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

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

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

4.1.1 Credit risk measurement

Loans and advances

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

- Counterparty risk
- Collateral/security risk
- Product risk

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

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

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

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

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

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

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

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

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

Other credit risk products

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

4.1.2 Credit risk monitoring and management

a) Limits

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

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

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

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

Apart from that, credit limits according to the counterparties' credit lines ratings, against exposure to financial institutions or countries, have been applied. In cases of foreign credit risk, the foreign country risk is taken into account.

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

b) Risk mitigation techniques

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

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

Collateral/security undertaken include the following main categories:

1. Mortgages on real estate property

2. Pledged
   - Deposits
   - Cheques
   - Stocks
   - Bonds or other financial instruments
   - Mutual fund shares

3. Bank letters of guarantee

4. Assignments of claims against quality certifications

4.1.3. Stress test

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

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

4.1.4. Allowance for uncollectibility policies

The Group applies allowance for uncollectibility policies which aim to the estimation of an adequate amount of allowance which offset the expected loss of uncollectibility. The internal grade credit rating model is used for the estimation of allowance for uncollectibility. Apart from the above, the Group when required, estimates collectively provisions against risks which are not specifically determined.

The tables below present the Group's maximum exposure to credit risk as at 31.12.2008 and 31.12.2007 concerning loans and advances to customers, loans and advances to banks and investment securities, without the calculation of any collateral/security or other guarantees and according to their credit scoring. The credit lines are based on their carrying amount.

a) Loans and advances to customers
(Amounts in thousand Euro)

		31/12/2008		31/12/2007	
Grade		**Loans and advances to customers**	**Allowance for uncollectibility**	**Loans and advances to customers**	**Allowance for uncollectibility**
Individually impaired					
A1-A3	**Acceptable risk**	5.424.615	(15.051)	4.595.162	(10.646)
B1-B3	**Low-fair-risk**	6.283.074	(43.326)	5.333.199	(30.766)
Γ1-Γ2	**Mid-fair risk**	4.489.291	(87.865)	3.357.098	(112.528)
Δ1-E1	**High-fair risk**	4.852.066	(260.700)	3.652.289	(233.700)
Z1	**Impaired**	606.270	(394.393)	826.292	(631.960)
		21.655.316	**(801.335)**	**17.764.040**	**(1.019.600)**
Ageing of loans portfolio					
0-90 days		20.174.963	(358.788)	16.287.923	(312.013)
90-180 days		221.686	(11.850)	175.592	(20.025)
180-360 days		655.523	(163.694)	849.480	(320.645)
360 days +		603.144	(267.003)	451.045	(366.917)
		21.655.316	**(801.335)**	**17.764.040**	**(1.019.600)**

b) Loans and advances to banks

(Amounts in thousand Euro)

Grade		31/12/2008 Loans and advances to banks	31/12/2008 Allowance for uncollectibility	31/12/2007 Loans and advances to banks	31/12/2007 Allowance for uncollectibility
Neither past nor impaired					
A1-A3	**Acceptable risk**	957.350	0	715.100	0
B1-B3	**Low-fair-risk**	96	0	0	0
Total		**957.446**	**0**	**715.100**	**0**

c) Investment securities

(Amounts in thousand Euro)

Grade		31/12/2008 Investment securities	31/12/2008 Provision for impairment	31/12/2007 Investment securities	31/12/2007 Provision for impairment
Neither past nor impaired					
A1-A3	**Acceptable risk**	2.083.233	0	1.541.559	0
B1-B3	**Low-fair-risk**	5.255	0	299.957	0
Γ1-Γ2	**Mid-fair risk**	9.373	0	11.475	0
Δ1	**High-fair risk**	0	0	5.815	0
Total		**2.097.861**	**0**	**1.858.806**	**0**

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

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

Allowance for uncollectibility

Impairment provisions are provided for losses that have been incurred at the balance sheet date. Significant changes in the economy or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.
Allowance for uncollectibility consist of the allowance for loans and advances which are assessed on an individual basis as material, and of the allowance for loans and advances which are included in categories with similar credit risk characteristics and are collectively assessed.

Write offs

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

Collaterals / Securities

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

(Amounts in thousand Euro)

	31/12/2008		31/12/2007	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Against neither past due nor impaired				
1. Property	11.711.018	0	9.705.460	0
2. Cheques-Cash	354.466	0	267.696	0
3. Debt securities-Equity	124.753	338.005	128.703	0
4.Other	1.709.252	0	1.363.195	0
5. Sovereign guarantees	7.480.128	0	6.690.692	0
6. Machinery	31.794	0	31.785	0
Total	**21.411.411**	**338.005**	**18.187.531**	**0**
Against past due but not impaired				
1. Property	1.007.043	0	941.759	0
2. Cheques-Cash	6.245	0	5.029	0
3. Debt securities-Equity	28.878	0	73.457	0
4.Other	79.203	0	99.070	0
5. Sovereign guarantees	411.486	0	279.333	0
6. Machinery	3.882	0	3.687	0
Total	**1.536.737**	**0**	**1.402.335**	**0**
Against impaired				
1. Property	1.496	0	1.210	0
2. Cheques-Cash	9	0	9	0
3. Debt securities-Equity	0	0	0	0
4.Other	32.855	0	33.378	0
5. Sovereign guarantees	0	0	0	0
6. Machinery	0	0	0	0
Total	**34.360**	**0**	**34.597**	**0**
Total	**22.982.508**	**338.005**	**19.624.463**	**0**

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date (less allowance for uncollectibility) is shown below:

(Amounts in thousand Euro)

	Loans and advances to customers		Loans and advances to banks		Available-for-sale securities		Held-to-maturity securities	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Concentration by sector								
- Corporate	5.242.872	4.320.019	0	0	97.410	175.661	11.000	0
- Sovereign	6.230.898	5.183.108	0	0	598.866	340.741	164.082	1.188.632
- Bank	333.557	127.375	957.446	715.100	1.226.503	125.772	0	28.000
- Retail	9.847.989	8.133.538	0	0	0	0	0	0
	21.655.316	**17.764.040**	**957.446**	**715.100**	**1.922.779**	**642.174**	**175.082**	**1.216.632**
Concentration by location								
- Greece	21.096.345	17.645.676	483.931	335.146	1.358.628	358.436	170.070	1.205.632
- Europe	291.981	118.364	321.322	362.992	422.557	236.219	5.012	11.000
- America	61.898	0	142.451	9.991	50.456	0	0	0
- Other	205.092	0	9.742	6.971	91.138	47.519	0	0
	21.655.316	**17.764.040**	**957.446**	**715.100**	**1.922.779**	**642.174**	**175.082**	**1.216.632**

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

4.2 MARKET RISK

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

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

The trading portfolio of the Group consists of bonds, shares and derivatives. The value at risk price for the whole trading portfolio as at 31 December 2008 was EUR 5,086 million (2007: EUR 3,286 million) and of which EUR 2,677 million (2007: EUR 0,021 million) related to interest rate risk and EUR 5,026 million (2007: EUR 2,238 million) for foreign exchange risk. Due to the structure of the trading portfolio as of 31 December 2008 and the level of diversification a reduction of the value-at-risk of EUR 2,621 million (2007: EUR 1,993 million) has been accomplished.

The Group also applies a program based on backtesting the value at risk analysis (comparing daily the actual change in the value of the portfolio due to the changes in market prices with the respective value-at- risk figure). In 2008 there were 4 cases where the actual change in the value of the portfolio was larger than the Value-at-Risk estimate, (in 2007 there were also 4).

The above are summarized as follows:

(Amounts in thousand Euro)

	At 31 December	Average	Maximum	Minimum
2008				
Foreign currency risk	5.026	2.172	5.026	385
Interest rate risk	2.677	1.644	2.677	575
Other price risk	4	1.565	3.240	0
Covariance	(2.621)	(1.698)	(2.701)	(876)
	5.086	**3.683**	**8.242**	**84**
2007				
Foreign currency risk	2.238	761	2.781	72
Interest rate risk	21	14	58	2
Other price risk	3.020	2.809	4.022	1.781
Covariance	(1.993)	(914)	(4.103)	(96)
	3.286	**2.670**	**2.758**	**1.759**

4.3 LIQUIDITY RISK

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

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

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

The Group maintains a portfolio of non-trading securities that may be used for liquidity purposes according to 532/2006 of the Bank of Greece directive. Exertion of this ability would increase the above ratio up to 10% at the reference date.

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

	31/12/2008	31/12/2007
At 31 December	17,17%	10,87%
Average for the period	18,63%	14,79%
Maximum for the period	20,37%	20,30%
Minimum for the period	15,00%	10,87%

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

(Amounts in thousand Euro)

31/12/2008

	Carrying amount	Gross nominal (inflow) / outflow	Less than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	More than 1 year
Non-derivative liabilities							
Deposits from banks	4.971.653	4.987.131	4.720.328	25.110	226.814	14.879	0
Deposits from customers	20.965.347	21.206.961	16.400.613	2.416.047	1.472.969	915.574	1.758
Subordinated liabilities	446.156	522.298	4.606	2.537	5.324	206.641	303.190
	26.383.156	**26.716.390**	**21.125.547**	**2.443.694**	**1.705.107**	**1.137.094**	**304.948**
Derivative liabilities							
Trading:outflow	62.405	421.756	114.864	74.978	18.267	22.609	191.038
Trading:inflow	(25.786)	(459.367)	(112.351)	(72.043)	(18.366)	(25.499)	(231.108)
Risk management:outflow	0	1.624.343	2.221	72.462	30.804	108.297	1.410.559
Risk management:inflow	0	(1.631.045)	(1.928)	(70.631)	(31.318)	(107.497)	(1.419.671)
	36.619	**(44.313)**	**2.806**	**4.766**	**(613)**	**(2.090)**	**(49.182)**
Unrecognised loan commitments							
	26.419.775	**26.672.077**	**21.128.353**	**2.448.460**	**1.704.494**	**1.135.004**	**255.766**

31/12/2007

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

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

	31/12/2008					
Assets	**Up to 1 month**	**1 - 3months**	**3- 12 months**	**1 - 5 years**	**Over 5 years**	**Total**
Cash and balances with Central Bank	1.277.038	0	0	0	0	1.277.038
Loans and advances to banks	494.513	152.287	310.646	0	0	957.446
Trading securities	3.147	0	1.843	210.537	127.134	342.661
Derivative financial instruments	25.786	0	0	0	0	25.786
Loans and advances to customers	402.809	865.342	2.357.518	8.681.071	8.547.241	20.853.981
Investment portfolio	404.692	379	26.666	280.023	1.803.324	2.515.084
Investments in associates	0	0	0	0	204.700	204.700
Investment property	0	0	0	0	187.985	187.985
Property, plant and equipment	0	0	0	0	498.748	498.748
Intangible assets	0	0	0	0	29.082	29.082
Deferred tax asset	0	0	0	0	440.589	440.589
Other assets	49.600	62.228	594.111	2.211	432.596	1.140.746
Total assets	**2.657.585**	**1.080.236**	**3.290.784**	**9.173.842**	**12.271.399**	**28.473.846**
Liabilities						
Deposits from banks	4.709.613	25.003	235.220	0	1.817	4.971.653
Deposits from customers	16.324.007	2.330.511	2.309.070	1.759	0	20.965.347
Derivative financial instruments	62.405	0	0	0	0	62.405
Provision for employee benefits	255	0	161	3.698	50.515	54.629
Other liabilities	67.126	83.012	255.505	17.133	622.224	1.045.000
Subordinated loans	0	0	199.961	0	244.195	444.156
Total liabilities	**21.163.406**	**2.438.526**	**2.999.917**	**22.590**	**918.751**	**27.543.190**
Net liquidity gap	**(18.505.821)**	**(1.358.290)**	**290.867**	**9.151.252**	**11.352.648**	**930.656**
At 31 December 2007						
Total assets	3.232.534	699.354	3.993.291	6.472.465	9.875.699	24.273.343
Total liabilities	17.997.982	1.782.455	2.043.451	26.241	902.156	22.752.285
Net liquidity gap	**(14.765.448)**	**(1.083.101)**	**1.949.840**	**6.446.224**	**8.973.543**	**1.521.058**

4.4 CURRENCY RISK

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

The table below summarizes the Group's exposure to foreign currency exchange risk at 31 December 2008. Included in the table are the Group's assets and liabilities at carrying amounts, categorized by currency (the amounts are expressed in thousands of Euro):

	31/12/2008				
Assets	**EUR**	**USD**	**GBP**	**OTHER**	**Total**
Cash and balances with Central Bank	1.264.978	3.269	996	7.795	1.277.038
Loans and advances to banks	785.246	143.176	5.951	23.073	957.446
Trading securities	340.440	2.221	0	0	342.661
Derivative financial instruments	25.786	0	0	0	25.786
Loans and advances to customers	20.560.790	147.643	0	145.548	20.853.981
Investment portfolio	2.438.155	65.803	0	11.126	2.515.084
Investments in associates	204.700	0	0	0	204.700
Investment property	187.985	0	0	0	187.985
Property, plant and equipment	476.643	0	0	22.105	498.748
Intangible assets	28.173	22	0	887	29.082
Deferred tax asset	440.589	0	0	0	440.589
Other assets	1.109.631	0	2	31.113	1.140.746
Total assets	**27.863.116**	**362.134**	**6.949**	**241.647**	**28.473.846**

Liabilities					
Deposits from banks	4.918.235	25.378	0	28.040	4.971.653
Deposits from customers	20.636.545	203.971	16.592	108.239	20.965.347
Derivative financial instruments	62.405	0	0	0	62.405
Provision for employee benefits	54.629	0	0	0	54.629
Other liabilities	1.039.720	3.863	89	1.328	1.045.000
Subordinated loans	444.156	0	0	0	444.156
Total liabilities	**27.155.690**	**233.212**	**16.681**	**137.607**	**27.543.190**
Net on balance sheet position	**707.426**	**128.922**	**(9.732)**	**104.040**	**930.656**
Net off balance sheet position	**2.562.134**	**(119.013)**	**25.710**	**9.325**	**2.478.156**
At 31 December 2007					
Total assets	23.709.815	212.351	38.238	312.939	24.273.344
Total liabilities	22.339.708	194.645	19.045	198.887	22.752.285
Net on balance sheet position	**1.370.107**	**17.706**	**19.193**	**114.052**	**1.521.059**
Net off balance sheet position	**1.969.286**	**0**	**0**	**27.486**	**1.996.772**

4.5 INTEREST RATE RISK

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

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

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

			31/12/2008				
Assets	**Up to 1 month**	**1 - 3months**	**3- 12 months**	**1 - 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Cash and balances with Central Bank	1.277.038	0	0	0	0	0	1.277.038
Loans and advances to banks	488.916	155.862	310.646	0	0	2.022	957.446
Trading securities	6.211	0	2.295	209.985	124.036	134	342.661
Derivative financial instruments	25.786	0	0	0	0	0	25.786
Loans and advances to customers	11.870.281	1.153.157	1.596.998	4.568.969	1.664.576	0	20.853.981
Investment portfolio	459.964	632.576	282.094	349.617	437.148	353.685	2.515.084
Investments in associates	0	0	0	0	0	204.700	204.700
Investment property	0	0	0	0	0	187.985	187.985
Property, plant and equipment	0	0	0	0	0	498.748	498.748
Intangible assets	0	0	0	0	0	29.082	29.082
Deferred tax asset	0	0	0	0	0	440.589	440.589
Other assets	823	72	0	0	0	1.139.851	1.140.746
Total assets	**14.129.019**	**1.941.667**	**2.192.033**	**5.128.571**	**2.225.760**	**2.856.796**	**28.473.846**
Liabilities							
Deposits from banks	4.709.612	25.003	235.221	0	0	1.817	4.971.653
Deposits from customers	16.356.125	2.309.575	1.436.406	861.636	1.605	0	20.965.347
Derivative financial instruments	62.405	0	0	0	0	0	62.405
Provision for employee benefits	0	0	0	0	0	54.629	54.629
Other liabilities	1.217	5.224	105.861	0	0	932.698	1.045.000
Subordinated loans	0	444.156	0	0	0	0	444.156
Total liabilities	**21.129.359**	**2.783.958**	**1.777.488**	**861.636**	**1.605**	**989.144**	**27.543.190**
Total interest sensitivity gap	**(7.000.340)**	**(842.291)**	**414.545**	**4.266.935**	**2.224.155**	**1.867.652**	**930.656**
At 31 December 2007							
Total assets	12.954.815	1.041.505	2.611.279	2.788.335	1.668.251	3.209.158	24.273.343
Total liabilities	17.937.817	1.937.231	1.952.711	5.194	0	919.332	22.752.285
Total interest sensitivity gap	**(4.983.002)**	**(895.726)**	**658.568**	**2.783.141**	**1.668.251**	**2.289.826**	**1.521.058**

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

(Amounts in thousand Euro)

	100 bp parallel increase	100 bp parallel decrease	50 bp increase after 1 year	50 bp decrease after 1 year
2008				
At 31 December	(395.014)	404.975	(228.880)	223.257
Average for the period	(297.305)	298.619	(167.011)	166.609
Maximum for the period	(407.465)	404.975	(228.880)	235.295
Minimum for the period	(238.218)	242.682	(134.993)	132.514
	(1.338.002)	**1.351.251**	**(759.764)**	**757.675**
2007				
At 31 December	(246.324)	236.247	(150.218)	150.375
Average for the period	(200.016)	191.816	(122.114)	122.242
Maximum for the period	(246.324)	236.247	(150.218)	150.375
Minimum for the period	(163.785)	157.055	(100.127)	100.232
	(856.449)	**821.365**	**(522.677)**	**523.224**

4.6 OPERATIONAL RISK

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

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

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

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

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

4.7 INSURANCE COVER RISK

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

The major risk for the Group in a contract portfolio, the pricing and underwriting cover estimation of which are based on the probability theory, is the excess amount of indemnities over loss contingencies. Such thing could incur in the case where the incidence and the amount of underwriting loss is larger than the initially estimated.
The Group has adopted such an insurance policy in order to minimize the insurance cover risk. Thus, the claims that may rise by the insured clients should not exceed and if possible to be less than the expected claims of the insurance market.
The aggregate portfolio of underwriting cover risks comprises an excess number of different insurance risks and each insurance risk bracket includes a large number of similar insurance contracts. The result of such a portfolio is the risk diversification and the risk reduction. The insurance cover risk is also reduced through the reinsurance.

4.8 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

(Amounts in thousand Euro)

31/12/2008

	Trading	Designated at fair value	Held-to-maturity	Loans and receivables	Available - for-sale	Other amortised cost	Total carrying value	Fair value
Cash and balances with Central Bank	0	0	0	0	0	1.277.038	**1.277.038**	1.277.038
Loans and advances to banks	0	0	0	957.446	0	0	**957.446**	810.698
Trading securities	342.661	0	0	0	0	0	**342.661**	342.661
Derivative financial instruments	25.786	0	0	0	0	0	**25.786**	25.786
Loans and advances to customers	0	1.658.519	0	0	0	19.195.462	**20.853.981**	24.344.124
Available-for-sale securities	0	0	0	0	2.340.002	0	**2.340.002**	2.340.002
Held-to-maturity securities	0	0	175.082	0	0	0	**175.082**	117.398
	368.447	**1.658.519**	**175.082**	**957.446**	**2.340.002**	**20.472.500**	**25.971.996**	**29.257.707**
Deposits from banks	0	0	0	0	0	4.971.653	**4.971.653**	4.980.184
Deposits from customers	0	0	0	0	0	20.965.347	**20.965.347**	21.140.265
Derivative financial instruments	62.405	0	0	0	0	0	**62.405**	62.405
Subordinated loans	0	0	0	0	0	444.156	**444.156**	478.992
	62.405	**0**	**0**	**0**	**0**	**26.381.156**	**26.443.561**	**26.661.846**

31/12/2007

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

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

- The fair value for held to maturity portfolio is estimated using market prices.
- The fair value of due to customers is based on discounted cash flows using appropriate money market rates for instruments with similar maturity.

4.9 CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

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

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

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

Capital adequacy for the Group is measured according to the relevant direction of the Bank of Greece (Directive of the Bank of Greece 2563/05 & 2587/07), that applies the direction of the European Union relating to the capital adequacy of financial institutions and investment companies. According to the abovementioned direction subsidiaries that are either financial institutions or investment companies are consolidated according to the full consolidation method, while companies that belong to the insurance, industrial and commercial sector are consolidated using the equity method.

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

- Tier 1 capital
- Tier 2 capital

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

The table below summarizes the composition of regulatory capital of the Bank for the years ended 31 December 2008 and 2007 respectively.

Tier 1 Capital	**31/12/2008**	**31/12/2007**
Total equity (supervisory balance sheet)	916.352	1.497.787
Less: Intangible assets	(28.962)	(32.381)
Less: Proposed dividends	0	(90.000)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(3.399)	(297.333)
	883.991	**1.078.073**
Tier 2 Capital		
Supplementary capital	444.156	199.616
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(148.223)	(209.198)
	295.933	**(9.582)**
Deductions from total regulatory capital	**(3.913)**	**0**
Regulatory capital	**1.176.011**	**1.068.491**
Risk-weighted assets	**13.708.656**	**12.584.085**
Capital adequacy ratio	**8,58%**	**8,49%**

The capital ratio for the Group, was estimated according to Basel II, while the ratio of 31/12/2007 was estimated based on Basel I. The new regulatory frame for capital adequacy is valid from the 1st of January 2008. This frame introduces capital demands as opposed to operating risk and amends the estimation of capital demands against credit risk.

The current capital adequacy ratio for the Group is estimated to be 8,58% for 2008, while Tier 1 ratio 6,45%. The Bank will enforce the regulatory equity by issuing preferable shares of € 675 mil., which will be purchased from the Greek Government according to article 1, Law 3723/2008 for "Liquidity Reinforcement to the economy to face the consequences of the international financial crisis", and as a consequence the capital adequacy ratio is estimated to be 13,82% while Tier 1 is estimated to be 11,45%.

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

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

5.1 Impairment losses on loans and advances to customers

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

5.2 Fair Value

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

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

5.3 Impairment of available for sale portfolio

The available for sale portfolio is measured at fair value with any changes in fair value recorded in a corresponding reserve. Impairment arises when there is a significant or prolonged decline in fair value below its cost. At such case the corresponding reserve is transferred to the income statement. The Bank has an approved policy by ALCO to recognize the impairment for securities classified as "Available-for-sale securities". Furthermore, estimates are used to determine the fair value of securities which are not quoted in active markets. For these financial instruments, fair value is calculated using financial models along with estimates for future segment variations and prospects, as well as the financial condition of the companies that are included in the Group's portfolio.

5.4 Fair value of derivatives

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

5.5 Income tax

The Group is subject to income tax according to the tax legislation in Greece. The Group's tax obligations will be considered to be final after the completion of the relevant tax audit.
Due to the method that the tax obligations are finalized in Greece the Group remains contingent liable to additional taxes and penalties which may be assessed upon such examination. The Group has accounted a provision for the unaudited fiscal years due to historical data. Any differences that may arise from the tax audits for the unaudited fiscal years will be accounted in the year that will rise.

5.6 Guaranteed technical interest rate of insurance reserves

In life insurance contracts, due to long term coverage, interest rate is a major factor for the calculation of insurance premium. The interest rate, the calculation is based upon, is referred as guaranteed technical interest rate. A failure in the estimation of the guaranteed technical interest rate for the calculation of mathematical reserves is one of the factors which result in deficit or surplus in the mathematical reserves.
The Group in order to mitigate that risk, prices with lower guaranteed interest rate than the maximum limit set by the Ministry of Development.

5.7 Reserves for outstanding claims

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

5.8 Government grants

For the accounting of the government grant referring to the restructuring of the sugar production process, the Management of the Group ascertained that:

a) there is reasonable certainty that its subsidiary company, the Hellenic Sugar Company, has the ability to comply with the terms and conditions set by the European Union regulations and

b) that the subsidy will be received.

6. SEGMENT REPORTING

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

(Amounts in thousand Euro)	31/12/2008			
	Financial sector	**Insurance sector**	**Commercial and industrial sector**	**Total**
Net interest income	622.180	16.324	(14.129)	624.375
Net fee and commission income	92.703	173	(101)	92.775
Net income from financial instruments	(13.839)	(5.003)	219	(18.623)
Dividend income	23.588	544	35	24.167
Other operating income	42.077	33.832	47.062	122.971
Total operating income	**766.709**	**45.870**	**33.086**	**845.665**
Impairment losses	(200.779)	0	(3.417)	(204.196)
Operating expenses	(546.016)	(45.786)	(47.386)	(639.188)
Operating Results	**19.914**	**84**	**(17.717)**	**2.281**
Income from associates	13.069	0	0	13.069
Profit before tax	**32.983**	**84**	**(17.717)**	**15.350**

Income tax expense	10.183	(7.387)	11.623	14.419
Intercompany transactions per sector	9.911	(10.450)	539	0
Profit after tax	**53.077**	**(17.753)**	**(5.555)**	**29.769**
Total assets per sector	29.127.589	680.455	504.044	30.312.088
Intercompany transactions per sector	(1.763.225)	(66.523)	(8.494)	(1.838.242)
Net equity and liabilities per sector	29.127.589	680.455	504.044	30.312.088
Intercompany transactions per sector	1.468.770	17.896	351.576	1.838.242

(Amounts in thousand Euro) **31/12/2007**

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

7. NET INTEREST INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Interest and similar income:		
Loans and advances to customers	948.171	830.908
Loans to banks	55.417	77.139
Finance leases	20.677	19.232
Debt instruments	195.837	83.957
	1.220.102	**1.011.236**
Interest expense and similar charges:		
Customer deposits	(455.911)	(356.866)
Bank deposits	(118.640)	(18.421)
Subordinated loans	(20.120)	(21.039)
	(594.671)	**(396.326)**
Net interest income	**625.431**	**614.910**

8. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Fee and commission income		
Loans and advances to customers	39.607	24.955
Money transfers	13.361	15.106
Mutual funds	4.928	6.979
Letters of guarantee	4.793	5.350
Equity brokerage	3.876	5.093
Credit cards	8.239	7.804
Import-exports	1.123	1.052
Other	44.912	41.181
	120.839	**107.520**
Fee and commission expenses		
Contribution to Savings Guarantee Fund	(12.604)	(10.801)
Other	(18.823)	(12.223)
	(31.427)	**(23.024)**
Net fee and commission income	**89.412**	**84.496**

9. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Trading portfolio		
Gain minus Losses		
Derivative financial instruments	10.878	10.045
Foreign exchange differences	(5.248)	(5.488)
Sales		
Equity instruments	(22.617)	11.355
Debt instruments	14.563	639
Other	0	3.568
Revaluation		
Equity instruments	(11.804)	194
Debt instruments	(28.723)	11.975
Derivative financial instruments	15.027	13.244
	(27.924)	**45.532**

10. NET INCOME OF NON TRADING FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Financial assets available for sale		
From sale		
Equity instruments	2.324	71.307
Debt instruments	(434)	810
Mutual Funds	230	373
Other	7.181	11.197
Impairment		
Equity instruments	0	(83)
	9.301	**83.604**

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

11. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Trading securities	3.552	4.002
Available for sale securities	20.615	22.885
	24.167	**26.887**

12. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Gross profit on sale of goods (12.1)	29.274	38.483
Insurance activities (12.2)	19.178	24.801
Gain from the sale of fixed assets	13.828	10.816
Income from investment property	4.390	3.691
Income from sequential activities	7.658	4.708
Telecommunication fees	406	405
Other	11.768	12.335
	86.502	**95.239**

12.1 GROSS PROFIT ON SALE OF GOODS

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Sales	319.291	332.875
Less: Cost of goods sold	(271.013)	(274.467)
Gross profit	48.278	58.408
Distribution expenses	(18.908)	(19.348)
Other related expenses	(96)	(577)
	29.274	**38.483**

12.2. INSURANCE ACTIVITIES

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
NON LIFE		
Premiums and other related income	136.845	121.437
Less: Reinsurance fees and similar expenses	(26.557)	(31.280)
Acquisition fees	(17.136)	(15.197)
Claim indemnities	(54.948)	(57.379)
Reinsurers' participation	(18.730)	9.679
	19.474	**27.260**
LIFE		
Premiums and other related income	56.315	55.045
Less: Reinsurance fees and similar expenses	(1.342)	(1.233)
Acquisition fees	(8.198)	(8.826)
Claim indemnities	(53.532)	(48.313)
Reinsurers' participation	6.461	868
	(296)	**(2.459)**
	19.178	**24.801**

13. STAFF COST

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Wages and salaries	(247.412)	(241.508)
Social security costs	(107.551)	(108.287)
Defined benefit plan costs	(13.233)	(13.219)
Other staff costs	(30.334)	(31.906)
	(398.530)	**(394.920)**

The number of persons employed by the Group during the year 2008 was 9.458 (2007: 9.547).

14. OTHER EXPENSES

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Third party fees	(32.732)	(25.378)
Advertising and promotion expenses	(26.461)	(25.468)
Telecommunication expenses	(14.489)	(12.880)
Insurance fees	(452)	(1.451)
Repairs and maintenance	(12.649)	(11.938)
Travel	(12.285)	(8.156)
Stationery	(4.089)	(3.862)
Utility services	(4.228)	(3.576)
Operating lease rentals	(17.184)	(14.228)
Other taxes	(12.340)	(4.404)
Other	(27.894)	(26.108)
	(164.803)	**(137.449)**

15. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Loans and advances to customers	(195.635)	(78.102)
Participation to non listed entities	(2.865)	0
Other	(5.696)	(1.846)
	(204.196)	**(79.948)**

16. INCOME TAX

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Current tax	(5.337)	(4.403)
Tax differences from prior years	0	(203)
Deferred tax	23.756	(66.125)
Tax provision for unaudited tax years	(4.000)	0
	14.419	**(70.731)**

The income tax of the period was calculated on the basis of the current tax rate of 25%. According to Law 3697/2008, the tax ratio diminishes one per cent every year from 2010 so as to become 20% in 2014.

Additional information for deferred tax is provided in Note 29.

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

	1/1 - 31/12/2008	**1/1 - 31/12/2007**
Profit before tax	15.350	316.662
Income tax at 25% (2007: 25%)	(3.838)	(79.166)
Tax exempt revenues (corresponding tax)	6.004	75.999
Non-deductible expenses (corresponding tax)	(7.507)	(1.382)
Additional tax on property	4	(57)
Provision for unaudited tax years	(4.000)	0
Effect to deferred tax due to changes in tax rates	(25.237)	0
Effect of deferred tax on income statement	48.993	(66.125)
Tax	**14.419**	**(70.731)**

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 – 2008
A.T.E. Insurance	2008
A.T.E. Leasing	2005 – 2008
A.T.E. Cards	2006 – 2008
A.T.E. A.X.E.P.E.Y.	2007 – 2008
A.T.E. AEDAK	2007 – 2008
ATE Techniki Pliroforiki	2006 – 2008
Hellenic Sugar Company	2001 – 2008
Dodoni	2008
Elviz	2005 – 2008
ATE RENT	2007 – 2008
ATE ADVERTISING	2007 – 2008
ATExcelixi	2007 – 2008
ATEbank ROMANIA	2005 – 2008

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

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

17. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 31/12/2008	**1/1 - 31/12/2007**
Earnings after tax (in thousands of euro)	27.849	241.413
Weighted average of number of shares in issue	903.330.004	902.418.635
Basic and diluted earnings per share (expressed in euro per share)	**0,0308**	**0,2675**

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

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

18. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Cash in hand	398.148	449.024
Balances with Central Bank	878.797	754.461
Mandatory deposits at Central Bank	93	2.766
	1.277.038	**1.206.251**

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

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Cash and balances with Central bank	1.277.038	1.206.251
Reverse repos	123.021	0
Short-term placements with other banks	570.265	668.556
	1.970.324	**1.874.807**

For comparison purposes, the "Statement of Cash Flows" for the previous year was adjusted to include "Short-term placements with other Banks".

19. LOANS AND ADVANCES TO BANKS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Current accounts	253.025	87.078
Other placements	361.400	628.022
Reverse repos	343.021	0
	957.446	**715.100**

20. TRADING SECURITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Greek government bonds	157.847	2.086
Corporate Loans	184.680	411.083
Equity securities	134	126.440
	342.661	**539.609**

The Group, according to amendment of IAS 39 proceeded to reclassifications of financial instruments as mentioned in Note 24.

21. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)	2008			2007		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
Foreign exchange derivatives						
Swaps	171.392	0	690	26.122	0	156
Options	0	0	0	1.364	32	0
Interest rate derivatives						
Swaps	2.306.764	25.785	61.715	1.912.143	45.756	12.711
	2.478.156	**25.785**	**62.405**	**1.939.629**	**45.788**	**12.867**

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

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

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

22. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

Loan by category	**31/12/2008**	**31/12/2007**
Credit cards	451.709	308.298
Consumer loans	1.187.666	764.086
Mortgages	6.140.814	5.082.849
Loans to private individuals	**7.780.189**	**6.155.233**
Loans to the agricultural sector	2.067.597	1.978.305
Corporate loans	3.361.953	2.977.817
Small and medium sized firms	1.758.726	1.086.627
Loans to corporate entities	**7.188.276**	**6.042.749**
Finance leasing	455.953	382.580
Loans to the public sector	6.230.898	5.183.478
	21.655.316	**17.764.040**
Less: allowance for uncollectibility	(801.335)	(1.019.600)
	20.853.981	**16.744.440**

An analysis for the credit risk from loan and advances to customers as well as its management is provided in note 4.1.

The loans allocation into different categories of the previous year has been amended in order to be comparable with the current year's allocation. The amendment is consistent with Basel II, which is valid from 01/01/2008.

22.1 ALLOWANCE FOR UNCOLLECTIBILITY

Movement in the allowance for uncollectibility	**2008**	**2007**
Balance at 1 January	**1.019.600**	**1.403.111**
Provision for impairment	195.635	78.102
Recoveries	(1.917)	0
Loans written-off	(411.633)	(461.442)
Exchange rate differences	(350)	(171)
Balance at 31 December	**801.335**	**1.019.600**

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.

23. INVESTMENT PORTFOLIO

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Available-for-sale securities	2.340.002	1.492.316
Held to maturity securities	175.082	1.216.632
	2.515.084	**2.708.948**

23.1 AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Debt securities:		
Greek Government bonds	598.866	340.741
Corporate bonds	1.323.913	301.433
	1.922.779	642.174
Equity securities:		
Listed	318.976	714.234
Unlisted	20.725	15.560
Equity fund	21.386	48.906
	361.087	778.700
Mutual fund units	56.136	71.442
	2.340.002	**1.492.316**

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 20.725 thousand, (31/12/2007: EUR 15.560 thousand) which are carried at cost because fair value can not be easily determined.

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

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
At 1 January	**1.492.316**	**1.538.704**
Additions	1.325.867	117.578
Disposals	(78.256)	(203.891)
Transfer due to IAS 39	211.196	0
Impairment	(2.865)	(147)
Gains from changes in fair value	(608.256)	40.072
31 December	**2.340.002**	**1.492.316**

Analysis of additions and reductions follows:

(Amounts in thousand Euro)

	Additions	Disposals
Greek Government bonds	311.517	(24.070)
Equity Fund	6.530	(27.340)
Corporate bonds	961.905	(22.662)
Listed securities	25.313	(264)
Unlisted securities	5.951	0
Mutual funds	14.651	(3.920)
	1.325.867	**(78.256)**

23.2 HELD TO MATURITY SECURITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Greek Government bonds	129.905	1.177.360
Foreign Government bonds	5.012	0
Corporate bonds	40.165	39.272
	175.082	**1.216.632**

Mainly include Greek Government Bonds, that are held by the Group from the issue date and that the Group intends to hold until their maturity. The fair value of the above mentioned bonds as of 31.12.2008 is EUR 117.398 thousand (2007: EUR 1.175.392 thousand). The decrease is due to the mature of a Greek Government bond of amount EUR 1 billion.

24. RECLASSIFICATIONS OF TRADING AND INVESTMENT PORTFOLIO

According to the IAS 39 amendments and due to financial markets instability, on 01/07/2008, the Bank and ATE Insurance reclassified part of their listed shares as well as other debt securities of EUR 176,8 million (Bank: EUR 169,4 million, ATE Insuranse: EUR 7,4 million) from "Trading securities" to "Available for sale securities" and to "Loans and advances to customers". More specifically, securities of EUR 108,9 million (Bank: EUR 101,5 million, ATE Insurance: EUR 7,4 million) were reclassified to the "Available for sale securities", suffering a loss of EUR 25,8 million for the period 01/07 – 31/12/2008 (Bank: EUR 21 million, ATE Insurance: EUR 4,8million) which is recognized on "Revaluation reserve of available-for-sale investments". In addition, debt securities of EUR 67,9 million were reclassified to the "Loans and advances to customers" carried at the amortized cost (fair value as of 31/12/08: EUR 49,6 million). The loss resulting from the reclassification, for the period 01/01/08 to 30/06/08, amounts to EUR 15,3 million (Bank: EUR 12,9 million, ATE Insurance: EUR 2,4 million) and is still recognized on "Net trading income".
Furthermore, the Bank as at 01/10/2008 reclassified debt securities of EUR 169,3 million from "Trading securities" to "Available for sale securities", suffering a loss of EUR 24,7 million for the period 1/10 – 31/12/2008 which is recognized on "Revaluation reserve of available-for-sale investments". Their valuation loss for the period 01/01 – 30/09/2008 of EUR 3,8 million is still recognized on "Net trading income".
On 01/10/2008, the Bank reclassified debt securities of EUR 61,9 million from "Available for sale securities" to "Loans and advances to customers", since these securities are not negotiated in active market and the Bank is willing to retain them until their maturity and for which an allowance for uncollectibility of EUR 43,2 million is formed.
The group has the intention and the ability to retain its above-mentioned securities for the foreseeable future.

25. INVESTMENTS IN ASSOCIATES

The Group has the following investments in associates:

	Country	Value 2008	Value 2007	Ownership 2008	Ownership 2007
FIRST BUSINESS BANK S.A.	Greece	75.727	51.133	49,00%	49,00%
SEKAP S.A.	Greece	0	0	44,18%	42,95%
AIK BANKA	Serbia	128.973	134.498	20,83%	20,66%
		204.700	**185.631**		

26. INVESTMENT PROPERTY

(Amounts in thousand Euro)

	Land	Buildings	Total
1 January 2007			
Cost	133.755	80.234	213.989
Accumulated Depreciation	0	(27.814)	(27.814)
Net book value	**133.755**	**52.420**	**186.175**
2007			
Opening net book value	133.755	52.420	186.175
Additions	1.584	2.431	4.015
Disposals	(7.363)	(6.287)	(13.650)
Depreciation charge	0	(4.541)	(4.541)
Depreciation of disposals	0	2.724	2.724
Transfer	0	42	42
Net book value	**127.976**	**46.789**	**174.765**
31 December 2007			
Cost	127.976	76.420	204.396
Accumulated Depreciation	0	(29.631)	(29.631)
Net book value	**127.976**	**46.789**	**174.765**
2008			
Opening net book value	127.976	46.789	174.765
Additions	3.352	4.384	7.736
Disposals	(7.964)	(3.658)	(11.622)
Depreciation charge	0	(4.179)	(4.179)
Depreciation of disposals	0	1.977	1.977
Transfer	19.345	(37)	19.308
Net book value	**142.709**	**45.276**	**187.985**
31 December 2008			
Cost	142.709	77.109	219.818
Accumulated Depreciation	0	(31.833)	(31.833)
Net book value	**142.709**	**45.276**	**187.985**

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

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

The net book value of this property as at 31 December 2008 was EUR 91.670 thousand (2007: EUR 96.694 thousand).

27. PROPERTY, PLANT AND EQUIPMENT

(Amounts in thousand Euro)

	Land	Buildings	Furniture and Equipment	Leasehold Improvements	Under Construction	Total
At 1 January 2007						
Cost	195.576	276.955	295.010	19.016	20.895	807.452
Accumulated Depreciation	0	(84.696)	(220.931)	(9.432)	0	(315.059)
Net book value	**195.576**	**192.259**	**74.079**	**9.584**	**20.895**	**492.393**
2007						
Opening net book value	195.576	192.259	74.079	9.584	20.895	492.393
By acquisition - (cost)	(332)	(10.075)	(21.648)	0	0	(32.055)
By acquisition - (depreciation charge)	0	7.013	17.045	0	0	24.058
Additions	1.175	9.698	29.366	3.137	15.684	59.060
ATEbank ROMANIA Goodwill allocation	4.292	1.416	0	0	0	5.708
Disposals	(794)	(4.267)	(15.073)	0	0	(20.134)
Depreciation charge	0	(9.711)	(15.123)	(2.998)	0	(27.832)
ATEbank ROMANIA Goodwill allocation-depreciation	0	(46)	0	0	0	(46)
Depreciation of disposals	0	948	12.553	0	0	13.501
Transfer	0	1.675	0	1.657	(3.374)	(42)
Net book value	**199.917**	**188.910**	**81.199**	**11.380**	**33.205**	**514.611**
31 December 2007						
Cost	199.917	275.402	287.655	23.810	33.205	819.989
Accumulated Depreciation	0	(86.492)	(206.456)	(12.430)	0	(305.378)
Net book value	**199.917**	**188.910**	**81.199**	**11.380**	**33.205**	**514.611**
2008						
Opening net book value	199.917	188.910	81.199	11.380	33.205	514.611
Exchange differences (cost)	2	(3.921)	(9.392)	0	0	(13.311)
Exchange differences - (depreciation charge)	0	3.264	9.850	0	0	13.114
Additions	821	6.653	26.634	2.686	11.370	48.164
Disposals	(1.396)	(4.850)	(10.867)	(346)	(2.990)	(20.449)
Depreciation charge	0	(10.594)	(15.581)	(3.069)	0	(29.244)
ATEbank ROMANIA Goodwill allocation-depreciation	0	(8)	0	0	0	(8)
Impairment (depreciation charge)	0	(1)	(37)	0	0	(38)
Depreciation of disposals	0	809	3.873	535	0	5.217
Transfer	(19.258)	13.668	0	1.045	(14.763)	(19.308)
Net book value	**180.086**	**193.930**	**85.679**	**12.231**	**26.822**	**498.748**
31 December 2008						
Cost	180.086	286.952	294.030	27.195	26.822	815.085
Accumulated Depreciation	0	(93.022)	(208.351)	(14.964)	0	(316.337)
Net book value	**180.086**	**193.931**	**85.679**	**12.231**	**26.822**	**498.748**

28. INTANGIBLE ASSETS

(Amounts in thousand Euro)

	Software	Goodwill	Total
At 1 January 2007			
Cost	27.248	28.904	56.152
Accumulated Amortization	(20.742)	0	(20.742)
Net book value 01/01/2007	**6.506**	**28.904**	**35.410**
Plus:			
Additions	3.855	0	3.855
By acquisition (Cost)	1.077	(4.682)	(3.605)
Def. Tax from allocation of goodwill	0	749	749
Minus:			
Amortization	(3.306)	0	(3.306)
Exchange differences	39	(574)	(535)
Net book value 31/12/2007	**8.171**	**24.397**	**32.568**
Plus:			
Additions	2.838	0	2.838
Exchange differences	(367)	0	(367)
Minus:			
Amortization	(3.610)	0	(3.610)
Exchange differences	248	(2.595)	(2.347)
Net book value 31/12/2008	**7.280**	**21.802**	**29.082**
Cost	32.180	24.397	56.577
Accumulated Amortization	(24.009)	0	(24.009)
Net book value 31/12/2007	**8.171**	**24.397**	**32.568**
Cost	34.651	21.802	56.453
Accumulated Amortization	(27.371)	0	(27.371)
Net book value 31/12/2008	**7.280**	**21.802**	**29.082**

The Group tested the goodwill from the acquisition of ATEBank Romania and AIK BANKA (Serbia) for impairment and concluded that there is no indications for impairment.

More specifically, the examination was based on IAS 36 according to which an asset is impaired when its carrying amount is greater than the recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The most important admissions for the test of impairment are:
- The recent business and budgetary plans of the banks.
- Discount rate: the appropriate discount rate was estimated based on the banks' cost of equity taking into account the international economic instability and the development perspective of Romania and Serbia as well as that of banks.
- Rate of development in perpetuity: the development perspective of the two countries, the expected inflation, the development perspective of the banking sector in the two countries, the recent sizes of the two banks and their development perspective were all taken into consideration.
- Exchange rates: the provision and discount of the two banks' cash flows were estimated at the local currency. The results were translated into euro using the exchange rates of 31.12.2008.

29. DEFERRED TAX ASSET

Deferred tax assets and liabilities are attributable to the following:

(Amounts in thousands of Euro)	31/12/2008	31/12/2007
Deferred tax asset:		
Intangible assets	0	181
Provision for impairment losses on customer loans	187.404	284.040
Employee benefits	6.465	6.905
Provision for potential liabilities	19.785	24.417
Securities portfolio	154.046	0
Tax losses carry forward	87.107	28.605
	454.807	**344.148**
Deferred tax liability:		
Intangible assets	975	0
Property, plant and equipment	4.560	5.050
Derivative financial instruments	6.489	3.419
Other temporary differences	2.194	10.122
	14.218	**18.591**
Net deferred tax asset	**440.589**	**325.557**

Movement in temporary differences during the year

	Balance 1 January 2008	Recognized in income	Recognized in equity	From sale of subsidiaries	Balance 31 December 2008
Intangible assets	181	(657)	(483)	(16)	(975)
Provision for impairment losses on customer loans	284.040	(96.636)	0	0	187.404
Employee benefits	6.905	(515)	0	75	6.465
Other temporary differences	(10.122)	8.108	0	(180)	(2.194)
Property, plant and equipment	(5.050)	490	0	0	(4.560)
Derivative financial instruments	(3.419)	(3.070)	0	0	(6.489)
Securities portfolio	0	62.136	91.910	0	154.046
Tax losses carry forward	28.605	58.530	0	(28)	87.107
Provisions for contingent liabilities	24.417	(4.630)	0	(2)	19.785
	325.557	**23.756**	**91.427**	**(151)**	**440.589**

According to Law 3697/2008 regarding the gradual reduction of the tax ratios from 2010 till 2014, the Group reestimated its deferred tax assets and liabilities based on the new tax ratios and recorded the impact from the reduction on the financial statements.

The temporary differences, arising from the valuation of securities, result from taxation imposed by the Law 3634/2008, given that the Group has listed shares in the Athens Stock Exchange and it is likely to offset gains from their sale with the loss from their valuation.

30. OTHER ASSETS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Prepaid expenses	2.747	2.982
Tax advances and other tax receivables	34.503	23.124
Accrued interest and commissions **(30.3)**	144.421	111.766
Other receivables from public sector	199.348	202.157
Cheques and notes receivables	64.672	67.523
Receivables from pension fund	89.336	79.275
Customers **(30.2)**	159.251	167.257
Inventories **(30.1)**	176.576	170.510
Additional contribution to Savings Guarantee Fund	50.415	0
Other	219.477	255.481
	1.140.746	**1.080.075**

According to the article 6 of the Law 3714/7.11.2008 "Hellenic Savings Guarantee Fund (TEK)" the amount of deposits guaranteed by the system increased from € 20.000 to € 100.000 per depositor. The contribution to TEK from Banks increased accordingly.
Thus, the Banks paid supplementary contributions for the year 2008. Based on a provision of this Law, the additional amount paid is recorded in a separate group, which belongs to the Banks - participants according to their participation.

30.1. INVENTORIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Raw materials	3.322	5.118
Auxiliary materials	1.051	1.408
Work-in-progress	3.504	3.475
Packaging materials	875	1.098
Consumables	6.661	7.586
Spares parts	9.545	7.038
Other Inventories	133	291
Finished Goods	151.485	144.496
	176.576	**170.510**

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

30.2. CUSTOMERS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Receivables from insurance contracts	49.068	50.769
Receivables from reinsurance contracts	27.667	26.221
Less: Allowance for uncollectibility	(5.851)	(5.535)
Receivables from insurance contracts/customers	70.884	71.455
Receivables from insurance customers	119.850	127.079
Less: Allowance for uncollectibility	(31.483)	(31.277)
Receivables from customers	88.367	95.802
	159.251	**167.257**

30.3 ACCRUED INTEREST AND COMMISSIONS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Accrued interest from Public sector	19.168	6.031
Accrued interest from Private sector	18.833	2.464
Accrued interest from loans	103.883	101.505
Accrued interest from money market	2.210	764
Public sector commissions	252	587
Other	75	415
	144.421	**111.766**

31. DEPOSITS FROM BANKS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Current deposits	253	3.653
Term deposits	4.954.694	816.456
Due to Central Bank	1.711	1.337
Other borrowings	14.995	29.099
	4.971.653	**850.545**

32. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Retail customers:		
Current accounts	144.967	201.866
Saving accounts	10.989.874	11.736.435
Term deposits	7.185.574	5.962.535
	18.320.415	**17.900.836**
Private sector entities:		
Current accounts	881.647	847.624
Term deposits	239.490	158.227
	1.121.137	**1.005.851**
Public sector entities		
Current accounts	1.373.767	1.521.237
Term deposits	150.028	202.115
	1.523.795	**1.723.352**
	20.965.347	**20.630.039**

At 31 December 2008 the term deposits includes repo deposits amounted to EUR 15.761 thousand (2007: EUR 65.230 thousand). The majority of the repurchase agreements expire within one month of the balance sheet date.

33. PROVISION FOR PENSION LIABILITIES

(a) Defined contribution plans

- Main Pension Plan

According to the law 3522/22.12.2006 effective 1st January 2007, the pension segment of the Main Employee Pension Fund of the Bank acceded to the Social Insurance - Common Employee Pension Fund (IKA- ETAM).
The employer and employees contributions rates are reduced to the respective effective ones in IKA-ETAM, promptly for the employees as of 01.01.2007, and gradually in equal portions for the employer (ATE Bank) within 5 years starting as of 01.01.2007.
Besides the above mentioned regular contributions, the Bank will continue to pay annually as a fixed contribution to IKA- ETAM, an amount of Euro 28 million for fifteen years.

- Medical fund

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

(b) Defined benefit plans

- Early Retirement Plan

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

As of 1st January 2007 the insured employees and pensioners of ATE Bank's Auxiliary Pension Plan (ELEM) must compulsory accede to the Bank Employee Fund (E.T.A.T). The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the

regular contributions, is covered from a payment that ATE Bank occurred in the amount of Euro 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make 10 annual, equal payments of Euro 10 million as extraordinary contribution.
The Bank's contribution gradually decreases from 9% to 7,5% within 3 years performed from 01.01.2007.

- Lump Sum granted on retirement

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

- Provision for compensation due to retirement (L.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.

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

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

(Amounts in thousand Euro)

	31/12/2008	**31/12/2007**
Present value of unfunded obligations	32.745	35.061
Present value of funded obligations	45.467	42.915
Fair value of plan assets	(21.744)	(20.791)
Unrecognized actuarial gains and losses	(1.839)	(2.316)
Recognized liability for defined benefit obligations	**54.629**	**54.869**

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

Net liability for defined benefit obligations at 1 January	54.869	334.579
Expense recognized in the income statement	5.905	6.038
Contributions paid to ETAT	0	(280.000)
Contributions received	(5.527)	(5.748)
Written off liability due to disposal	(618)	0
Net liability for defined benefit obligations at 31 December	**54.629**	**54.869**

Expense recognized in the income statement	**31/12/2008**	**31/12/2007**
Current service cost	4.253	4.888
Interest on obligation	3.592	2.931
Expected return on plan assets	(1.020)	(815)
Net actuarial (gain)/loss recognized in year	(920)	(966)
	5.905	**6.038**

The principal actuarial assumptions at the balance sheet date are:

	2008		**2007**	
ACTUARIAL STUDY	**Non Funded**	**Funded**	**Non Funded**	**Funded**
Discount rate	**5,50%**	**5,00%**	**5,00%**	**4,80%**
Future salary increases	**4,52%**	**4,52%**	**4,52%**	**4,52%**
Expected return on plan assets	**5,50%**	**5,00%**	**5,00%**	**4,80%**

34. OTHER LIABILITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Prepaid expenses and deferred income	141.205	126.418
Creditors and suppliers	60.578	75.507
Fees and payroll payable	731	2.051
Tax and duties payable (except income tax)	39.019	33.520
Income tax payable	1.297	2.346
Due to public sector	36.272	48.257
Other	143.674	114.018
	422.776	**402.117**

35. SUBORDINATED LOANS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Subordinated loan due 2018	248.392	0
Subordinated loan due 2014	195.764	195.141
	444.156	**195.141**

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

On 21 July 2008 a subordinated loan of € 250 mil. was raised, which expires in 2018 and replaced another loan which was revoked on 24 December 2007 and is part of supplementary capital (Tier 2). The loan carries interest at Euribor increased by a margin of 2,45% and pays off quarterly. The bank has the right to redeem it after the 22nd of July 2013. If the loan is not revoked its interest rate will rise from 2,45% to 3,75%.

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

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

36. INSURANCE RESERVES

(Amounts in thousand Euro)

	TOTAL		RATIO OF COMPANY		RATIO OF REINSURANCE	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Life Insurance						
Mathematical reserves	316.818	322.471	316.818	322.471	0	0
Unearned premiums	10.587	10.417	10.587	10.417	0	0
Profit sharing	20.810	23.729	20.810	23.729	0	0
Outstanding claim reserves	11.668	10.732	10.102	9.539	1.566	1.193
Outstanding claims incurred but not reported (IBNR)	3.276	2.740	3.276	2.740	0	0
Total life insurance reserves	**363.159**	**370.089**	**361.593**	**368.896**	**1.566**	**1.193**

Non-life Insurance						
Unearned premiums	52.682	51.415	42.423	41.371	10.259	10.044
Outstanding claim reserves	169.703	160.074	149.151	143.464	20.552	16.610
Other provisions	12.818	0	12.818	0	0	0
Total non-life insurance reserves	**235.203**	**211.489**	**204.392**	**184.835**	**30.811**	**26.654**
Reserves for Unit Linked products	**23.862**	**25.129**	**23.862**	**25.129**	**0**	**0**
	622.224	**606.707**	**589.847**	**578.860**	**32.377**	**27.847**

37. SHARE CAPITAL

At 31/12/2008 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.

38. RESERVES

(Amounts in thousand Euro)

	31/12/2008	**31/12/2007**
Statutory reserve	45.733	35.453
Tax free reserves	66.512	66.895
Revaluation reserve available-for-sale investments	(347.793)	165.594
Other reserves	19.175	20.543
Foreign currency differences	(36.253)	(4.934)
	(252.626)	**283.551**

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.

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

39. DIVIDEND PER SHARE

The annual Shareholders' Meeting of 14 May 2008 approved the proposal of the BoDs regarding the dividend distribution for the fiscal year 2007 of Euro 90,5 mil. (Euro 0,10 per share). This amount included an interim dividend of 45,27 mil. (Euro 0,05 per share) paid during December of 2007. The remaining approved dividend was paid entirely in 2008, as mentioned in the cash flow statement.

40. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Litigation

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

(b) Letters of guarantee and letters of credit

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

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Letters of guarantee	303.639	415.727
Letters of credit	837	1.519
	304.476	**417.246**

(c) Assets pledged

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Loans to customers	5.314.757	0
Trading bonds	159.000	0
Available-for-sale bonds	1.111.100	0
Held to maturity bonds	140.000	900.000
	6.724.857	**900.000**

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

41. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

Within the current year the Group mainly disposed some of its subsidiaries and participated in their share capital raises. The main transactions of the year are as follows:

a. Disposal of the participation (75%) to ETANAL S.A. for the amount of EUR 360 thousand at 4/2/2008. A loss of EUR 67 thousand from the disposal of the above mentioned investment was recorded on the income statement of the period.

b. Disposal of the participation (75,41%) to RODOPI S.A. A profit of EUR 2,1 million 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 EUR 358 thousand.

d. Participation in the share capital increase of FBB of amount EUR 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. The negotiations with the preferable investor relating to the subject of the sale of the majority of shares package of ATE Insurance S.A., presented as a balance sheet item in the interim financial statements of 30.06.2008 and 30.09.2008, were completed without success. The Bank's strategy as basic investor for the company will be re-examined and at the same time its development and the improvement of its financial results will be pursued.

42. RELATED PARTY TRANSACTIONS

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

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

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

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

(Amounts in thousand Euro)

	31/12/2008	**31/12/2007**
Loans	3.456	2.646
Deposits	6.077	8.946

Key Management Personnel Fees	**31/12/2008**	**31/12/2007**
Fees	(3.161)	(2.649)
Other	(642)	(395)

b) With its associates

(Amounts in thousand Euro)

ASSETS	**31/12/2008**	**31/12/2007**
Loans and advances to customers	80.000	137.375
Total assets	**80.000**	**137.375**

LIABILITIES		
Deposits from customers	88	75
Total liabilities	**88**	**75**

INCOME STATEMENT	**31/12/2008**	**31/12/2007**
Income		
Interest and similar income	7.076	5.923
Other Operating income	192	64
Total income	**7.268**	**5.987**
Expenses		
Fee and commission expense	(32)	(24)
Total expenses	**(32)**	**(24)**

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

42. SUBSEQUENT EVENTS

On 12.01.2009 the Shareholders' General Meeting decided to raise the Bank's share capital per EUR 675 mil. by issuing preferable shares. According to article 1 of the Law 3723/2008 concerning the "Liquidity Reinforcement to the economy to face the consequences of the international financial crisis" the preference right of the older shareholders was removed.

Furthermore, the Shareholders' General Meeting authorized the BoDs to issue covered bonds (till the approved amount of EUR 5 bil.) and mid-term bonds (till the approved amount of EUR 5 bil.) over a 5-year period, according to the legislation in force.

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

Athens, 27 March 2009

THE GOVERNOR	THE DEPUTY GOVERNOR	THE HEAD OF FINANCE DEPARTMENT
DIMITRIOS MILIAKOS	VASILIOS DROUGAS	CHRISTOS STOKAS

5. Independent Auditor’s Report (on the Bank’s Financial Statements)

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

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153 42 Αγία Παρασκευή
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Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ATE BANK A.E.

Report on the Financial Statements

We have audited the accompanying Financial Statements of ATE BANK A.E. (the "Bank") which comprise the balance sheet as at 31 December 2008, and the statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the Financial Statements give a true and fair view, of the financial position of the Bank as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Athens, 27 March 2009

KPMG Certified Auditors AE

Nick Vouniseas	Nick Tsiboukas
Certified Auditor Accountant	Certified Auditor Accountant
AM SOEL 18701	AM SOEL 17151

6. Financial Statements of ATEbank S.A. as at 31.12.2008

Financial Statements
31 December 2008

In accordance with International Financial Reporting Standards

23 Panepistimiou str., 10564, Athens
www.atebank.gr
R.N.S.A. 24402/06/B/91/39

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Income statement
For the year ended 31 December 2008
(Amounts in thousands of Euro)

	Note	1/1 - 31/12/2008	1/1 - 31/12/2007
Interest and similar income		1.192.890	974.122
Interest expense and similar charges		(586.763)	(394.376)
Net interest income	**7**	**606.127**	**579.746**
Fee and commission income		101.111	88.358
Fee and commission expense		(30.330)	(22.868)
Net fee and commission income	**8**	**70.781**	**65.490**
Net trading income	**9**	(27.598)	43.579
Net income of non-trading financial instruments	**10**	7.418	82.529
Dividend income	**11**	27.761	29.196
Other operating income	**12**	29.860	23.524
Other income		**37.441**	**178.828**
Operating income		**714.349**	**824.064**
Staff cost	**13**	(346.991)	(339.159)
Other expenses	**14**	(129.792)	(109.814)
Depreciation	**26,27,28**	(28.272)	(27.779)
Impairment losses	**15**	(195.445)	(78.846)
Profit before tax		**13.849**	**268.466**
Income tax	**16**	11.419	(57.375)
Profit after tax		**25.268**	**211.091**
Basic and diluted earnings per share (expressed in Euro per share)	**17**	0,0279	0,2331

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

Balance sheet
For the year ended 31 December 2008
(Amounts in thousands of Euro)

	Note	31/12/2008	31/12/2007
Assets			
Cash and balances with the Central Bank	**18**	1.226.862	1.180.630
Loans and advances to banks	**19**	1.003.932	682.021
Trading securities	**20**	342.527	518.479
Derivative financial instruments	**21**	25.786	45.788
Loans and advances to customers	**22**	20.954.943	16.849.837
Investment portfolio	**23**	2.132.942	2.360.365
Investments in subsidiaries and associates	**25**	500.394	478.742
Investment property	**26**	162.920	169.658
Property, plant and equipment	**27**	297.060	298.529
Intangible assets	**28**	4.681	5.512
Deferred tax asset	**29**	400.072	304.538
Other assets	**30**	609.206	505.120
Total assets		**27.661.325**	**23.399.219**
Liabilities			
Deposits from banks	**31**	4.907.084	769.327
Deposits from customers	**32**	20.990.300	20.713.674
Derivative financial instruments	**21**	62.405	12.867
Provision for employee benefits	**33**	9.391	9.811
Other liabilities	**34**	354.937	244.882
Subordinated loans	**35**	448.353	199.616
Total liabilities		**26.772.470**	**21.950.177**
Equity			
Share capital	**36**	651.920	651.920
Share premium		93.748	94.231
Other reserves	**37**	(203.959)	279.914
Accumulated surplus		347.146	422.977
Total equity		**888.855**	**1.449.042**
Total equity and liabilities		**27.661.325**	**23.399.219**

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

ATEbank
AGRICULTURAL BANK OF GREECE

Statement of changes in equity
For the year ended 31 December 2008
(Amounts in thousands of Euro)

	Share capital	Share premium	Reserves	Accumulated surplus / (deficit)	Total
Balance at 1/1/2007	**651.920**	**94.714**	**365.195**	**222.668**	**1.334.497**
Profit for the period 1/1 - 31/12/2007	0	0	0	211.091	211.091
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	49.906	0	49.906
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	(64.479)	0	(64.479)
Deferred tax on entries recognized directly to equity	0	(483)	0	0	(483)
Dividends paid	0	0	0	(81.490)	(81.490)
Transfer to reserves	0	0	(70.708)	70.708	0
Balance at 31/12/2007	**651.920**	**94.231**	**279.914**	**422.977**	**1.449.042**
Profit for the period 1/1 - 31/12/2008	0	0	0	25.268	25.268
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	(574.711)	0	(574.711)
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	(315)	0	(315)
Deferred tax on entries recognized directly to equity	0	(483)	80.598	0	80.115
Dividends paid	0	0	0	(90.544)	(90.544)
Transfer to reserves	0	0	10.555	(10.555)	0
Balance at 31/12/08	**651.920**	**93.748**	**(203.959)**	**347.146**	**888.855**

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

Cash flow Statement
For the year ended 31 December 2008
(Amounts in thousands of Euro)

	Note	31/12/2008	31/12/2007
Operating activities			
Profit before tax		13.849	268.466
Adjustment for:			
Depreciation and amortization	**26,27,28**	28.272	27.779
Impairment losses	**15**	195.445	78.846
Changes in provisions		(8.923)	(12.489)
Change in fair value of trading investments		22.900	(25.281)
(Gain)/loss on the sale of investments, property and equipment		(51.359)	(141.712)
Changes in operating assets and liabilities			
Net (increase)/decrease in loans and advances to banks		(329.434)	16.343
Net (increase)/decrease in trading securities		(114.782)	74.903
Net (increase)/decrease in loans and advances to customers		(4.151.987)	(3.315.633)
Net (increase)/decrease in other assets		(98.644)	(71.797)
Net increase/(decrease) in deposits from banks		4.137.757	674.946
Net increase/(decrease) in deposits from customers		276.626	2.515.469
Net increase/(decrease) in other liabilities		48.175	(479.698)
Cash flows from operating activities		**(32.105)**	**(389.858)**
Investing activities			
Acquisition of intangible assets, property and equipment		(31.429)	(40.138)
Proceeds from the sale of intangible assets, property and equipment		25.317	23.631
(Purchases)/Proceeds of held to maturity portfolio		1.047.542	91.250
(Purchases)/Sales of available for sale portfolio		(1.173.260)	121.374
Dividends received		24.700	25.882
Purchases of subsidiaries	**25**	(24.858)	(40.821)
Sale of subsidiaries	**25**	4.049	0
Cash flows from investing activities		**(127.939)**	**181.178**
Financing activities			
Share capital return - Dividends paid	**38**	(45.272)	(81.490)
Proceeds from debt issued	**35**	248.392	0
Cash flows from financing activities		**203.120**	**(81.490)**
Effect of exchange rate changes on cash and cash equivalents		(1.115)	(231)
Net increase/(decrease) in cash flows		**41.961**	**(290.401)**
Cash and cash equivalents at 1 January		1.849.186	2.139.587
Cash and cash equivalents at 31 December	**18**	**1.891.147**	**1.849.186**

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

1. GENERAL INFORMATION

Agricultural Bank, (the Bank or ATE), was founded in 1929. The Bank's registered office is at 23 Panepistimiou Str. in the municipality of Athens. The purpose of the Bank, according to the Article of Association is to provide banking services on its own behalf and on behalf of third parties that contributes to the modernization and growth of the economy and more specifically the Agricultural Sector.

The Bank has a network of 478 branches in Greece and 26 abroad, 25 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 960 ATMs (Automatic Teller Machines) in Greece and 25 in Romania, 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).

The term of the Board of Directors, elected by the Shareholders' General Meeting on May 23, 2007 ends in 2010 and as at 31 December 2008 consists of:

CHAIRMAN (Executive member)
Dimitrios I. Miliakos

VICE CHAIRMAN (Executive member)
Vasilios T. Drougkas

VICE CHAIRMAN (Executive member)
Panagiotis N. Varagkis

NON-EXECUTIVE MEMBERS
Grigorios T. Konstantinidis
Ioannis N. Katsaounis
Vasilios S. Mperedimas
Grigorios I. Alexiadis
Ioannis M. Tsagkarakis
Nikolaos K. Mpaltas

NON-EXECUTIVE INDEPENDENT MEMBERS
Sotiris A. Revithis
Dimitrios G. Karnavos

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors on 27 March 2009 and are available on the web address www.atebank.gr.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following financial instruments which are presented at fair value:

- derivative financial instruments
- trading securities
- available for sale securities

2.3 Functional currency

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

2.4 Use of estimation and judgment

The preparation of financial statements according to I.F.R.S. requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Deviations from accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

2.5 Comparable figures

In certain occasions, the comparable figures of the previous year are readjusted to be easily compared to the current year's figures.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, according to IAS 39 amendment "Financial Instruments: Recognition and Measurement", as mentioned in Note 3.11

3.1. Basis of Consolidation

(a) Subsidiaries

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

(b) Associates

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

(c) Special purpose entities (SPEs)

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

3.2 Custody services

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

3.3 Foreign currency transactions

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

3.4 Interest income and expense

Interest income and expense is recognized in the income statement as it accrues, taking into account the effective yield of the instrument or the applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the relevant period.
The effective interest rate is the rate that exactly discounts the future cash receipts or payments through the expected life of the financial instrument.
Once a financial asset or a group of financial assets has been written off, as a result of an impairment loss, account of interest ceases.

3.5 Fee and commission income

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

3.6 Net trading income

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

3.7 Net investment income

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

3.8 Dividend income

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

3.9 Operating lease rentals

Payment of operating lease rentals are allocated as an expense in the income statement based on the direct method. The rental's received subsidies are recorded in the profit & loss account as an integral part of the expense during the rental.

3.10 Income tax

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

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable differences. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet date.
A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which tax asset can be utilized. Deferred tax assets are reduced to the extent that it is probable that the related tax benefit will not be realized.

3.11 Financial assets

<u>Initial Recognition</u>

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

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

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

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

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

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, and available-for-sale are recognized at trade date – the date on which the Bank commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Reclassification of financial instruments: In October 2008, IASB amended IAS 39 "Financial Instruments: Recognition and measurement". Based on this amendment the companies are allowed to transfer non-derivative financial assets:

a) from "Available for sale investments" account to "Loans and advances to customers" account, so long as they have the ability and intention to retain them in the long term or until their expiration.

b) from "Trading portfolio" account to "Loans and advances to customers" and "Available for sale investments" accounts.

The amendment requires additional disclosure while it is valid from the 1st of July 2008. In consistency with the above-mentioned amendment, the Bank reclassified certain non derivative financial instruments. Analysis of the reclassification is provided in Note 24.

Derecognition

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

Valuation

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

Offsetting

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

3.12 Impairment of financial assets

(a) Assets carried at amortised cost

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

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

(a) significant financial difficulty of the obligor;

(b) a breach of contract, such as a default or delinquency in interest or principal payments;

(c) the Bank granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;

(d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group; including:

1. adverse changes in the payment status of borrower in the group; or
2. national or local economic conditions that correlate with defaults on the assets in the group.

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

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

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

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

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

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

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

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

(b) Assets carried at fair value

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

3.13 Derivative financial instruments and hedging accounting

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

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

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

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

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

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

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

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

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

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

The changes in the fair value of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement.

3.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand and not pledged balances held with the Central Bank with maturity date less than three months from the Balance Sheet date. They are not exposed to material risk from changes in their fair value and they are used by the Group to cover short-term liabilities.

3.15 Repurchase agreements

The Bank enters into agreements for purchases (sales) of investments and resell (repurchase) substantially the identical investments at a certain future date at a fixed price. Investments purchased with an engagement to be reselled at a future date, are not presented in the financial statements of the Bank. The amounts paid are recorded in loans and advances to banks or customers. The receivables are collateralized by the underlying security.

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

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

3.16 Property, plant and equipment

Land and buildings are used by the Bank either for branches or for administrative purposes. All property, plant and equipment is stated at cost less accumulated depreciation. Purchase cost includes expenses directly related to their acquisition.

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

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

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

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

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

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

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

3.17 Investment property

Properties held by the Bank either to earn rental income, capital appreciation, or both, are classified as investment property. Investment property is accounted for in a similar manner as property, plant and equipment (Note 3.16).

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

3.18 Intangible assets

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

(a) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.
Positive goodwill is a non amortized intangible asset which is assessed on each balance sheet date for impairment.
Negative goodwill is recognised immediately in profit or loss.
Goodwill should be allocated to the cash generating units on the acquisition date. In case that there are difficulties in the immediate allocation of the fair value of assets, this can be postponed but should be performed within twelve months from the acquisition date.

(b) Software

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

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

3.19 Leases

The Bank as the lessor

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

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.
The finance lease loans are subject to the same impairment testing as applied to customer loans and advances as described in note 3.12.

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

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

3.20 Provisions

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

3.21 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

3.22 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) Treasury shares

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

3.23 Earnings per share

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

3.24 Segment reporting

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

3.25 New standards

Some of the new standards, amendments and interpretations issued, which are not effective for the financial period ended as at 31 December 2008, and have not been adopted for the preparation of these financial statements are the following:

- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Bank's 2009 financial statements, with retrospective application and there will be no impact on Bank's financial statements.

- Revised IFRS 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the Bank's operations:

  – The definition of a business has been broadened, which may result in more acquisitions being treated as business combinations.
  – Contingent consideration will be measured at fair value, with subsequent changes in fair value recognised in profit or loss.
  – Transaction costs, other than share and debt issue costs, will be expensed as incurred.
  – Any pre-existing interest in an acquire will be measured at fair value, with the related gain or loss recognised in profit or loss.
  – Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquire, on a transaction-by-transaction basis.

  Revised IFRS 3, which becomes mandatory for the 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Bank's 2010 financial statements.

- IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Bank's 2009 financial statements, will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Bank's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Bank presents segment information in respect of its business and geographical segments. The adoption of this standard by the Bank will have an impact on the presentation of segment reporting.

- Revised IAS 1 Presentation of Financial Statements (2007) introduces the term "total comprehensive income," which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. Revised IAS 1, which becomes mandatory for the Bank's 2009 financial statements, is expected to have a significant impact on the presentation of the financial statements.

- Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Revised IAS 23 will become mandatory for the Bank's 2009 financial statements and will constitute a change in accounting policy for the Bank. The adoption of this standard will not have any significant impact on the Bank's financial statements.

- Amended IAS 27 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests in a subsidiary that occur without loss of control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Bank's 2010 financial statements, are not expected to have a significant impact on the financial statements.

- Amendments to IAS 32 and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation require puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity if certain conditions are met. The amendments, which become mandatory for the Bank's 2009 financial statements with retrospective application required, are not expected to have any significant impact on the financial statements.

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. These amendments are applicable retrospectively for annual periods beginning on or after 1 July 2009.

- IFRIC 13 Customer Loyalty Programs addresses the accounting by entities that operate or otherwise participate in customer loyalty programs under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13 becomes mandatory for the Bank's 2009 financial statements and will be applicable retrospectively and is not expected to have any significant impact on the financial statements.

- IFRIC 15 – "Agreements for the Construction of Real Estate": This interpretation is effective for annual periods beginning on or after 1 January 2009 and applies to the accounting for revenues and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. Agreements in the scope of this interpretation are agreements for the construction of real estate. In addition to the construction of real estate, such agreements may include the delivery of other goods or services (such as sale of land or provision of property management services).

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation clarifies that:

  - net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation
  - The hedging instrument may be held by any entity within the group except the foreign operation that is being hedged
  - on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss.

  IFRIC 16, which becomes mandatory for the Bank's 2009 financial statements, is not expected to have any significant impact on the financial statements.

- IFRIC 17: Distributions of Non-cash Assets to Owners
  This Interpretation applies to the non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners for (a) the distributions of non-cash assets (e.g. items of property, plant and equipment, businesses as defined in IFRS 3, ownership interests in another entity or disposal groups as defined in IFRS 5) and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. It applies only to distributions made by an entity in which all owners of the same class of equity instruments are treated equally and does not apply to a distribution of a non-cash asset that is ultimately controlled by the same party or parties before and after the distribution and when an entity distributes some of its ownership interest in a subsidiary but retains control of the subsidiary. This interpretation is applicable prospectively for annual periods beginning on or after 1 July 2009. Retrospective application is not permitted.

- IFRIC 18: Transfer of Assets from Customers

  This Interpretation applies to (a) the accounting for transfers of items of property, plant and equipment by entities that receive such transfers from their customers and (b) the accounting for cash received by an entity from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment which for both cases mentioned previously, the entity then uses the property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services, or to do both. It addresses whether the asset received or constructed meets the definition of an asset, the measurement of this asset and revenue recognition for services exchanged for the asset. This interpretation should be applied prospectively to transfers of assets from customers received on or after 1 July 2009.

4. RISK MANAGEMENT

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

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

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

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

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

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

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

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

4.1 Credit risk

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

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

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

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

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

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

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

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

4.1.1 Credit risk measurement

– **Loans and advances**

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

- Counterparty risk
- Collateral/security risk
- Product risk

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

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

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

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

- Agricultural credit Scoring
- Private credit Scoring

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

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

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

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

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

– **Other credit risk products**

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

4.1.2 Credit risk monitoring and management

a) Limits

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

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

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

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

Apart from that, credit limits according to the counterparties' credit lines ratings, against exposure to financial institutions or countries, have been applied. In cases of foreign credit risk, the foreign country risk is taken into account.

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

b) Risk mitigation techniques

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

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

Collateral/security undertaken include the following main categories:

1. Mortgages on real estate property

2. Pledged
   - Deposits
   - Cheques
   - Stocks
   - Bonds or other financial instruments
   - Mutual fund shares

3. Bank letters of guarantee

4. Assignments of claims against quality certifications

4.1.3 Stress test

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

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

4.1.4 Allowance for uncollectibility policies

The Bank applies allowance for uncollectibility policies which aim to the estimation of an adequate amount of allowance which offset the expected loss of uncollectibility. The internal grade credit rating model is used for the estimation of allowance for uncollectibility. Apart from the above, the Bank when required, estimates collectively provisions against risks which are not specifically determined.

The tables below present the Bank's maximum exposure to credit risk as at 31.12.2008 and 31.12.2007 concerning loans and advances to customers, loans and advances to banks and investment securities, without the calculation of any collateral/security or other guarantees and according to their credit scoring. The credit lines are based on their carrying amount.

a) Loans and advances to customers

(Amounts in thousand Euro)

		31/12/2008		31/12/2007	
Grade		Loans and advances to customers	Allowance for uncollectibility	Loans and advances to customers	Allowance for uncollectibility
Individually impaired					
A1-A3	**Acceptable risk**	5.260.813	(14.512)	4.472.709	(7.677)
B1-B3	**Low-fair-risk**	6.291.182	(40.890)	5.306.833	(27.300)
Γ1-Γ2	**Mid-fair risk**	4.784.822	(81.435)	3.623.134	(103.418)
Δ1-E1	**High-fair risk**	4.840.149	(240.322)	3.631.959	(213.338)
Z1	**Impaired**	483.920	(328.784)	737.339	(570.404)
		21.660.886	**(705.943)**	**17.771.974**	**(922.137)**
Ageing of loans portfolio					
0-90 days		20.301.196	(289.120)	16.366.298	(231.831)
90-180 days		132.304	(2.923)	131.612	(12.337)
180-360 days		654.106	(163.298)	832.019	(317.680)
360 days +		573.280	(250.602)	442.045	(360.289)
		21.660.886	**(705.943)**	**17.771.974**	**(922.137)**

b) Loans and advances to banks

(Amounts in thousand Euro)		31/12/2008		31/12/2007	
Grade		Loans and advances to banks	Allowance for uncollectibility	Loans and advances to banks	Allowance for uncollectibility
Neither past nor impaired					
A1-A3	**Acceptable risk**	1.003.836	0	682.021	0
B1-B3	**Low-fair-risk**	96	0	0	0
		1.003.932	**0**	**682.021**	**0**

c) Investment securities

(Amounts in thousand Euro)		31/12/2008		31/12/2007	
Grade		Investment securities	Allowance for impairment	Investment securities	Allowance for impairment
Neither past nor impaired					
A1-A3	**Acceptable risk**	1.761.004	0	1.541.559	0
B1-B3	**Low-fair-risk**	5.255	0	8.805	0
Γ1-Γ2	**Mid-fair risk**	9.373	0	11.475	0
Δ1	**High-fair risk**	0	0	5.815	0
		1.775.632	**0**	**1.567.654**	**0**

<u>Impairment of loans and advances to banks and customers and investment securities</u>

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

<u>Allowance for uncollectibility</u>

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

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

Write offs

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

Collaterals / Securities

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

(Amounts in thousand Euro)

	31/12/2008		**31/12/2007**	
	Loans and advances to customers	**Loans and Advances to banks**	**Loans and advances to customers**	**Loans and Advances to banks**
Against neither past due nor impaired				
1. Property	11.384.249	0	9.476.917	0
2. Cheques-Cash	354.449	0	266.253	0
3. Debt securities-Equity	124.753	338.005	128.703	0
4.Other	1.677.323	0	1.332.167	0
5. Sovereign guarantees	7.480.128	0	6.690.692	0
6. Machinery	10.047	0	9.364	0
Total	**21.030.949**	**338.005**	**17.904.096**	**0**
Against past due but not impaired				
1. Property	1.005.791	0	923.721	0
2. Cheques-Cash	6.245	0	5.029	0
3. Debt securities-Equity	28.878	0	73.457	0
4.Other	78.351	0	97.841	0
5. Sovereign guarantees	411.486	0	279.333	0
6. Machinery	3.698	0	835	0
Total	**1.534.449**	**0**	**1.380.216**	**0**
Against impaired				
1. Property	1.496	0	1.210	0
2. Cheques -Cash	9	0	9	0
3. Debt securities-Equity	0	0	0	0
4.Other	32.855	0	33.378	0
5. Sovereign guarantees	0	0	0	0
6. Machinery	0	0	0	0
Total	**34.360**	**0**	**34.597**	**0**
Total	**22.599.758**	**338.005**	**19.318.909**	**0**

The Bank monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk, at the reporting date (less allowance for uncollectibility) is shown below:

(Amounts in thousand Euro)

	Loans and advances to customers		Loans and advances to banks		Available-for-sale securities		Held-to-maturity securities	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Concentration by sector								
- Corporate	5.279.682	4.157.392	0	0	97.410	175.661	0	0
- Sovereign	6.230.898	5.183.108	0	0	322.349	91.408	129.905	1.177.360
- Bank	333.557	127.375	1.003.932	682.021	1.225.968	123.225	0	0
- Retail	9.816.749	8.304.099	0	0	0	0	0	0
	21.660.886	**17.771.974**	**1.003.932**	**682.021**	**1.645.727**	**390.294**	**129.905**	**1.177.360**
Concentration by location								
- Greece	21.252.117	17.754.313	463.900	322.460	1.080.876	113.251	129.905	1.177.360
- Europe	141.778	17.661	310.839	342.599	423.681	229.524	0	0
- America	61.898	0	142.451	9.991	50.456	0	0	0
- Other	205.093	0	86.742	6.971	90.714	47.519	0	0
	21.660.886	**17.771.974**	**1.003.932**	**682.021**	**1.645.727**	**390.294**	**129.905**	**1.177.360**

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

4.2 Market risk

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

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

The trading portfolio of the Bank consists of bonds, shares and derivatives. The value at risk price for the whole trading portfolio as at 31 December 2008 was EUR 5,082 million (2007: EUR 2,934 million) and of which EUR 2,677 million (2007: EUR 0,022 million) related to interest rate risk, EUR 5,026 million (2007: EUR 2,238 million) for foreign exchange risk. Due to the structure of the trading portfolio as of 31 December 2008 and the level of diversification a reduction of the value-at-risk of EUR 2,621 million (2007: EUR 1,779 million) has been accomplished.

The Bank also applies a program based on backtesting to test the value at risk analysis, by comparing daily the actual change in the value of the portfolio due to the changes in market prices with the respective value- at- risk figure. In 2008 4 cases occurred where the actual change in the value of the portfolio was larger than the Value-at-Risk estimate, while in 2007 4 instances have been observed.

The above are summarized as follows:

(Amounts in thousand Euro)

	At 31 December	Average	Maximum	Minimum
2008				
Foreign currency risk	5.026	2.172	5.026	385
Interest rate risk	2.677	1.644	2.677	575
Other price risk	0	971	2.364	0
Covariance	(2.621)	(1.686)	(2.621)	(876)
	5.082	**3.101**	**7.446**	**84**

2007				
Foreign currency risk	2.238	761	2.781	72
Interest rate risk	22	14	58	2
Other price risk	2.453	2.282	3.267	1.447
Covariance	(1.779)	(816)	(3.662)	(86)
	2.934	**2.241**	**2.444**	**1.435**

4.3 Liquidity risk

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

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

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

The Bank maintains a portfolio of non-trading securities that may be used for liquidity purposes according to 532/2006 of the Bank of Greece directive. Exertion of this ability would increase the above ratio up to 10% at the reference date.

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

	31/12/2008	**31/12/2007**
At 31 December	17,03%	11,20%
Average for the period	18,60%	15,24%
Maximum for the period	20,21%	20,91%
Minimum for the period	15,06%	11,20%

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

(Amounts in thousand Euro)

	31/12/2008						
	Carrying amount	**Gross nominal (inflow) / outflow**	**Less than 1 month**	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**More than 1 year**
Non-derivative liabilities							
Trading liabilities	4.907.084	4.925.306	4.681.516	15.159	228.631	0	0
Deposits from banks	20.990.300	21.154.803	16.370.555	2.407.365	1.469.400	905.871	1.612
Debt securities issued	448.353	526.494	4.606	2.537	5.324	210.837	303.190
	26.345.737	**26.606.603**	**21.056.677**	**2.425.061**	**1.703.355**	**1.116.708**	**304.802**
Derivative liabilities							
Trading: outflow	62.405	421.756	114.864	74.978	18.267	22.609	191.038
Trading: inflow	(25.786)	(459.367)	(112.351)	(72.043)	(18.366)	(25.499)	(231.108)
Risk management: outflow	0	1.624.343	2.221	72.462	30.804	108.297	1.410.559
Risk management: inflow	0	(1.631.045)	(1.928)	(70.631)	(31.318)	(107.497)	(1.419.671)
	36.619	**(44.313)**	**2.806**	**4.766**	**(613)**	**(2.090)**	**(49.182)**
	26.382.356	**26.562.290**	**21.059.483**	**2.429.827**	**1.702.742**	**1.114.618**	**255.620**

(Amounts in thousand Euro)

	31/12/2007						
	Carrying amount	**Gross nominal (inflow) / outflow**	**Less than 1 month**	**1 - 3 months**	**3 - 6 months**	**6 months to 1 year**	**More than 1 year**
Non-derivative liabilities							
Deposits from banks	769.327	780.080	776.427	3.653	0	0	0
Deposits from customers	20.713.674	20.855.050	17.186.245	1.827.516	1.072.959	766.015	2.315
Subordinated liabilities	199.616	220.742	0	2.704	2.684	5.376	209.978
	21.682.617	**21.855.872**	**17.962.672**	**1.833.873**	**1.075.643**	**771.391**	**212.293**
Derivative liabilities							
Trading: outflow	12.867	86.301	82.301	0	0	0	4.000
Trading: inflow	(45.788)	(97.089)	(82.157)	(840)	(723)	(730)	(12.639)
Risk management: outflow	0	208.293	5.060	11.724	6.870	20.421	164.218
Risk management: inflow	0	(248.188)	(6.019)	(14.744)	(8.763)	(24.579)	(194.083)
	(32.921)	**(50.683)**	**(815)**	**(3.860)**	**(2.616)**	**(4.888)**	**(38.504)**
	21.649.696	**21.805.189**	**17.961.857**	**1.830.013**	**1.073.027**	**766.503**	**173.789**

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

At 31 December 2008

Assets	**Up to 1 month**	**1 – 3 months**	**3- 12 months**	**1 - 5 years**	**Over 5 years**	**Total**
Cash and balances with Central Bank	1.226.862	0	0	0	0	1.226.862
Loans and advances to banks	510.000	154.287	339.645	0	0	1.003.932
Trading securities	3.013	0	1.843	210.537	127.134	342.527
Derivative financial instruments	25.786	0	0	0	0	25.786
Loans and advances to customers	322.719	843.129	2.654.945	8.696.407	8.437.743	20.954.943
Investment portfolio	360.731	379	12.268	228.434	1.531.130	2.132.942
Investments in subsidiaries and associates	0	0	0	0	500.394	500.394
Investment property	0	0	0	0	162.920	162.920
Property, plant and equipment	0	0	0	0	297.060	297.060
Intangible assets	0	0	0	0	4.681	4.681
Deferred tax asset	0	0	0	0	400.072	400.072
Other assets	37.474	61.082	507.299	270	3.081	609.206
Total assets	**2.486.585**	**1.058.877**	**3.516.000**	**9.135.648**	**11.464.215**	**27.661.325**

Liabilities						
Deposits from banks	4.670.267	15.000	220.000	0	1.817	4.907.084
Deposits from customers	16.325.615	2.367.379	2.295.694	1.612	0	20.990.300
Derivative financial instruments	62.405	0	0	0	0	62.405
Provision for employee benefits	0	0	0	0	9.391	9.391
Other liabilities	50.141	76.582	171.074	9.567	47.573	354.937
Subordinated loans	0	0	199.961	0	248.392	448.353
Total liabilities	**21.108.428**	**2.458.961**	**2.886.729**	**11.179**	**307.173**	**26.772.470**
Net liquidity gap	**(18.621.843)**	**(1.400.084)**	**629.271**	**9.124.469**	**11.157.042**	**888.855**
At 31 December 2007						
Total assets	3.038.974	613.509	3.940.719	6.436.874	9.369.143	23.399.219
Total liabilities	17.977.461	1.832.791	1.880.766	2.315	256.844	21.950.177
Net liquidity gap	**(14.938.487)**	**(1.219.282)**	**2.059.953**	**6.434.559**	**9.112.299**	**1.449.042**

4.4 Currency risk

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

The table below summarizes the Bank's exposure to foreign currency exchange risk at 31 December 2008. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by currency (the amounts are expressed in thousands of Euro):

At 31 December 2008

Assets	EUR	USD	GBP	OTHER	Total
Cash and balances with Central Bank	1.222.464	2.523	645	1.230	1.226.862
Loans and advances to banks	841.705	139.861	5.398	16.968	1.003.932
Trading securities	340.306	2.221	0	0	342.527
Derivative financial instruments	25.786	0	0	0	25.786
Loans and advances to customers	20.739.606	146.567	0	68.770	20.954.943
Investment portfolio	2.067.385	65.557	0	0	2.132.942
Investments in subsidiaries and associates	500.394	0	0	0	500.394
Investment property	162.920	0	0	0	162.920
Property, plant and equipment	297.060	0	0	0	297.060
Intangible assets	4.681	0	0	0	4.681
Deferred tax asset	400.072	0	0	0	400.072
Other assets	609.157	0	2	47	609.206
Total assets	**27.211.536**	**356.729**	**6.045**	**87.015**	**27.661.325**
Liabilities					
Deposits from banks	4.882.769	24.315	0	0	4.907.084
Deposits from customers	20.689.574	202.500	16.592	81.634	20.990.300
Derivative financial instruments	62.405	0	0	0	62.405
Provision for employee benefits	9.391	0	0	0	9.391
Other liabilities	351.084	3.853	0	0	354.937
Subordinated loans	448.353	0	0	0	448.353
Total liabilities	**26.443.576**	**230.668**	**16.592**	**81.634**	**26.772.470**
Net on balance sheet position	**767.960**	**126.061**	**(10.547)**	**5.381**	**888.855**
Net off balance sheet position	**2.562.134**	**(119.013)**	**25.710**	**9.325**	**2.478.156**
At 31 December 2007					
Total assets	23.014.550	199.278	37.167	148.224	23.399.219
Total liabilities	21.652.751	188.122	18.809	90.495	21.950.177
Net on balance sheet position	**1.361.799**	**11.156**	**18.358**	**57.729**	**1.449.042**
Net off balance sheet position	**1.769.286**	**0**	**0**	**27.486**	**1.796.772**

4.5 Interest rate risk

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

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

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

At 31 December 2008

Assets	**Up to 1 month**	**1 – 3 months**	**3- 12 months**	**1 - 5 years**	**Over 5 years**	**Non-interest bearing**	**Total**
Cash and balances with Central Bank	1.226.862	0	0	0	0	0	1.226.862
Loans and advances to banks	510.000	154.287	339.645	0	0	0	1.003.932
Trading securities	6.211	0	2.295	209.985	124.036	0	342.527
Derivative financial instruments	25.786	0	0	0	0	0	25.786
Loans and advances to customers	11.569.961	1.033.710	2.196.584	4.527.885	1.626.803	0	20.954.943
Investment portfolio	416.427	632.576	267.444	289.912	169.273	357.310	2.132.942
Investments in subsidiaries and associates	0	0	0	0	0	500.394	500.394
Investment property	0	0	0	0	0	162.920	162.920
Property, plant and equipment	0	0	0	0	0	297.060	297.060
Intangible assets	0	0	0	0	0	4.681	4.681
Deferred tax asset	0	0	0	0	0	400.072	400.072
Other assets	0	0	0	0	0	609.206	609.206
Total assets	**13.755.247**	**1.820.573**	**2.805.968**	**5.027.782**	**1.920.112**	**2.331.643**	**27.661.325**
Liabilities							
Deposits from banks	4.670.267	15.000	220.000	0	0	1.817	4.907.084
Deposits from customers	16.349.311	2.354.865	1.423.030	861.490	1.604	0	20.990.300
Derivative financial instruments	62.405	0	0	0	0	0	62.405
Provision for employee benefits	0	0	0	0	0	9.391	9.391
Other liabilities	0	0	47.574	0	0	307.363	354.937
Subordinated loans	0	448.353	0	0	0	0	448.353
Total liabilities	**21.081.983**	**2.818.218**	**1.690.604**	**861.490**	**1.604**	**318.571**	**26.772.470**
Net interest sensitivity gap	**(7.326.736)**	**(997.645)**	**1.115.364**	**4.166.292**	**1.918.508**	**2.013.072**	**888.855**
At 31 December 2007							
Total assets	12.588.087	941.810	3.044.586	2.675.755	1.488.861	2.660.120	23.399.219
Total liabilities	17.918.660	2.000.955	1.817.575	2.315	0	210.672	21.950.177
Net interest sensitivity gap	**(5.330.573)**	**(1.059.145)**	**1.227.011**	**2.673.440**	**1.488.861**	**2.449.448**	**1.449.042**

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

SENSITIVITY ANALYSIS
(Amounts in thousand Euro)

	100 bp parallel increase	**100 bp parallel decrease**	**50 bp increase after 1 year**	**50 bp decrease after 1 year**
2008				
At 31 December	(395.566)	405.526	(228.945)	223.322
Average for the period	(397.721)	299.025	(167.058)	166.657
Maximum for the period	(408.035)	405.526	(228.945)	235.363
Minimum for the period	(238.551)	243.012	(135.031)	132.552
	(1.439.873)	**1.353.089**	**(759.979)**	**757.894**

2007				
At 31 December	(247.856)	237.806	(150.418)	150.575
Average for the period	(201.548)	193.375	(122.314)	122.442
Maximum for the period	(247.856)	237.806	(150.418)	150.575
Minimum for the period	(165.318)	158.614	(100.327)	100.432
	(862.578)	**827.601**	**(523.477)**	**524.024**

4.6 Operational risk

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

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

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

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

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

4.7 Fair values of financial assets and liabilities

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

(Amounts in thousand Euro) **31/12/2008**

	Trading	Designated at fair value	Held-to-maturity	Loans and receivables	Available - for-sale	Other amortized cost	Total carrying value	Fair value
Cash and balances with Central Bank	0	0	0	0	0	1.226.862	**1.226.862**	1.226.862
Loans and advances to banks	0	0	0	1.003.932	0	0	**1.003.933**	1.006.337
Trading securities	342.527	0	0	0	0	0	**342.527**	342.527
Derivative financial instruments	25.786	0	0	0	0	0	**25.786**	25.786
Loans and advances to customers	0	1.658.519	0	0	0	19.296.424	**20.954.943**	24.599.839
Available-for-sale securities	0	0	0	0	2.003.037	0	**2.003.037**	2.003.037
Held-to-maturity securities	0	0	129.905	0	0	0	**129.905**	74.869
	368.313	**1.658.519**	**129.905**	**1.003.932**	**2.003.037**	**20.523.286**	**25.686.992**	**29.279.257**

Deposits from banks	0	0	0	0	0	4.907.084	**4.907.084**	4.915.615
Deposits from customers	0	0	0	0	0	20.990.300	**20.990.300**	21.086.542
Derivative financial instruments	62.405	0	0	0	0	0	**62.405**	62.405
Subordinated loans	0	0	0	0	0	448.353	**448.353**	483.189
	62.405	**0**	**0**	**0**	**0**	**26.345.737**	**26.408.142**	**26.547.751**

(Amounts in thousand Euro)

	31/12/2007							
	Trading	**Designated at fair value**	**Held-to-maturity**	**Loans and receivables**	**Available - for-sale**	**Other amortized cost**	**Total carrying value**	**Fair value**
Cash and balances with Central Bank	0	0	0	0	0	1.180.630	**1.180.630**	1.180.630
Loans and advances to banks	0	0	0	682.021	0	0	**682.021**	756.503
Trading securities	518.479	0	0	0	0	0	**518.479**	518.479
Derivative financial instruments	45.788	0	0	0	0	0	**45.788**	45.788
Loans and advances to customers	0	1.396.727	0	0	0	15.453.110	**16.849.837**	18.742.858
Available-for-sale securities	0	0	0	0	1.183.005	0	**1.183.005**	1.183.005
Held-to-maturity securities	0	0	1.177.360	0	0	0	**1.177.360**	1.136.120
	564.267	**1.396.727**	**1.177.360**	**682.021**	**1.183.005**	**16.633.740**	**21.637.120**	**23.563.383**
Deposits from banks	0	0	0	0	0	769.327	**769.327**	768.961
Deposits from customers	0	0	0	0	0	20.713.674	**20.713.674**	20.770.785
Derivative financial instruments	12.867	0	0	0	0	0	**12.867**	12.867
Subordinated loans	0	0	0	0	0	199.616	**199.616**	203.693
	12.867	**0**	**0**	**0**	**0**	**21.682.617**	**21.695.484**	**21.756.306**

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

4.8 Capital management and capital adequacy

The Bank's objectives when managing capital, are:

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

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

The bank's capital adequacy is calculated according to the relevant directive by the Bank of Greece (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 the nature of –and reflecting an estimate of credit, market and other risks associated with-each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarizes the composition of regulatory capital of the Bank for the years ended 31 December 2008 and 2007 respectively.

Tier 1 Capital	**31/12/2008**	**31/12/2007**
Total equity	888.855	1.449.042
Less: Intangible assets	(4.681)	(5.512)
Less: Proposed dividends	0	(90.000)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	4.187	(280.818)
	888.361	**1.072.712**
Tier 2 Capital		
Supplementary capital	448.353	199.616
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(139.163)	(246.821)
	309.190	**(47.205)**
Deductions from total regulatory capital	**(77.156)**	**0**
Regulatory capital	**1.120.395**	**1.025.507**
Risk-weighted assets	**13.294.359**	**12.054.674**
Capital adequacy ratio	**8,43%**	**8,51%**

The capital ratio as at 31/12/2008, was estimated according to Basel II, while the equivalent ratio of 31/12/2007 was estimated based on Basel I. The new regulatory frame for capital adequacy is valid from the 1st of January 2008. This frame introduces capital demands as opposed to operating risk and amends the estimation of capital demands against credit risk.

The current capital adequacy ratio for the Bank is estimated to reach 8,43% for 2008, while Tier 1 ratio 6,68%. The Bank will enforce regulatory equity by issuing preferable shares of € 675 mil., which will be purchased from the Greek Government according to article 1, Law 3723/2008 regarding the "Liquidity reinforcement to the economy to face the consequences of the international financial crisis". In this way, the capital adequacy ratio is expected to rise to 13,93% while Tier 1 is expected to mount to 11,91%.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

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

5.1 Impairment losses on loans and advances to customers

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

5.2 Fair value

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

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

5.3 Impairment of available for sale portfolio

The available for sale portfolio is measured at fair value with any changes in fair value recorded in a corresponding reserve. Impairment arises when there is a significant or prolonged decline in fair value below its cost. In such case the corresponding reserve is transferred to the income statement. The Bank has an approved policy by ALCO to recognize the impairment for securities classified as "Available-for-sale securities". Furthermore, estimates are used to determine the fair value of securities which are not quoted in active markets. For these financial instruments, fair value is calculated using financial models along with estimates for future segment variations and prospects, as well as the financial condition of the companies that are included in the Bank's portfolio.

5.4 Fair value of derivatives

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

5.5 Income tax

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

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

6. SEGMENT REPORTING

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

(Amounts in thousand Euro) **31/12/2008**

	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	409.934	48.157	80.673	51.989	15.374	606.127
Net fee and commission income	15.958	7.668	18.271	27.418	1.466	70.781
Dividend income	0	0	0	0	27.761	27.761
Net income from financial instruments	0	0	0	0	(20.180)	(20.180)
Other operating income	5.419	1.746	2.852	1.600	18.243	29.860
Total operating income	**431.311**	**57.571**	**101.796**	**81.007**	**42.664**	**714.349**
Operating expenses	(310.773)	(40.404)	(60.607)	(50.506)	(42.765)	(505.055)
Impairment losses	(94.884)	(15.612)	(30.747)	0	(54.202)	(195.445)
Profit before tax	**25.654**	**1.555**	**10.442**	**30.501**	**(54.303)**	**13.849**
Income tax						11.419
Profit after tax						**25.268**

(Amounts in thousand Euro) **31/12/2007**

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

7. NET INTEREST INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Interest and similar income:		
Loans and advances to customers	959.599	828.328
Loans to banks	52.565	75.609
Debt instruments	180.726	70.185
	1.192.890	**974.122**
Interest expense and similar charges:		
Customer deposits	(456.624)	(359.351)
Bank deposits	(106.958)	(11.200)
Subordinated loans	(20.120)	(21.039)
Financial leasing (Lessor)	(3.061)	(2.786)
	(586.763)	**(394.376)**
Net interest income	**606.127**	**579.746**

8. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Fee and commission income		
Loans and advances to customers	35.487	22.990
Custody services	4.335	4.106
Import-exports	1.123	1.052
Letters of guarantee	4.793	5.350
Money transfers	12.701	13.824
Other	42.672	41.036
	101.111	**88.358**
Fee and commission expenses		
Contribution to Savings Guarantee Fund	(12.604)	(10.801)
Other	(17.726)	(12.067)
	(30.330)	**(22.868)**
Net fee and commission income	**70.781**	**65.490**

9. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Trading Portfolio		
Gain minus Losses		
Derivative financial instruments	10.878	10.045
Foreign exchange differences	(10.731)	(5.488)
Sales		
Equity instruments	(19.671)	9.534
Debt instruments	14.826	639
Other	0	3.568
Valuation		
Equity instruments	(9.285)	62
Debt instruments	(28.642)	11.975
Derivative financial instruments	15.027	13.244
	(27.598)	**43.579**

10. NET INCOME OF NON TRADING FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Financial assets available for sale		
From sale		
Equity instruments	859	71.332
Debt instruments	(622)	0
Other	7.181	11.197
	7.418	**82.529**

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

11. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	**1/1 - 31/12/2007**
Trading securities	3.061	3.314
Available for sale securities	20.466	22.519
Subsidiaries	4.234	3.363
	27.761	**29.196**

12. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2008	**1/1 - 31/12/2007**
Gain from the sale of fixed assets	13.121	10.362
Income from investment property	3.357	2.988
Income from sequential activities	7.658	4.708
Telecommunication fees	406	405
Other	5.318	5.061
	29.860	**23.524**

13. STAFF COST

(Amounts in thousand Euro)

	1/1 - 31/12/2008	**1/1 - 31/12/2007**
Wages and salaries	(206.789)	(198.279)
Social security costs	(106.550)	(107.348)
Defined benefit plan costs (note 33)	(1.535)	(1.420)
Other staff costs	(32.117)	(32.112)
	(346.991)	**(339.159)**

The number of persons employed by the Bank was:	6.395	6.368

14. OTHER EXPENSES

(Amounts in thousand Euro)

	1/1 - 31/12/2008	**1/1 - 31/12/2007**
Third party fees	(32.124)	(24.755)
Advertising and promotion expenses	(22.733)	(21.537)
Telecommunication expenses	(11.901)	(10.159)
Insurance fees	(2.016)	(1.648)
Repairs and maintenance	(11.079)	(10.254)
Travel	(11.399)	(7.507)
Stationery	(2.695)	(2.598)
Utility services	(3.858)	(3.091)
Operating lease rentals	(13.782)	(11.624)
Other taxes	(6.305)	(3.671)
Other	(11.900)	(12.970)
	(129.792)	**(109.814)**

15. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Loans and advances to customers	(190.301)	(77.000)
Participation to non listed entities	(1.250)	0
Other	(3.894)	(1.846)
	(195.445)	**(78.846)**

16. INCOME TAX

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Tax differences from prior years	0	(203)
Provision for unaudited tax years	(4.000)	0
Deferred tax	15.419	(57.172)
	11.419	**(57.375)**

The income tax of the year was calculated on the basis of the current tax rate of 25%. According to Law 3697/2008, the tax ratio diminishes one percent every year from 2010 so as to become 20% in 2014.

Additional information for deferred tax is provided in Note 29.

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

	1/1 - 31/12/2008	1/1 - 31/12/2007
Profit before tax	13.849	268.466
Income tax at 25% (2007: 25%)	(3.462)	(67.117)
Tax exempt revenues (corresponding tax)	8.708	67.724
Non-deductible expenses (corresponding tax)	(5.246)	(762)
Provision for unaudited tax years	(4.000)	(48)
Effect on deferred tax due to changes in tax rates	(19.099)	0
Effect of deferred tax on income statement	34.518	(57.172)
Tax	**11.419**	**(57.375)**

In Greece the results reported to the tax authorities by an entity are considered provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore, entities remain contingently liable for additional tax and penalties, which may be assessed upon such examination. The Bank has been audited by the tax authorities and has settled all its tax obligations up until 31 December 2004. Because of the fashion under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for the fiscal years 2005-2008.

For the years 2005 up to 2008, the relative provision has been accounted.

17. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 31/12/2008	1/1 - 31/12/2007
Earnings after tax (in thousands of euro)	25.268	211.091
Weighted average of number of shares in issue	905.444.444	905.444.444
Basic and diluted earnings per share (expressed in euro per share)	**0,0279**	**0,2331**

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

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

18. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Cash in hand	393.428	445.135
Balances with Central Bank	833.341	732.729
Mandatory deposits at Central Bank	93	2.766
	1.226.862	**1.180.630**

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

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Cash and balances with Central bank	1.226.862	1.180.630
Reverse repos	123.021	0
Short-term placements with other banks	541.264	668.556
	1.891.147	**1.849.186**

For comparison purposes, the "Cash Flow Statement" for the previous year was adjusted to include "Short-term placements to other Banks" in "Cash and cash equivalents".

19. LOANS AND ADVANCES TO BANKS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Current accounts	233.993	63.954
Other placements	426.918	618.067
Reverse repos	343.021	0
	1.003.932	**682.021**

20. TRADING SECURITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Greek government bonds	157.847	2.086
Corporate Loans	184.680	411.083
Equity securities	0	105.310
	342.527	**518.479**

The Bank, in consistency with IAS 39 proceeded to a few reclassifications as mentioned in Note 24.

21. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)	2008			2007		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
Foreign exchange derivatives						
Swaps	171.392	0	690	26.122	0	156
Options	0	0	0	1.364	32	0
Interest rate derivatives						
Swaps	2.306.764	25.786	61.715	1.912.143	45.756	12.711
	2.478.156	**25.786**	**62.405**	**1.939.629**	**45.788**	**12.867**

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

exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, to the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.
The Bank does not apply hedge accounting, therefore the gains and losses arising on derivative financial instruments are recognized in net trading income.

22. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Credit cards	451.709	308.298
Consumer loans	1.160.340	735.493
Mortgages	6.137.103	5.079.895
Loans to private individuals	**7.749.152**	**6.123.686**
Loans to the agricultural sector	2.067.597	1.978.305
Corporate loans	3.982.519	3.483.946
Small and medium sized firms	1.630.720	1.002.559
Loans to corporate entities	**7.680.836**	**6.464.810**
Loans to the public sector	6.230.898	5.183.478
	21.660.886	**17.771.974**
Less: allowance for uncollectibility	(705.943)	(922.137)
	20.954.943	**16.849.837**

Further analysis of credit risk from loans and advances to customers and of the way they are managed is provided in Note 4.1.4.

The loans allocation into different categories of the previous year has been amended in order to be comparable with the current year's loans. The amendment is consistent with Basel II, which is valid from 01/01/2008.

22.1 ALLOWANCE FOR UNCOLLECTIBILITY

Movement in the allowance for uncollectibility	2008	2007
Balance at 1 January	**922.137**	**1.300.856**
Provision for impairment	190.301	77.000
Write offs	(406.495)	(455.719)
Balance at 31 December	**705.943**	**922.137**

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.

23. INVESTMENT PORTFOLIO

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Available-for-sale securities	2.003.037	1.183.005
Held-to-maturity securities	129.905	1.177.360
	2.132.942	**2.360.365**

23.1 AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Debt securities:		
Greek Government bonds	322.349	91.408
Other issuers	1.323.378	298.886
	1.645.727	390.294
Equity securities:		
Listed	310.669	711.812
Unlisted	12.657	7.956
Equity fund	21.386	48.906
	344.712	768.674
Mutual fund units	12.598	24.037
	2.003.037	**1.183.005**

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 12.657 thousand (31/12/2007: 7.956 thousand), which are carried at cost because fair value can not be determined.

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

(Amounts in thousand Euro)

	2008	2007
At 1 January	**1.183.005**	**1.236.423**
Additions	1.240.837	35.679
Disposals	(48.660)	(138.856)
Transfer due to IAS 39	203.816	0
Impairment	(1.250)	(147)
Gains/(Losses) from changes in fair value	(574.711)	49.906
31 December	**2.003.037**	**1.183.005**

Analysis of additions and reductions follows:

(Amounts in thousand Euro)

	Additions	Disposals
Greek Government bonds	248.144	(659)
Equity Fund	6.530	(27.340)
Corporate bonds	961.905	(20.661)
Listed securities	18.307	0
Unlisted securities	5.951	0
	1.240.837	**(48.660)**

23.2 HELD TO MATURITY SECURITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Greek Government bonds	129.905	1.177.360
	129.905	**1.177.360**

Held to maturity securities mainly include Greek Government Bonds, that are held by the Bank from the issue date and that the Bank intends to hold until their maturity. The fair value of the above mentioned bonds as of 31/12/2008 is EUR 74.869 thousand (31/12/2007: EUR 1.136.120 thousand). This reduction is due to the maturity of a Greek Government Bond of EUR 1 billlion.

24. AMENDMENTS TO THE BANK'S FINANCIAL INSTRUMENTS

According to the IAS 39 amendments and due to financial markets instability, on 01/07/2008, the Bank reclassified part of its listed shares as well as other debt securities of EUR 169,4 from "Trading securities" to "Available for sale securities" and to "Loans and advances to customers". More specifically, securities of EUR 101,5 million, were reclassified to the "Available for sale securities", suffering a loss of EUR 21 million for the period 1/07 – 31/12/2008 which is recognized on "Revaluation reserve of available-for-sale investments". In addition, debt securities of EUR 67,9 million were reclassified to the "Loans and advances to customers" carried at the amortized cost (fair value as of 31/12/08: EUR 49,6 million). The loss resulting from the reclassification, for the period 01/01/08 to 30/06/08, amounts to EUR 12,9 million and is still recognized on "Net trading income".
Furthermore, the Bank as at 01/10/2008 reclassified debt securities of EUR 169,3 million from "Trading securities" to "Available for sale securities", suffering a loss of EUR 24,7 million for the period 1/10 – 31/12/2008 which is recognized on "Revaluation reserve of available-for-sale investments". Their valuation loss for the period 01/01 – 30/09/2008 of EUR 3,8 million is still recognized on "Net trading income".
On 01/10/2008, the Bank reclassified debt securities of EUR 61,9 million from "Available for sale securities" to "Loans and advances to customers", since these securities are not negotiated in active market and the Bank is willing to retain them until their maturity and for which an allowance for uncollectibility of EUR 43,2 million is formed.
The Bank has the intention and the ability to retain its above-mentioned securities for the foreseeable future.

25. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	% Participation	2008	2007
ATE LEASING	99,41%	170.318	170.318
ATE-Cards	98,00%	1.882	1.882
ATE AEDAK	54,00%	613	613
ATE Tecniki Pliroforiki	82,73%	3.557	3.557
ATE A.X.E.P.E.Y.	66,58%	22.205	22.205
ATE Insurance	84,08%	490.815	490.815
ABG FINANCE INT.	100,00%	37	37
FIRST BUSINESS BANK	49,00%	71.908	47.408
Hellenic Sugar Company	82,33%	228.664	228.664
DODONI	67,77%	12.799	12.799
SEKAP	44,10%	5.595	5.237
RODOPI	0,00%	0	3.096
ETANAL	0,00%	0	110
ELVIZ	99,82%	2.154	2.154
ATE ADVERTISING	47,80%	510	510
ATExcelixi	95,00%	285	285
ATEBANK ROMANIA	74,13%	71.485	71.485
AIK BANKA	20,83%	116.629	116.629
		1.199.456	**1.177.804**
Less: Provision for impairment		**(699.062)**	**(699.062)**
		500.394	**478.742**

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

Further information about movement of investments in subsidiaries and associates is provided below:

ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	1/1 - 31/12/2008	1/1 - 31/12/2007
Subsidiaries		
Opening balance	309.468	290.319
Additions	0	23.069
Deductions	(3.206)	0
Capital returns	0	(3.920)
Closing balance	**306.262**	**309.468**
Associates		
Opening balance	169.274	147.602
Additions	24.858	21.672
Closing balance	**194.132**	**169.274**
	500.394	**478.742**

Within the current year the Bank mainly disposed some of its subsidiaries and participated in their share capital raises. The main transactions of the year are as follows:

a. Disposal of the participation (75%) to ETANAL S.A. for the amount of EUR 360 thousand at 4/2/2008. A gain of EUR 250 thousand from the disposal of the above mentioned investment was recorded on the income statement of the period.

b. Disposal of the participation (70,09%) to RODOPI S.A. for the amount of 3.689 thousand. A profit of EUR 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 EUR 358 thousand.

d. Participation in the share capital increase of FBB of amount EUR 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. The negotiations with the preferable investor relating to the subject of the sale of the majority of shares package of ATE Insurance S.A., presented as a balance sheet item in the interim financial statements of 30.06.2008 and 30.09.2008, were completed without success. The Bank's strategy as basic investor for the company will be re-examined and at the same time its development and the improvement of its financial results will be pursued.

26. INVESTMENT PROPERTY

(Amounts in thousand Euro)

	Land	Buildings	Total
At 1 January 2007			
Cost	130.855	77.780	208.635
Accumulated Depreciation	0	(27.634)	(27.634)
Net book value	**130.855**	**50.146**	**181.001**
2007			
Opening net book value	130.855	50.146	181.001
Additions	1.584	2.431	4.015
Disposals	(7.363)	(6.175)	(13.538)
Depreciation charge	0	(4.474)	(4.474)
Depreciation of disposals	0	2.612	2.612
Transfer	0	42	42
Net book value	**125.076**	**44.582**	**169.658**
31 December 2007			
Cost	125.076	74.078	199.154
Accumulated Depreciation	0	(29.496)	(29.496)
Net book value	**125.076**	**44.582**	**169.658**
2008			
Opening net book value	125.076	44.582	169.658
Additions	3.352	4.384	7.736
Disposals	(7.964)	(3.658)	(11.622)
Depreciation charge	0	(4.111)	(4.111)
Depreciation of disposals	0	1.977	1.977
Transfer	(427)	(291)	(718)
Net book value	**120.037**	**42.883**	**162.920**
31 December 2008			
Cost	120.037	74.513	194.550
Accumulated Depreciation	0	(31.630)	(31.630)
Net book value	**120.037**	**42.883**	**162.920**

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

The Bank has included as investment property, land and buildings that have come into its possession from the foreclosure of non-performing loans. In accordance with local banking regulations banks are required to dispose of foreclosed property within three years, however, extensions to this holding period can be approved by the Bank of Greece. The net book value of this property as at 31 December 2008 was EUR 91.670 thousands (31/12/2007: EUR 96.694 thousand).

27. PROPERTY, PLANT AND EQUIPMENT

(Amounts in thousand Euro)

	Land	Buildings	Furniture and Equipment	Leasehold Improvements	Under Construction	Total
At 1 January 2007						
Cost	109.700	172.807	87.012	18.407	10.095	398.021
Accumulated Depreciation	0	(41.074)	(59.964)	(8.919)	0	(109.957)
Net book value	**109.700**	**131.733**	**27.048**	**9.488**	**10.095**	**288.064**
2007						
Opening net book value	109.700	131.733	27.048	9.488	10.095	288.064
Additions	1.261	8.473	11.548	3.146	8.962	33.390
Disposals	(744)	(2.224)	(6.199)	(9)	0	(9.176)
Depreciation charge	0	(8.061)	(9.514)	(2.963)	0	(20.538)
Depreciation of disposals	0	876	5.946	9	0	6.831
Transfer	0	1.276	0	1.657	(2.975)	(42)
Net book value	**110.217**	**132.073**	**28.829**	**11.328**	**16.082**	**298.529**
31 December 2007						
Cost	110.217	180.332	92.361	23.201	16.082	422.193
Accumulated Depreciation	0	(48.259)	(63.532)	(11.873)	0	(123.664)
Net book value	**110.217**	**132.073**	**28.829**	**11.328**	**16.082**	**298.529**
2008						
Opening net book value	110.217	132.073	28.829	11.328	16.082	298.529
Additions	750	4.713	12.839	2.708	644	21.654
Disposals	(472)	(923)	(1.929)	(346)	0	(3.670)
Depreciation charge	0	(9.362)	(9.333)	(2.595)	0	(21.290)
Depreciation of disposals	0	382	668	69	0	1.119
Transfer	514	13.863	0	1.103	(14.762)	718
Net book value	**111.009**	**140.746**	**31.074**	**12.267**	**1.964**	**297.060**
31 December 2008						
Cost	111.009	197.985	103.271	26.666	1.964	440.895
Accumulated Depreciation	0	(57.239)	(72.197)	(14.399)	0	(143.835)
Net book value	**111.009**	**140.746**	**31.074**	**12.267**	**1.964**	**297.060**

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

28. INTANGIBLE ASSETS

(Amounts in thousand Euro)

	2008	2007
Cost - Software	22.759	20.719
Accumulated amortization	(18.078)	(15.207)
Net book value	**4.681**	**5.512**

29. DEFERRED TAX ASSET

Deferred tax assets and liabilities are attributable to the following:

(Amounts in thousands of Euro)

	31/12/2008	31/12/2007
Deferred tax asset:		
Intangible assets	490	1.000
Provision for impairment losses on customer loans	182.478	278.904
Trading securities	142.489	0
Employee benefits	2.325	2.873
Other items	592	5.658
Tax losses carry forward	85.688	27.203
	414.062	**315.638**
Deferred tax liability:		
Property, plant and equipment	7.501	5.681
Derivative financial instruments	6.489	3.419
Provision for contingent liabilities	0	2.000
	13.990	**11.100**
Net deferred tax asset	**400.072**	**304.538**

Movement in temporary differences during the year

(Amounts in thousand Euro)

	Balance 1 January 2008	Recognized in income	Recognized in equity	Balance 31 December 2008
Intangible assets	1.000	(27)	(483)	490
Provision for impairment losses on customer loans	278.904	(96.426)	0	182.478
Employee benefits	2.873	(548)	0	2.325
Other items	5.658	(5.066)	0	592
Tax losses carry forward	27.203	58.485	0	85.688
Property, plant and equipment	(5.681)	(1.820)	0	(7.501)
Derivative financial instruments	(3.419)	(3.070)	0	(6.489)
Securities portfolio	0	61.891	80.598	142.489
Provisions for contingent liabilities	(2.000)	2.000	0	0
	304.538	**15.419**	**80.115**	**400.072**

According to Law 3697/2008 regarding the gradual reduction of the tax ratios from 2010 till 2014, the Bank reestimated its deferred tax assets and liabilities based on the new tax ratios and recorded the impact from the reduction on the financial statements.

The temporary differences, arising from the valuation of securities, result from taxation imposed by the Law 3634/2008, given that the Bank has listed shares in the Athens Stock Exchange and it is likely to offset gains from their sale with the loss from their valuation.

30. OTHER ASSETS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Prepaid expenses	1.158	1.840
Tax advances and other tax receivables	29.860	19.660
Accrued interest and commissions **(30.1)**	138.777	109.370
Other receivables from public sector	145.708	114.732
Cheques and notes receivables	23.655	28.788
Receivables from pension fund	89.336	79.275
Customers	19.659	25.349
Additional contribution to Savings Guarantee Fund	50.415	0
Other	110.638	126.106
	609.206	**505.120**

According to the article 6 of the Law 3714/7.11.2008 "Hellenic Savings Guarantee Fund", the amount of deposits guaranteed by the system increased from € 20.000 to € 100.000 per depositor. The contribution to Savings Guarantee Fund from Banks increased accordingly.
Thus, the Banks paid supplementary contributions for the year 2008. Based on a provision of this Law, the additional amount paid is recorded in a separate group, which belongs to the Banks - participants according to their participation

30.1 ACCRUED INTEREST AND COMMISSIONS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Accrued interest from Public sector	14.246	4.276
Accrued interest from Private sector	18.833	2.464
Accrued interest from loans	103.161	100.906
Accrued interest from money market	2.210	764
Public sector commissions	252	587
Other	75	373
	138.777	**109.370**

31. DEPOSITS FROM BANKS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Term deposits	4.905.257	767.619
Due to Central Bank	1.711	1.337
Other borrowings	116	371
	4.907.084	**769.327**

32. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Retail customers:		
Current accounts	144.967	201.866
Saving accounts	10.989.874	11.736.435
Term deposits	7.152.831	5.926.875
	18.287.672	**17.865.176**
Private sector entities:		
Current accounts	883.103	867.950
Term deposits	295.730	257.196
	1.178.833	**1.125.146**
Public sector entities		
Current accounts	1.373.767	1.521.237
Term deposits	150.028	202.115
	1.523.795	**1.723.352**
	20.990.300	**20.713.674**

At 31 December 2008 the term deposits includes repo deposits amounted to EUR 24.205 thousand (31/12/2007: EUR 75.212 thousand). The majority of the repurchase agreements expire within one month of the balance sheet date.

33. PROVISION FOR PENSION LIABILITIES

(a) Defined contribution plans

- Main Pension Plan

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

The employer and employees contributions rates are reduced to the respective effective ones in IKA-ETAM, promptly for the employees as of 01.01.2007, and gradually in equal portions for the employer (ATE Bank) within 5 years starting as of 01.01.2007.
Besides the above mentioned regular contributions, the Bank will continue to pay annually as a fixed contribution to IKA- ETAM, an amount of Euro 28 million for fifteen years.

- Medical fund

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

(b) Defined benefit plans

- Early Retirement Plan

Based upon an agreement the employees of the Bank, in certain instances, are eligible for retirement prior to the conditions set by the main and auxiliary pension plans. In the event that an employee decided to retire the Bank was required to pay to ELEM an additional contribution equal to the regular contributions that the Bank and employee would have paid if they continued their employment, and the monthly pension that the employee receives. The obligation for the additional contribution existed until the retired employee reached the age of 65, at which point ELEM was responsible for all pension payments. This defined benefit plan was unfunded.
As of 1st January 2007 the insured employees and pensioners of ATE Bank's Auxiliary Pension Plan (ELEM) must compulsory accede to the Bank Employee Fund (E.T.A.T). The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions is covered from a payment that ATE Bank occurred in the amount of Euro 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make10 annual, equal payments of Euro 10 million as extraordinary contribution.
The Bank's contribution gradually decreases from 9% to 7,5% within 3 years performed from 01.01.2007.

- Lump Sum granted on retirement

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

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

(Amounts in thousand Euro)

	31/12/2008	**31/12/2007**
Present value of funded obligations	20.118	19.480
Fair value of plan assets	(10.453)	(9.965)
Unrecognized actuarial gains and losses	(274)	296
Recognized liability for defined benefit obligations	**9.391**	**9.811**

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

Net liability for defined benefit obligations at 1 January	9.811	290.232
Expense recognized in the income statement	1.535	1.420
Contribution paid to ETAT	0	(280.000)
Contributions received	(1.955)	(1.841)
Net liability for defined benefit obligations at 31 December	**9.391**	**9.811**

Expense recognized in the income statement	31/12/2008	31/12/2007
Current service cost	1.078	1.034
Interest on obligation	935	724
Expected return on plan assets	(478)	(338)
	1.535	**1.420**

The principal actuarial assumptions at the balance sheet date are:

	2008	2007
ACTUARIAL STUDY	**Funded**	**Funded**
Discount rate	**5,50%**	**4,80%**
Future salary increases	**4,22%**	**4,52%**
Expected return on plan assets	**5,50%**	**4,80%**

34. OTHER LIABILITIES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Prepaid expenses and deferred income	124.134	96.767
Creditors and suppliers	10.631	12.744
Tax and duties payable (except income tax)	25.476	19.927
Due to public sector	30.675	43.121
Finance lease payable	47.574	45.719
Other	116.447	26.604
	354.937	**244.882**

35. SUBORDINATED LOANS

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Subordinated loan due 2018	248.392	0
Subordinated loan due 2014	199.961	199.616
	448.353	**199.616**

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

On 21 July 2008 a subordinated loan of € 250 mil. was raised, which expires in 2018 and replaced another loan which was revoked on 24 December 2007 and is part of supplementary capital (Tier 2). The loan carries interest at Euribor increased by a margin of 2,45% and pays off quarterly. The bank has the right to redeem it after the 22nd of July 2013. If the loan is not revoked its interest rate will rise from 2,45% to 3,75%.

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

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

36. SHARE CAPITAL

At 31 December 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 year, no change in the share capital of the Bank is made.

37. RESERVES

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Statutory reserve	56.505	45.950
Tax free reserves	61.115	61.115
Revaluation reserve available-for-sale investments	(322.395)	172.033
Other reserves	816	816
	(203.959)	**279.914**

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.

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

38. DIVIDEND PER SHARE

The annual Shareholders' Meeting of 14 May 2008 approved the proposal of the BoDs regarding the dividend distribution for the fiscal year 2007 of Euro 90,5 mil. (Euro 0,10 per share). This amount included an interim dividend of 45,27 mil. (Euro 0,05 per share) paid during December of 2007. The remaining approved dividend was paid entirely in 2008, as mentioned in the Cash Flow Statement.

39. 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 in thousand Euro)

	31/12/2008	31/12/2007
Letters of guarantee	303.639	415.727
Letters of credit	837	1.519
	304.476	**417.246**

(c) Assets pledged

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Loans to customers	5.314.757	0
Trading bonds	159.000	0
Available-for-sale bonds	1.111.100	0
Held to maturity bonds	140.000	900.000
	6.724.857	**900.000**

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

40. RELATED PARTY TRANSACTIONS

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

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

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

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

(Amounts in thousand Euro)

	31/12/2008	31/12/2007
Loans and advances	566	568
Deposits	875	895

Key Management Personnel Fees	31/12/2008	31/12/2007
Fees	(676)	(676)
Other	(205)	(172)

b) With its subsidiaries and associates

(Amounts in thousand Euro)

ASSETS	31/12/2008	31/12/2007
Loans to banks	77.000	0
Loans and advances to customers	620.566	643.504
Other assets	2.391	2.337
Total assets	**699.957**	**645.841**

LIABILITIES		
Deposits from customers	74.418	141.987
Other liabilities	66.799	52.193
Subordinated loans	448.353	4.475
Total liabilities	**589.570**	**198.655**

INCOME STATEMENT	**31/12/2008**	**31/12/2007**
Income		
Interest and similar income	32.573	15.631
Fee and commission income	6.509	5.211
Dividends received	4.234	3.337
Operating income	3.472	2.486
Total income	**46.788**	**26.665**
Expenses		
Interest and similar expenses	(27.028)	(8.227)
Fee and commission expense	(15.946)	(11.700)
Operating expenses	(28.650)	(22.079)
Total expenses	**(71.624)**	**(42.006)**

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

41. SUBSEQUENT EVENTS

On 12.01.2009 the Shareholders' General Meeting decided to raise the Bank's share capital per EUR 675 mil. by issuing preferable shares. According to article 1 of the Law 3723/2008 concerning the "Liquidity Reinforcement to the economy to face the consequences of the international financial crisis" the preference right of the older shareholders was removed.

Furthermore, the Shareholders' General Meeting authorized the BoDs to issue covered bonds (till the approved amount of EUR 5 bil.) and mid-term bonds (till the approved amount of EUR 5 bil.) over a 5-year period, according to the legislation in force.

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

Athens, 27 March 2009

THE GOVERNOR	THE DEPUTY GOVERNOR	THE HEAD OF FINANCE DEPARTMENT
DIMITRIOS MILIAKOS	VASILIOS DROUGAS	CHRISTOS STOKAS

7. Financial Information for the period from 1 January to 31 December 2008

(according to Codified Law 2190/20, article 135)

AGRICULTURAL BANK OF GREECE S.A.
R.N.S.A. 24402/06/B/91/39
23 PANEPISTIMIOU STR., 105 64, ATHENS
FINANCIAL FIGURES FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2008
(According to Codified Law 2190 article 135 for companies preparing annual financial statements, consolidated or non according to the I.A.S.)

All figures mentioned underneath aim at providing information relating to the financial position and results of AGRICULTURAL BANK OF GREECE S.A. and of the GROUP of AGRICULTURAL BANK OF GREECE S.A. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank, where the Financial Statements as well as the auditor's report are available.

Supervising Authority - Municipality	: Ministry of Development - Municipality of Athens, Bank of Greece
Web site address	: www.atebank.gr
Date of approval of annual Financial Statements by the Board of Directors (from which all financial figures were derived)	: 27 March 2009
Certified Auditors	: Nick Vouniseas (A.M. SOEL: 18701)
	: Nick Tsiboukas (A.M. SOEL: 17151)
Audit Company	: KPMG Certified Auditors S.A.
Type of Auditor's report	: Unqualified opinion

STRUCTURE OF THE BOARD OF DIRECTORS

Dimitrios Miliakos	: Chairman - executive member - Governor of ATE
Vasilios Drougas	: Vice-Chairman - executive member - Deputy Governor
Panagiotis Varagis	: Vice-Chairman - executive member - Deputy Governor
Grigorios Konstantinidis	: Non-executive member
Ioannis Katsaounis	: Non-executive member
Vasilios Mperedimas	: Non-executive member
Nikolaos Mpaltas	: Non-executive member
Grigorios Alexiadis	: Non-executive member
Ioannis Tsagarakis	: Non-executive member
Sotirios Revithis	: Non-executive independent member
Dimitrios Karnavos	: Non-executive independent member

BALANCE SHEET (Consolidated and non consolidated)
Amounts in thousands of Euro

	GROUP		BANK	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
ASSETS				
Cash and balances with the Central Bank	1.277.038	1.206.251	1.226.862	1.180.630
Loans and advances to banks	957.446	715.100	1.003.932	682.021
Loans and advances to customers	20.853.981	16.744.440	20.954.943	16.849.837
Financial assets at fair value through profit or loss				
- Trading securities	342.661	539.609	342.527	518.479
Derivative financial instruments	25.786	45.788	25.786	45.788
Investment portfolio				
- Available-for-sale securities	2.340.002	1.492.316	2.003.037	1.183.005
- Held-to-maturity securities	175.082	1.216.632	129.905	1.177.360
Investments in subsidiaries and associates	204.700	185.631	500.394	478.742
Property, plant and equipment	498.748	514.611	297.060	298.529
Investment property	187.985	174.765	162.920	169.658
Intangible assets	29.082	32.568	4.681	5.512
Other assets	1.140.746	1.080.075	609.206	505.120
Deferred tax asset	440.589	325.557	400.072	304.538
TOTAL ASSETS	**28.473.846**	**24.273.343**	**27.661.325**	**23.399.219**
EQUITY AND LIABILITIES				
Share capital	651.920	651.920	651.920	651.920
Other equity elements	214.792	808.575	236.935	797.122
Equity attributable to the Bank's equity holders (a)	866.712	1.460.495	888.855	1.449.042
Minority interests (b)	63.944	60.563	0	0
Total equity (c) = (a) + (b)	**930.656**	**1.521.058**	**888.855**	**1.449.042**
Deposits from banks	4.971.653	850.545	4.907.084	769.327
Deposits from customers	20.965.347	20.630.039	20.990.300	20.713.674
Derivative financial instruments - liabilities	62.405	12.867	62.405	12.867
Subordinated loans	444.156	195.141	448.353	199.616
Provisions / Other liabilities	477.405	456.986	364.328	254.693
Insurance reserves	622.224	606.707	0	0
Total liabilities (d)	**27.543.190**	**22.752.285**	**26.772.470**	**21.950.177**
TOTAL EQUITY & LIABILITIES (c) + (d)	**28.473.846**	**24.273.343**	**27.661.325**	**23.399.219**

INCOME STATEMENT (Consolidated and non consolidated)
Amounts in thousands of Euro

	GROUP		BANK	
	1 Jan 2008 31 Dec 2008	1 Jan 2007 31 Dec 2007	1 Jan 2008 31 Dec 2008	1 Jan 2007 31 Dec 2007
Net interest income	625.431	614.910	606.127	579.746
Net fee and commission income	89.412	84.496	70.781	65.490
Dividend income	24.167	26.887	27.761	29.196
Net Income of non trading financial instruments	(18.623)	129.136	(20.180)	126.108
Other operating income	86.502	95.239	29.860	23.524
Operating income	**806.889**	**950.668**	**714.349**	**824.064**
Impairment losses	(204.196)	(79.948)	(195.445)	(78.846)
Staff costs	(398.530)	(394.920)	(346.991)	(339.159)
Other expenses	(164.803)	(137.449)	(129.792)	(109.814)
Depreciation & amortization expenses	(37.079)	(35.679)	(28.272)	(27.779)
Share of profits from associates	13.069	13.990	0	0
Profit before tax	**15.350**	**316.662**	**13.849**	**268.466**
Income tax	14.419	(70.731)	11.419	(57.375)
Profit after tax	**29.769**	**245.931**	**25.268**	**211.091**
Attributed to:				
Bank's Equity Holders	27.849	241.413	0	0
Minority interests	1.920	4.518	0	0
Basic and Diluted Earnings per share	0,0308	0,2675	0,0279	0,2331
Proposed dividend per share (€)	0	0	0	0,10

STATEMENT OF CHANGES IN EQUITY (Consolidated and non consolidated)
Amounts in thousands of Euro

	GROUP		BANK	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Equtiy at the beginning of the year (01.01.2008 and 01.01.2007 respectively)	**1.521.058**	**1.395.805**	**1.449.042**	**1.334.497**
Profit / (Losses) for the year after tax	29.769	245.931	25.268	211.091
(Purchases)/sales of treasury shares	(56)	1	0	0
Dividends paid	(92.332)	(82.717)	(90.544)	(81.490)
Available for sale reserve - valuation	(608.256)	40.072	(574.711)	49.906
Available for sale reserve - transferred to income	(350)	(66.413)	(315)	(64.479)
Deferred tax on entries recognized directly to equity	91.427	(483)	80.115	(483)
Changes in group participations	25.253	(2.718)	0	0
Exchange rate differences	(35.671)	(8.560)	0	0
Other	(186)	140	0	0
Equtiy at the end of the year (31.12.2008 and 31.12.2007 respectively)	**930.656**	**1.521.058**	**888.855**	**1.449.042**

CASH FLOW STATEMENT (Consolidated and non consolidated)
Amounts in thousands of Euro

	GROUP		BANK	
	1 Jan 2008 31 Dec 2008	1 Jan 2007 31 Dec 2007	1 Jan 2008 31 Dec 2008	1 Jan 2007 31 Dec 2007
Net cash flows from operating activities (a)	108.630	(329.086)	(32.105)	(389.858)
Net cash flows from investing activities (b)	(214.020)	127.400	(127.939)	181.178
Net cash flows from financing activities (c)	203.101	(82.716)	203.120	(81.490)
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**97.711**	**(284.402)**	**43.076**	**(290.170)**
Effect of exchange rate changes on cash and cash equivalents	(2.194)	(2.014)	(1.115)	(231)
Total increase/(decrease) in cash and cash equivalents	**95.517**	**(286.416)**	**41.961**	**(290.401)**
Cash and cash equivalents at the beginning of the year	**1.874.807**	**2.161.223**	**1.849.186**	**2.139.587**
Cash and cash equivalents at the end of the year	**1.970.324**	**1.874.807**	**1.891.147**	**1.849.186**

NOTES:

1. The companies included in the annual consolidated financial statements, their registration offices, the percentage of participation in them, the activities and the consolidation method are mentioned in Notes 1 and 3.1 of the consolidated financial statements as of 31.12.2008.

2. The Bank's percentage of participation in ATEbank Romania S.A. decreased by approximately 13% as the Bank did not participate to the share capital increase taken place during 2008.

3. The Group's financial statements as at 31.12.2008 do not include ETANAL S.A. (sold on 04.02.2008) and RODOPI S.A. (sold on 02.04.2008), which were consolidated using the full consolidation method as at 31.12.2007. Furthermore, ATE Insurance S.A.'s subsidiary in Romania, ATE Insurance S.A Romania, is not included in ATEbank's consolidated financial statements as of 31.12.2008 due to its immaterial impact on the Group's financial results.

4. The disposal of a main part of participation in ATE Insurance S.A. which was negotiated with a preferable investor and was presented as an asset for sale at the interim financial statements of 30.06.2008 and 30.09.2008 did not succeed. The Bank's strategy as a main shareholder of ATE Insurance S.A. will be reconsidered together with the company's growth and improvement of its financial results.

5. The accounting policies, applied by the Group and the Bank in the financial statements as at 31.12.2008 are consistent with those stated in the respective financial statements for the year ended 31.12.2007 and are available on the web site of the Bank. In addition, the Group and the Bank applied the amendments of IAS 39 and IFRS 7 and the impact in the financial statements is presented in notes 24 of the Group and the Bank's financial statements as of 31.12.2008.

6. The total number of personnel for the Bank and the Group at the end of the year is as follows:

	GROUP		BANK	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Permanent personnel:	8.879	8.936	6.395	6.368
Seasonal personnel:	579	611	0	0
Total personnel:	9.458	9.547	6.395	6.368

7. All transactions (income and expenses) from the beginning of the year as well as the assets and liabilities of the Bank and Group at the end of 2008 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:

	OTHER RELATED PARTIES	
	GROUP	BANK
	31-Dec-08	31-Dec-08
a) Income:	€ 7,27 mil.	€ 46,79 mil.
b) Expenses:	€ 0,03 mil.	€ 71,62 mil.
c) Assets:	€ 80,00 mil.	€ 699,96 mil.
d) Liabilities:	€ 0,08 mil.	€ 589,57 mil.

	BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL	
	GROUP	BANK
	31-Dec-08	31-Dec-08
a) Fees:	€ 3,80 mil.	€ 0,88 mil.
b) Loans:	€ 3,46 mil.	€ 0,57 mil.
c) Deposits:	€ 6,08 mil.	€ 0,87 mil.

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

	GROUP	BANK
	31-Dec-08	31-Dec-08
Litigations:	€ 18,20 mil.	0
Unaudited tax years:	€ 17,68 mil.	€ 9,50 mil.
Other provisions:	€ 15,91 mil.	€ 12,10 mil.
	€ 51,79 mil.	€ 21,51 mil.

9. As at 31.12.2008, the Group owns 2.120.825 treasury shares with cost € 8.338 th. that deducted from equity.

10. A separate note for the Bank and the Group's unaudited tax years is provided in the consolidated financial statements as of 31.12.2008, in Note 16.

11. In some cases, when necessary, the previous year's figures are readjusted, in order to be compared to those of the current year. A specific description is presented in notes 18 and 22 in the financial statements as at 31.12.2008 of the Group and the Bank.

12. The General Shareholder's Meeting held on 12.01.2009, approved the Bank's participation in the regulations of law 3273 / 2008 enhancing economy's liquidity.

ATHENS, 27 MARCH 2009

THE GOVERNOR	THE DEPUTY GOVERNOR	THE HEAD OF FINANCE DEPARTMENT
DIMITRIOS MILIAKOS	VASILIOS DROUGAS	CHRISTOS STOKAS
I.D. Σ 085252/95	I.D. Ξ 376944/88	I.D. Ξ 414057/87

8. Information to article 10 of Law 3401/2005

INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401 / 2005

The Announcements of the year 2008 are available on the Athens Stock Exchange website address as well as on the Bank's website address www.atebank.gr

SUBJECT	DATE
Announcement for the Termination of the Negotiations with Groupama.	24/12/2008
Announcement Related to the Draft Amendment of the Articles of Association of the Company.	23/12/2008
Correct Repetition - Invitation to the Bank's extraordinary General Meeting of Shareholders on January 12th, 2009.	12/12/2008
Invitation to the Bank's Extraordinary General Meeting of Shareholders on January 12th, 2009	8/12/2008
Announcement of Teleconference for the 9month Financial Results.	1/12/2008
Nine Month 2008 Financial Results.	28/11/2008
Nine Month 2008 Financial Results Announcement Date.	11/11/2008
Announcement Related to the Negotiation Process with Groupama.	5/11/2008
Denial of a Press Report Concerning the Sale of Partitipation in ATE Insurance S.A..	23/10/2008
Clarifications on Press Reports.	16/10/2008
Election of a New BoD's Member.	7/10/2008
Announcement Related to ATE Insurance S.A. Sale Procedure.	6/10/2008
Resignation of a BoD's Member.	19/9/2008
Clarifications on Press Reports.	19/9/2008
Announcement Related to ATE Insurance S.A. Sale Procedure.	10/9/2008
Announcement Related to ATE Insurance S.A. Sale Procedure	5/9/2008
Announcement Pursuant to Law 3556/2007.	5/9/2008
Notice Clarification.	4/9/2008
First Half 2008 Financial Results .	22/8/2008
Second Quarter 2008 Financial Results Announcement Date.	1/8/2008
Announcement for the Provision of Guarantee for Subordinated Loan.	18/7/2008
Announcement Related to ATE Insurance S.A. Sale Procedure.	11/7/2008
Sale of Part of Participation in ATE Insurance S.A.	25/6/2008
Announcement Concerning the Partitipation in the Increase of Stock Capital of the FBB.	9/6/2008
Clarifications on Press Reports.	6/6/2008
Q1 2008 Financial Results	26/5/2008
Clarifications on Press Reports.	16/5/2008
Acquisition of Own Shares.	15/5/2008
Annual General Meeting Resolutions.	15/5/2008
Dividend Distribution for the Financial Year 2007.	14/5/2008
Announcement Related to the Draft Amendment of the Articles of Association.	12/5/2008
First Quarter 2008 Results Conference Call - Change of Date.	8/5/2008
First Quarter 2008 Results Announcement Date.	7/5/2008
Annual Bulletin Disposal for the Financial year 2007.	21/4/2008
Invitation to the Bank's Ordinary General Meeting of Shareholders.	16/4/2008
Financial Calendar 2008.	28/3/2008
Sale of Equity Participation of the Dairy Industry "RODOPI" S.A.	27/3/2008
Change in BoD Members.	20/3/2008
Clarifications on Press Reports.	7/3/2008
Full Year 2007 Financial Results.	4/3/2008
Annauncement Concerning the Stock Capital Increase of FBB.	28/2/2008
Conference Call Announcement.	22/2/2008
12month 2007 Financial Results Announcement Date.	20/2/2008
Process of Sale Participation in RODOPI SA.	20/2/2008

9. Availability of the Annual Financial Report

AVAILABILITY OF THE ANNUAL FINANCIAL REPORT

The Annual Financial Report which includes:

- The Statements of the Board Of Directors Members
- The Board of Directors' Report
- The Independent Auditor's Report
- The Annual Financial Statements of the Bank and the Group
- The Financial Information for the period from 1 January to 31 December 2008

are available on the Bank's website address www.atebank.gr

The Annual Financial Statements, the Independent Auditors' Reports and the Board of Directors' Management Reports of consolidated companies are available on the Bank's website address www.atebank.gr