



**Interim Condensed
Financial Statements
As At 30 September 2006**

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

The attached interim condensed financial statements were approved by the BoD of the Agricultural Bank of Greece on 13 November 2006 and are available on the web address **www.ate.gr**

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Interim income statement
For the period ended 30 September 2006
(Amounts in thousands of Euro)

| | Note | 1/1- 30/9/2006 | 1/1- 30/9/2005 | 1/7- 30/9/2006 | 1/7- 30/9/2005 |
|--|-----------|-------------------|-------------------|-------------------|-------------------|
| Interest and similar income | | 614.593 | 610.039 | 213.728 | 179.847 |
| Interest expense and similar charges | | (191.729) | (166.814) | (68.128) | (57.345) |
| Net interest income | 5 | 422.864 | 443.225 | 145.600 | 122.502 |
| Fee and commission income | | 54.834 | 44.612 | 20.071 | 16.896 |
| Fee and commission expense | | (14.449) | (14.382) | (5.147) | (5.304) |
| Net fee and commission income | 6 | 40.385 | 30.230 | 14.924 | 11.592 |
| Net trading income | 7 | (6.197) | 12.332 | (1.353) | 5.090 |
| Net gain/(loss) on disposal of non-trading financial instruments | 8 | 21.974 | (509) | 0 | 0 |
| Dividend income | | 24.567 | 18.675 | 154 | 167 |
| Other operating income | 9 | 18.165 | 16.682 | 4.634 | 7.568 |
| Operating income | | 521.758 | 520.635 | 163.959 | 146.919 |
| Impairment losses | 10 | (45.000) | (131.600) | (15.000) | (30.072) |
| Operating expenses | 11 | (317.802) | (306.633) | (114.254) | (99.176) |
| Profit before tax | | 158.956 | 82.402 | 34.705 | 17.671 |
| Income tax expense | 12 | (58.165) | (31.405) | (9.265) | (2.579) |
| Profit after tax | | 100.791 | 50.997 | 25.440 | 15.092 |
| Basic and diluted earnings per share (expressed in Euro per share) | 13 | 0,11 | 0,09 | 0,03 | 0,03 |

The accompanying notes (pages from 5 to 19) are an integral part of these interim condensed financial statements.

Interim balance sheet
For the period ended 30 September 2006
(Amounts in thousands of Euro)

| | Note | 30/9/2006 | 31/12/2005 |
|--|------|-------------------|-------------------|
| Assets | | | |
| Cash and balances with the Central Bank | | 775.610 | 732.978 |
| Loans and advances to banks | | 2.488.053 | 2.377.576 |
| Trading securities | | 531.267 | 318.994 |
| Derivative financial instruments | | 5.105 | 99 |
| Loans and advances to customers | 14 | 11.919.611 | 12.788.750 |
| Available-for-sale securities | 15 | 1.179.837 | 1.082.153 |
| Held-to-maturity securities | | 1.268.588 | 1.377.987 |
| Investments in subsidiaries and associates | | 325.798 | 285.153 |
| Investment property | | 182.633 | 194.325 |
| Property, plant and equipment | 16 | 275.212 | 273.703 |
| Intangible assets | | 5.336 | 4.591 |
| Deferred tax asset | 17 | 371.271 | 385.600 |
| Other assets | | 577.654 | 386.497 |
| Total assets | | 19.905.975 | 20.208.406 |
| Liabilities | | | |
| Deposits from banks | | 78.602 | 208.623 |
| Deposits from customers | 18 | 17.643.278 | 17.801.755 |
| Derivative financial instruments | | 50.086 | 90.055 |
| Provision for employee benefits | 19 | 290.773 | 290.773 |
| Other liabilities | | 243.590 | 223.619 |
| Subordinated loans | | 399.447 | 399.242 |
| Total liabilities | | 18.705.776 | 19.014.067 |
| Equity | | | |
| Share capital | 20 | 651.920 | 1.729.399 |
| Treasury shares | | 0 | (25.631) |
| Share premium | | 94.846 | 95.275 |
| Other reserves | 21 | 323.594 | 316.099 |
| Accumulated surplus / (deficit) | | 129.839 | (920.803) |
| Total equity | | 1.200.199 | 1.194.339 |
| Total equity and liabilities | | 19.905.975 | 20.208.406 |

The accompanying notes (pages from 5 to 19) are an integral part of these interim condensed financial statements.

Interim statement of changes in equity For the period ended 30 September 2006 (Amounts in thousands of Euro)

| | Share capital | Treasury share | Share premium | Other reserves | Accumulated surplus / (deficit) | Total |
|--|------------------|-------------------|------------------|-------------------|---------------------------------------|------------------|
| Balance at 1/1/2005 | 1.649.470 | (54.211) | 46.732 | 163.064 | (1.747.217) | 57.838 |
| Restatement (Note 27.1) | 0 | 0 | 0 | 0 | (379.264) | (379.264) |
| Restated balance at 1/1/2005 | 1.649.470 | (54.211) | 46.732 | 163.064 | (2.126.481) | (321.426) |
| Profit for the period 1/1 - 30/09/2005 | 0 | 0 | 0 | 0 | 50.997 | 50.997 |
| Net gain/(loss) from changes in fair value of available-for-sale securities | 0 | 0 | 0 | 164.882 | 0 | 164.882 |
| Net (gain)/loss transferred to income statement on disposal of available-for-sale securities | 0 | 0 | 0 | (680) | 0 | (680) |
| Deferred tax on entries recognized directly to equity | 0 | 0 | 2.963 | 0 | 0 | 2.963 |
| Reserves appropriation | 0 | 0 | 0 | 8.781 | (8.781) | 0 |
| Transfer to reserves | 0 | 0 | 0 | 191 | 0 | 191 |
| Share capital increase | 1.192.689 | 0 | 56.200 | 0 | 0 | 1.248.889 |
| Share capital reduction | (1.112.760) | 0 | 0 | 0 | 1.112.760 | 0 |
| Expenses from share capital increase | 0 | 0 | (9.943) | 0 | 0 | (9.943) |
| Balance at 30/9/2005 | 1.729.399 | (54.211) | 95.952 | 336.238 | (971.505) | 1.135.873 |
| Profit for the period 01/10 - 31/12/2005 | 0 | 0 | 0 | 0 | 61.353 | 61.353 |
| Net gain/(loss) from changes in fair value of available-for-sale securities | 0 | 0 | 0 | (18.870) | 0 | (18.870) |
| Net (gain)/loss transferred to income statement on disposal of available-for-sale securities | 0 | 0 | 0 | (1.269) | 0 | (1.269) |
| Deferred tax on entries recognized directly to equity | 0 | 0 | (953) | 0 | 0 | (953) |
| (Purchases)/sales of treasury shares | 0 | 28.580 | 0 | 0 | (10.651) | 17.929 |
| Expenses from share capital increase | 0 | 0 | 276 | 0 | 0 | 276 |
| Balance at 31/12/2005 | 1.729.399 | (25.631) | 95.275 | 316.099 | (920.803) | 1.194.339 |
| Profit for the period 1/1 - 30/09/2006 | 0 | 0 | 0 | 0 | 100.791 | 100.791 |
| Net gain/(loss) from changes in fair value of available-for-sale securities | 0 | 0 | 0 | 8.117 | 0 | 8.117 |
| Net (gain)/loss transferred to income statement on disposal of available-for-sale securities | 0 | 0 | 0 | (11.017) | 0 | (11.017) |
| Deferred tax on entries recognized directly to equity | 0 | 0 | (429) | 0 | 0 | (429) |
| Dividends paid | 0 | 0 | 0 | 0 | (63.381) | (63.381) |
| Transfer to reserves | 0 | 0 | 0 | 10.395 | (10.395) | 0 |
| (Purchases)/sales of treasury shares | 0 | 25.631 | 0 | 0 | (8.580) | 17.051 |
| Share capital reduction | (1.032.207) | 0 | 0 | 0 | 1.032.207 | 0 |
| Share capital return | (45.272) | 0 | 0 | 0 | 0 | (45.272) |
| Balance at 30/9/2006 | 651.920 | 0 | 94.846 | 323.594 | 129.839 | 1.200.199 |

The accompanying notes (pages from 5 to 19) are an integral part of these interim condensed financial statements.

Interim statement of cash flows
For the period ended 30 September 2006
(Amounts in thousands of Euro)

| | 30/9/2006 | 30/9/2005 |
|---|-----------------|------------------|
| Operating activities | | |
| Profit before tax | 158.956 | 82.402 |
| Adjustment for: | | |
| Depreciation and amortization | 18.394 | 17.411 |
| Impairment losses | 45.000 | 131.600 |
| Changes in provisions | (51.299) | (65.376) |
| Change in fair value of trading investments | 3.248 | (4.992) |
| (Gain)/loss on the sale of investments, property and equipment | (27.223) | (3.858) |
| Changes in operating assets and liabilities | | |
| Net (increase)/decrease in loans and advances to banks | (119.090) | (2.541.689) |
| Net (increase)/decrease in trading securities | (215.512) | 265.422 |
| Net (increase)/decrease in derivative financial instruments | 0 | (8.732) |
| Net (increase)/decrease in loans and advances to customers | 787.627 | 1.671.168 |
| Net (increase)/decrease in other assets | (104.564) | 62.779 |
| Net increase/(decrease) in deposits from banks | (130.021) | 9.083 |
| Net increase/(decrease) in deposits from customers | (158.477) | (249.765) |
| Net increase/(decrease) in other liabilities | (36.187) | (107.150) |
| Cash flows from operating activities | 170.852 | (741.697) |
| Investing activities | | |
| Acquisition of intangible assets, property and equipment | (18.184) | (7.313) |
| Proceeds from the sale of intangible assets, property and equipment | 14.346 | 2.655 |
| (Purchases)/Sales of held to maturity portfolio | 109.399 | (118.492) |
| (Purchases)/Sales of available for sale portfolio | (122.558) | (346.002) |
| Dividends received | 22.194 | 18.675 |
| Purchases of subsidiaries | (40.645) | 0 |
| Sale of subsidiaries | 0 | 208 |
| Cash flows from investing activities | (35.448) | (450.269) |
| Financing activities | | |
| Net proceeds from share capital increase | 0 | 1.248.888 |
| Share capital return - Dividends paid | (108.653) | 0 |
| Share capital increase expenses | 0 | (4.363) |
| Proceeds/(Purchases) of treasury shares | 17.051 | 0 |
| Cash flows from financing activities | (91.602) | 1.244.525 |
| Effect of exchange rate changes on cash and cash equivalent | (1.170) | 1.744 |
| Net increase/(decrease) in cash flows | 42.632 | 54.303 |
| Cash and cash equivalents at 1 January | 732.978 | 851.045 |
| Cash and cash equivalents at 30 September | 775.610 | 905.348 |

The accompanying notes (pages from 5 to 19) are an integral part of these interim condensed financial statements.

1. General information

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

The Bank has a network of 463 branches in Greece and 1 abroad which offer to the clients a wide range of banking activities. The Bank also has 786 ATMs (Automatic Teller Machines), while 45% of the branches are privately owned.

The Bank's shares have been listed since 2000, in the Athens Stock Exchange.

From 2005 onwards the Bank uses the brand name "ATEbank AGRICULTURAL BANK OF GREECE".

2. Significant accounting principles and statement of compliance

2.1 Statement of compliance

These condensed interim Financial Statements have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) I.A.S. 34 "Interim Financial Reporting". They do not include all the information required for full annual Financial Statements, and should be read in conjunction with the Financial Statements of the Bank as at and for the year ended 31 December 2005.

The Financial Statements are presented in euro rounded to the nearest thousand.

These condensed interim Financial Statements were approved by the Board of Directors on 13 November 2006.

2.2 Basis of preparation

The accounting policies applied by the Bank in these condensed Financial Statements are the same as those applied by the Bank in its Financial Statements as at and for the year ended 31 December 2005.

The new standards and amendments and interpretations issued, which must be adopted for financial periods from 1 January 2006, are the following:

- **IAS 19 (amendment) "Employee Benefits" (effective from 1 January 2006)**

The amendment of IAS 19, introduces the option of an alternative recognition approach for actuarial gains and losses. At this moment, the Bank does not intent to change the accounting policy adopted for recognition of actuarial gains or losses and does not participate in multi- employer plans.

Therefore, the adoption of this amendment will only impact the format and the extent of disclosures presented in the accounts.

- **IAS 39 (amendment) "Cash Flow Hedge Accounting of Forecast Intragroup Transactions" (effective from 1 January 2006)**

This amendment has not been adopted by the Bank.

- **IAS 39 and IFRS 4 (amendment) “Financial Guarantee Contracts” (effective from 1 January 2006)**

This amendment requires issued financial guarantees which are not considered as insurance contracts to be initially recorded at their fair value and subsequently recorded at the higher price of a) the unamortized balance of fees received and accrued and b) the expenditure required to settle the commitment at the balance sheet date.

This amendment did not have an impact on the Bank’s financial position.

- **Interpretation 4 “Determining whether an Arrangement contains a Lease” (effective from 1 January 2006)**

This interpretation has no effect on Bank.

- **Interpretation 5 “Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds” (effective from 1 January 2006)**

This interpretation has no effect on Bank.

- **Interpretation 6 “Liabilities arising from participating in a Specific Market – Waste of Electrical and Electronic Equipment” (effective from 1 January 2006)**

This interpretation has no effect on Bank.

3. Critical accounting estimates and judgments in applying accounting policies

The preparation of interim Financial Statements, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim Financial Statements, the significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty are the same as those that applied to the Financial Statements as at and for the year ended 31 December 2005.

4. Segment reporting

Business segment

The Business Segment is the primary segment of the Bank and concerns all the bank's activities. Specifically, the purpose of the Bank is to provide on its own behalf and on behalf of third parties, the banking activities and services that contribute to the modernization and growth of the economy and more specifically the agricultural sector. The Bank through its branches offers financial products to both legal entities and individuals.

Geographical segment

The Bank's main activities are in Greece. It has 464 branches one of which in Germany. The main activity of the branch in Germany is lending as well as deposits. Its total assets represent 0,30% of the Bank.

Business sector analysis

(Amounts in thousand Euro)

30/9/2006

| | Retail banking | Small and medium enterprises | Corporate sector | Public sector | Treasury | Total |
|-------------------------------|-------------------|------------------------------------|---------------------|------------------|---------------|----------------|
| Net interest income | 248.167 | 28.481 | 64.599 | 46.273 | 35.344 | 422.864 |
| Net fee and commission income | 14.305 | 3.789 | 4.569 | 17.596 | 126 | 40.385 |
| Dividend income | 0 | 0 | 0 | 0 | 24.567 | 24.567 |
| Net trading income | 0 | 0 | 0 | 0 | 15.777 | 15.777 |
| Other operating income | 4.690 | 1.092 | 2.975 | 717 | 8.691 | 18.165 |
| Total operating income | 267.162 | 33.362 | 72.143 | 64.586 | 84.505 | 521.758 |
| Operating expenses | (186.980) | (25.191) | (40.793) | (31.602) | (33.236) | (317.802) |
| Impairment losses | (24.180) | (1.116) | (18.954) | (750) | 0 | (45.000) |
| Profit before tax | 56.002 | 7.055 | 12.396 | 32.234 | 51.269 | 158.956 |
| Income tax expense | | | | | | (58.165) |
| Profit after tax | | | | | | 100.791 |

(Amounts in thousand Euro)

30/9/2005

| | Retail banking | Small and medium enterprises | Corporate sector | Public sector | Treasury | Total |
|-------------------------------|-------------------|------------------------------------|---------------------|------------------|----------------|----------------|
| Net interest income | 138.017 | 59.128 | 101.742 | 65.777 | 78.561 | 443.225 |
| Net fee and commission income | 10.111 | 3.542 | 2.062 | 14.902 | (387) | 30.230 |
| Dividend income | 0 | 0 | 1.449 | 0 | 17.226 | 18.675 |
| Net trading income | 0 | 0 | 0 | 0 | 11.823 | 11.823 |
| Other operating income | 4.315 | 612 | 4.197 | 715 | 6.843 | 16.682 |
| Total operating income | 152.443 | 63.282 | 109.450 | 81.394 | 114.066 | 520.635 |
| Operating expenses | (97.902) | (49.375) | (44.779) | (45.932) | (68.645) | (306.633) |
| Impairment losses | (50.344) | (2.345) | (59.136) | 0 | (19.775) | (131.600) |
| Profit before tax | 4.197 | 11.562 | 5.535 | 35.462 | 25.646 | 82.402 |
| Income tax expense | | | | | | (31.405) |
| Profit after tax | | | | | | 50.997 |

5. Net interest income

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|--|-------------------|-------------------|
| Interest and similar income: | | |
| Loans and advances to customers | 498.709 | 517.298 |
| Loans to banks | 61.524 | 57.036 |
| Debt instruments | 54.360 | 35.705 |
| | 614.593 | 610.039 |
| Interest expense and similar charges: | | |
| Customer deposits | (175.773) | (150.956) |
| Bank deposits | (2.692) | (13.967) |
| Subordinated loans | (11.613) | (1.891) |
| Financial leasing (Lessor) | (1.651) | 0 |
| | (191.729) | (166.814) |
| Net interest income | 422.864 | 443.225 |

Interest income from Loans and advances to customers as of 30 September 2005, includes an amount of EUR 60 million, that represents the accounted Interest income derived from the application of Panotokia law 3259/2004. This amount constitutes non recurring income, while an equivalent provision for impairment losses had been recognized in the income statement of the period (Note 10).

6. Net fee and commission income

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|--|-------------------|-------------------|
| Fee and commission income | | |
| Loans and advances to customers | 14.206 | 9.664 |
| Money transfers | 10.374 | 9.559 |
| Letters of guarantee | 5.063 | 5.360 |
| Custody services | 1.855 | 2.495 |
| Import-exports | 780 | 955 |
| Other | 22.556 | 16.579 |
| | 54.834 | 44.612 |
| Fee and commission expenses | | |
| Contribution to Savings Guarantee Fund | (7.548) | (7.032) |
| Other | (6.901) | (7.350) |
| | (14.449) | (14.382) |
| Net fee and commission income | 40.385 | 30.230 |

7. Net trading income

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|-------------------------------------|-------------------|-------------------|
| Trading Portfolio | | |
| Gain minus Losses | | |
| Derivative financial instruments | (3.940) | (8.732) |
| Foreign exchange differences | (3.091) | 6.145 |
| Sales | | |
| Equity instruments | 4.139 | 6.140 |
| Debt instruments | (57) | 2.039 |
| Revaluation | | |
| Equity instruments | (170) | 5.007 |
| Debt instruments | (2.927) | (15) |
| Derivative financial instruments | (151) | 1.748 |
| | (6.197) | 12.332 |

According to the amendment of I.A.S. 39 “Recognition and Measurement – The Fair Value Option” (June 2005) regarding the recognition, valuation and accounting of the fair value of derivative instruments used for hedging of financial assets as well as hedged financial assets, the Bank restated the published Interim Income Statement of 30 September 2005 by increasing the revaluation of derivative financial instruments by EUR 17.605 thousand (Note 27.2).

8. Net gain / (loss) on disposal of non trading financial instruments

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|--|-------------------|-------------------|
| Financial assets available for sale | | |
| From sale | | |
| Equity instruments | 19.869 | 582 |
| Debt instruments | 70 | 364 |
| Other | 2.035 | (1.455) |
| | 21.974 | (509) |

Amount of approximately EUR 19,9 million of the period 1/1 – 30/9/2006, was derived from the disposal of a part of the available for sale securities of listed firms in the Athens Stock Exchange.

The impairment of EUR 19.775 thousand in the value of the listed subsidiaries which had been recognized on the published Financial Statements as of 30/9/2005 was reclassified to the caption “Impairment losses” (Note 10).

9. Other operating income

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|------------------------------------|-------------------|-------------------|
| Gain from the sale of fixed assets | 5.107 | 2.011 |
| Income from investment property | 1.892 | 1.922 |
| Income from sequential activities | 7.004 | 6.547 |
| Telecommunication fees | 846 | 1.417 |
| Other | 3.316 | 4.785 |
| | 18.165 | 16.682 |

10. Impairment losses

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|---------------------------------|-------------------|-------------------|
| Loans and advances to customers | (45.000) | (111.825) |
| Subsidiaries | 0 | (19.775) |
| | (45.000) | (131.600) |

Due to the application of Law 3259/2004, the Bank as of 30/9/2005 accounted a provision of approximately EUR 60 million for impairment losses on Loans and advances to customers, in order to offset the equivalent recorded Net interest income (Note 5).

Furthermore, the bank as of 30/9/2005 recognized an amount of EUR 19.775 thousand as impairment losses concerning the listed subsidiaries Hellenic Sugar Company and Agrotiki Insurance. In the published financial statements of 30/9/2005 the above mentioned amount for impairment losses was recorded in the caption "Net gain / (loss) on disposal of non-trading instruments" (Note 8).

11. Operating expenses

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|------------------------------------|-------------------|-------------------|
| Staff costs | (239.778) | (238.029) |
| Third party fees | (12.572) | (8.849) |
| Advertising and promotion expenses | (8.563) | (5.497) |
| Telecommunication expenses | (5.467) | (4.732) |
| Insurance fees | (1.568) | (1.382) |
| Repairs and maintenance | (5.957) | (5.776) |
| Travel | (3.742) | (2.677) |
| Stationery | (1.604) | (1.682) |
| Utility services | (1.877) | (1.812) |
| Depreciation | (16.913) | (15.801) |
| Amortization of intangible assets | (1.481) | (1.610) |
| Operating lease rentals | (7.925) | (9.362) |
| Other taxes | (4.508) | (3.838) |
| Other | (5.847) | (5.586) |
| | (317.802) | (306.633) |

The average number of the Bank's employees on 30 September 2006 was 6.163 (30/9/2005: 6.503).

12. Income tax expense

(Amounts in thousand Euro)

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|-------------------------------------|-------------------|-------------------|
| Current tax | (14.275) | 0 |
| Deferred tax | (13.900) | (31.405) |
| Profit distribution tax (year 2005) | (29.990) | 0 |
| | (58.165) | (31.405) |

The income tax of the period was calculated on the basis of the current tax rate of 29%. It should be noted that the income tax rate that will be used from 1/1/2007 will be 25%.

Details regarding the unaudited tax years are given in note 22 (d).

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

The deferred tax (expense) in the published Financial Statements as of 30/9/2005, was increased by EUR 5.634 thousand, which corresponds to the change of EUR 17.605 thousand in the revaluation of derivative financial instruments (Notes 7, 27.2).

13. Basic and diluted earnings per share

| | 1/1- 30/9/2006 | 1/1- 30/9/2005 |
|---|-------------------|-------------------|
| Earnings after tax (in thousands of euro) | 100.791 | 50.997 |
| Weighted average of number of shares in issue (thousands) | 904.427.861 | 590.480.929 |
| Basic and diluted earnings per share (expressed in euro per share) | 0,11 | 0,09 |

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.

14. Loans and advances to customers

(Amounts in thousand Euro)

| 14.1 | 30/9/2006 | 31/12/2005 |
|--------------------------------------|-------------------|-------------------|
| Credit cards | 269.552 | 271.378 |
| Consumer loans | 468.055 | 389.213 |
| Mortgages | 3.793.067 | 2.860.518 |
| Loans to private individuals | 4.530.674 | 3.521.109 |
| Loans to the agricultural sector | 2.364.918 | 2.124.530 |
| Corporate loans | 3.081.014 | 3.198.441 |
| Small and medium sized firms | 843.641 | 800.270 |
| Loans to corporate entities | 6.289.573 | 6.123.241 |
| Loans to the public sector | 2.572.292 | 4.754.795 |
| | 13.392.539 | 14.399.145 |
| Less: allowance for uncollectibility | (1.472.928) | (1.610.395) |
| | 11.919.611 | 12.788.750 |

14.2 Allowance for uncollectibility

| Movement in the allowance for uncollectibility | 2006 | 2005 |
|--|------------------|------------------|
| Balance at 1 January | 1.610.395 | 2.207.631 |
| Provision for impairment | 45.000 | 111.825 |
| Loans written-off - Law 3259/2004 | (6.382) | (396.765) |
| - Other | (176.085) | (200.000) |
| Balance at 30 September | 1.472.928 | 1.722.691 |
| Balance at 1 October | | 1.722.691 |
| Provision for impairment | | 8.175 |
| Loans written-off - Law 3259/2004 | | (12.223) |
| - Other | | (108.248) |
| Balance at 31 December | | 1.610.395 |

15. Available-for-sale securities

(Amounts in thousand Euro)

| | 30/9/2006 | 31/12/2005 |
|---------------------------|------------------|------------------|
| Debt securities: | | |
| Greek Government bonds | 106.501 | 10.255 |
| Other issuers | 346.071 | 401.446 |
| | 452.572 | 411.701 |
| Equity securities: | | |
| Listed | 653.003 | 640.232 |
| Unlisted | 54.121 | 10.860 |
| | 707.124 | 651.092 |
| Mutual fund units | 20.141 | 19.360 |
| | 1.179.837 | 1.082.153 |

The positive change in fair value of the available for sale portfolio between 30 September 2006 and 31 December 2005, amounts to EUR 8,1 million and has been recognized directly in equity.

16. Property, plant and equipment

During the current period, modernization expenses concerning the branches of ATEbank have been made. Specifically, modernization cost amounts to EUR 3,0 million, while estate acquisitions of total cost EUR 565 thousand have been made. Furthermore, the Bank acquired land of amount EUR 401 thousand.

17. Deferred tax asset

(Amounts in thousand Euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | 30/9/2006 | 31/12/2005 |
|---|----------------|----------------|
| Deferred tax asset: | | |
| Intangible assets | 1.847 | 2.380 |
| Provision for impairment losses on customer loans | 297.766 | 309.963 |
| Derivative financial instruments | 0 | 221 |
| Employee benefits | 73.089 | 73.089 |
| Other items | 7.229 | 6.870 |
| | 379.931 | 392.523 |
| Deferred tax liability: | | |
| Property, plant and equipment | 1.860 | 860 |
| Derivative financial instruments | 737 | 0 |
| Provision for contingent liabilities | 6.063 | 6.063 |
| | 8.660 | 6.923 |
| Net deferred tax asset | 371.271 | 385.600 |

Movement in temporary differences during the period

(Amounts in thousand Euro)

| | Balance 1 January 2006 | Recognized in income | Recognized in equity | Balance 30 Sept 2006 |
|---|---------------------------|-------------------------|-------------------------|-------------------------|
| Intangible assets | 2.380 | (104) | (429) | 1.847 |
| Provision for impairment losses on customer loans | 309.963 | (12.197) | 0 | 297.766 |
| Employee benefits | 73.089 | 0 | 0 | 73.089 |
| Other items | 6.870 | 359 | 0 | 7.229 |
| Property, plant and equipment | (860) | (1.000) | 0 | (1.860) |
| Derivative financial instruments | 221 | (958) | 0 | (737) |
| Provisions for contingent liabilities | (6.063) | 0 | 0 | (6.063) |
| | 385.600 | (13.900) | (429) | 371.271 |

18. Deposits from customers

(Amounts in thousand Euro)

| | 30/9/2006 | 31/12/2005 |
|---------------------------------|-------------------|-------------------|
| Retail customers: | | |
| Current accounts | 144.407 | 171.722 |
| Saving accounts | 10.974.037 | 11.649.307 |
| Term deposits | 4.223.791 | 3.445.457 |
| | 15.342.235 | 15.266.486 |
| Private sector entities: | | |
| Current accounts | 671.979 | 613.451 |
| Term deposits | 248.011 | 464.214 |
| | 919.990 | 1.077.665 |
| Public sector entities | | |
| Current accounts | 1.182.735 | 1.343.445 |
| Term deposits | 198.318 | 114.159 |
| | 1.381.053 | 1.457.604 |
| | 17.643.278 | 17.801.755 |

Term deposits include funds that the Bank has raised by selling Greek government bonds, under agreements to repay the funds by repurchasing the instruments at future dates at the same price plus interest at a pre-determined rate. On 30 September 2006 the funds received amounted to EUR 161.483 thousand (31/12/2005: EUR 290.874 thousand).

19. Provision for pension liabilities

- Law on pension plans of Bank employees

According to Law 3371/14.7.2005, the main pension Funds of banks may join the social insurance - common employee pension Fund (IKA- ETAM) by 31 of December 2005. A condition to join IKA - ETAM is that the corresponding employee auxiliary pension Funds must be absorbed by the bank employee Fund (ETAT). The application to join ETAT may be submitted to the board of directors by either the employer or the employees.

On 3 May 2006 the B.o.D of E.T.A.T. approved the application of the Bank regarding the entrance of its auxiliary pension Fund "ELEM" in ETAT.

Notes to the Interim Condensed Financial Statements as at 30 September 2006

The Bank expects the outcome of a specific economic study which will determine its financial obligations that will arise from joining IKA - ETAM and ETAT. This specific economic study will be commissioned by the Ministry of Finance and the Economy, while the way of paying off the employer's financial obligations will be determined by specific decree law.

Concerning the above mentioned probable obligation that will arise from the absorption of the Bank employees' auxiliary pension Fund by ETAT the Bank has accounted a provision according to the results of an actuarial study as mentioned above. The amount of accounted provision as of 30 September 2006 is EUR 280.035 thousand.

20. Share capital

On 30 September 2006 the share capital of ATEbank amounts to EUR 651.919.999,68, consisted of 905.444.444 authorized and issued common shares of nominal value of EUR 0,72 per share fully paid.

a) During the year 2005, according to the decisions of the Annual Shareholders' Meeting of 27 May 2005 the following took place:

- Decrease in the par value from EUR 5,87 to EUR 1,91 per share. This decrease implemented to offset «negative reserves» arising from losses on securities of EUR 1.112.760 thousand, which were included in the accumulated deficit.
- Increase of share capital by EUR 1.192.689 thousand by the issuance of 624.444.444 shares of a par value of EUR 1,91 for EUR 2,00 contributed in cash, which resulted in an increase in the share premium of EUR 56.200 thousand.

b) In the Annual General Meeting of shareholders on 4 May 2006 the following were decided:

- Decrease in the share capital by EUR 1.032.206.666,16 to compensate for the accumulated deficit, due to the application of the International Accounting Standards and a simultaneous decrease in the par value of each share from EUR 1,91 to EUR 0,77.
- Decrease in the share capital by EUR 45.272.222,20 and a simultaneous decrease in the par value of each share by EUR 0,05 in order to return the corresponding amount to the shareholders.
- Distribution of dividend of EUR 0,07 per share for the year 2005.

c) The major shareholder of the Bank, the Greek State, on 12/05/2006 through accelerated book building, disposed 65.000.000 authorized and issued common shares of ATEbank which represent 7,2% of the Bank's capital to institutional investors. The Greek State holds 77,3% of the Bank's share capital.

d) During the nine-month period of 2006, the Bank disposed all of its treasury shares that held on 31 December 2005 (acquisition cost EUR 25.631 thousand).

21. Reserves

(Amounts in thousand Euro)

| | 30/9/2006 | 31/12/2005 |
|--|----------------|----------------|
| Statutory reserve | 39.216 | 39.216 |
| Tax free reserves | 24.878 | 13.223 |
| Extraordinary reserve | 145.866 | 147.126 |
| Revaluation reserve available-for-sale investments | 112.818 | 115.718 |
| Other reserves | 816 | 816 |
| | 323.594 | 316.099 |

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.

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

Available-for-sale 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.

22. Contingent liabilities and commitments

(a) Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. 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 to extend credit to customers are as follows (amounts are expressed in thousands of euro):

| | 30/9/2006 | 31/12/2005 |
|----------------------|----------------|----------------|
| Letters of guarantee | 391.258 | 652.683 |
| Letters of credit | 1.945 | 995 |
| | 393.203 | 653.678 |

(c) Assets pledged

Some of the Bank's Assets are pledged with the Central Bank as guarantee for client Repos deposits. Their nominal value amounts to EUR 177.780 thousand as of 30 September 2006 (31/12/2005: EUR 322.693 thousand).

(d) Unaudited tax years

In Greece the results reported to the tax authorities by an entity are considered provisional 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 finalized its tax obligations up to the financial year of 2004.

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

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

23. Acquisition of subsidiaries

a) During the current period, ATEbank acquired 56,96% of the share capital of the Romanian Bank MINDBANK.

Specifically, the acquired bank has 269 employees, owns a network of 12 branches in Romania and targets on small and medium sized entities and individuals, offering a wide range of banking products and services (in domestic and foreign currency).

The book value of MINDBANK at the date of acquisition is as follows:

Interim balance sheet

For the period ended 30 September 2006

(Amounts in thousands of Euro)

| | 30/9/2006 |
|---|---------------|
| Assets | |
| Cash and balances with the Central Bank | 15.868 |
| Loans and advances to banks | 11.612 |
| Loans and advances to customers | 31.818 |
| Available-for-sale securities | 129 |
| Property, plant and equipment | 21.982 |
| Intangible assets | 289 |
| Other assets | 387 |
| Total assets | 82.084 |
| Liabilities | |
| Deposits from banks | 11.633 |
| Deposits from customers | 40.249 |
| Deferred tax liability | 1.424 |
| Other liabilities | 555 |
| Total liabilities | 53.861 |
| Equity | 28.223 |
| Total equity and liabilities | 82.084 |

| | | |
|---|---|---------------|
| Purchase price of shares | : | 36.090 |
| Directly attributable costs relating to the acquisition | : | 4.555 |
| Total cost of acquisition | : | 40.645 |

b) On October 26, 2006 the acquisition by ATEbank of 20% of ordinary shares and 24,99% of preference shares of the Serbian Bank AIK BANKA, was completed on, at a per ordinary share market price of 2,85 times the Bank's 30/06/2006 audited book value.

A total amount of EUR 92,6 million was offered for the acquisition of the above mentioned shares.

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

24. Subsequent events

During the financial year of 2005 the agricultural ministerial council of the European Union decided to reform its Common Market Organization for sugar. This will affect the production of sugar in Greece and consequently will affect the Hellenic Sugar Company, a group company.

Specifically, the reform concerns a 36% decrease in the guaranteed price of sugar which will be accomplished gradually in 4 years, beginning in 2006-2007. The price will essentially decrease from EUR 632 per ton to EUR 400 per ton in 2009-2010. At the same time, subsidies are to be granted to sugar producers whose income will be adversely affected by the above mentioned reform.

The management of the Group has assessed the effects that the reform will have on the Hellenic Sugar Company and concluded that presently no indication of impairment exists.

Other than the above mentioned events there are no subsequent events after the balance sheet date which are to be mentioned.

25. Capital adequacy

The capital requirements for the Bank are calculated according to the Bank of Greece directives 2397/96, which is the application of the European Union capital adequacy directive for credit institutions and investment firms.

The capital ratio for the Bank, is estimated to 12,51% which is much higher than the regulatory limit of 8% set by the Bank of Greece directive.

26. 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 family members and financially dependant of the above, c) subsidiaries and associate companies of the Group.

The transactions between the Bank and its subsidiaries and affiliates as well as profits and expenses arising from these transactions are presented on the table below:

(Amounts in thousand Euro)

| ASSETS | 30/9/2006 | 31/12/2005 |
|---------------------------------|------------------|-------------------|
| Loans and advances to customers | 391.193 | 465.584 |
| Other assets | 6.638 | 6.847 |
| Total assets | 397.831 | 472.431 |
| LIABILITIES | | |
| Deposits from customers | 151.717 | 205.706 |
| Other liabilities | 44.871 | 53.473 |
| Subordinated loans | 4.543 | 4.543 |
| Total liabilities | 201.131 | 263.722 |

| INCOME STATEMENT | 30/9/2006 | 30/9/2005 |
|-------------------------------|------------------|------------------|
| Income | | |
| Interest and similar income | 13.830 | 3.442 |
| Fee and commission income | 3.002 | 2.393 |
| Dividends received | 4.674 | 3.223 |
| Operating income | 3.790 | 1.157 |
| Total income | 25.296 | 10.215 |
| Expenses | | |
| Interest and similar expenses | (4.616) | (3.004) |
| Fee and commission expenses | (6.593) | (4.047) |
| Operating expenses | (15.324) | (6.062) |
| Total expenses | (26.533) | (13.113) |

The key management and personnel fees were:

| Key Management Personnel Fees | 30/9/2006 | 30/9/2005 |
|--------------------------------------|------------------|------------------|
| Fees | (420) | (418) |
| Transportation | (7) | (6) |
| Other | (104) | (108) |

27. Restatement of Financial Statements

27.1. Statement of changes in equity

The Bank upon the completion of the procedure of the transition from the Greek GAAP to the IFRS for the preparation of its Financial Statements of 31/12/2005 restated certain items of the opening and the prior year Balance Sheet and Profit and Loss that had been recognized in the interim Financial Statements of the year 2005.

The restatement of the published interim Financial Statements of the year 2005 was announced by the Bank on 14/7/2006 and the republished Financial Statements were placed on the Bank's web site.

More specifically restatement concerned the following:

| (Amounts in thousand Euro) | | Increase / (Reduction) | | |
|--|--|--|---|---|
| | | Effect on equity as of 1/1/2004 | Effect on profit and loss account as of 31/12/2004 | Effects on equity as of 31/12/2004 |
| Provision for loan losses | | (450.000) | 0 | (450.000) |
| Changes in deferred tax due to restatement | | 157.500 | (43.876) | 113.624 |
| Impairment of subsidiaries | | (39.372) | 0 | (39.372) |
| Derivatives valuation | | 0 | (3.516) | (3.516) |
| Total Effect | | (331.872) | (47.392) | (379.264) |

27.2 Income statement

According to the amendment of I.A.S. 39 “Recognition and Measurement – The Fair Value Option” (June 2005) regarding the valuation and recognition of financial assets and liabilities, the valuation of derivative financial instruments, as published of 30/9/2005, was increased by the amount of EUR 17.605 thousand (Note 7), while a deferred tax liability – expense of EUR 5.634 thousand was recognized (Note 12). The positive effect on Profit after tax distributed to the shareholders, raised to the amount of EUR 11.971 thousand. Profit after tax raised to the amount of EUR 50.997 thousand (published: EUR 39.026 thousand).

The restated Bank’s Equity amounted to EUR 1.135.873 thousand (published: EUR 1.503.166 thousand).