Interim Financial Statements
As At 31 March 2006

In accordance with the International Accounting Standard 34

The attached interim financial statements were approved by the BoD of the Agricultural Bank of Greece on 25 May 2006 and are available on the web address **www.ate.gr**

CONTENTS **PAGES**

Interim income statement
For the period ended 31 March 2006
(Amounts in thousands of Euro)

	Note	1/1 – 31/3/2006	1/1 – 31/3/2005
Interest and similar income		197.581	216.468
Interest expense and similar charges		(59.693)	(53.382)
Net interest income	**5**	**137.888**	**163.086**
Fee and commission income		16.751	14.444
Fee and commission expense		(4.756)	(4.384)
Net fee and commission income	**6**	**11.995**	**10.060**
Net trading income	**7**	5.456	6.837
Net gain/(loss) on disposal of non-trading financial instruments		345	578
Dividend income		6.200	4.443
Other operating income	**8**	5.670	4.927
Operating income		**167.554**	**189.931**
Impairment losses	**9**	(15.000)	(61.275)
Operating expenses	**10**	(101.373)	(104.977)
Profit before tax		**51.181**	**23.679**
Income tax expense		(8.731)	(14.965)
Profit after tax		**42.450**	**8.714**
Basic and diluted earnings per share (expressed in Euro per share)	**11**	0,05	0,03

The accompanying notes (pages from 5 to 16) are an integral part of these interim financial statements.

Interim balance sheet
For the period ended 31 March 2006
(Amounts in thousands of Euro)

	Note	31/3/2006	31/12/2005
Assets			
Cash and balances with the Central Bank		990.516	732.978
Loans and advances to banks		2.504.889	2.377.576
Trading securities		504.391	318.994
Derivative financial instruments		0	99
Loans and advances to customers	**12**	11.919.537	12.788.750
Available-for-sale securities	**13**	1.200.736	1.082.153
Held-to-maturity securities		1.378.009	1.377.987
Investments in subsidiaries and associates		285.153	285.153
Investment property		191.687	194.325
Property, plant and equipment		271.399	273.703
Intangible assets		4.362	4.591
Deferred tax asset	**14**	381.335	385.600
Other assets		427.788	386.497
Total assets		**20.059.802**	**20.208.406**
Liabilities			
Deposits from banks		133.310	208.623
Deposits from customers	**15**	17.641.382	17.801.755
Derivative financial instruments		54.826	90.055
Provision for employee benefits	**16**	290.773	290.773
Other liabilities		227.102	223.619
Subordinated loans		399.310	399.242
Total liabilities		**18.746.703**	**19.014.067**
Equity			
Share capital	**17**	1.729.399	1.729.399
Treasury shares		(22.093)	(25.631)
Share premium		95.126	95.275
Other reserves	**18**	390.098	316.099
Accumulated deficit		(879.431)	(920.803)
Total equity		**1.313.099**	**1.194.339**
Total equity and liabilities		**20.059.802**	**20.208.406**

The accompanying notes (pages from 5 to 16) are an integral part of these interim financial statements.

Interim statement of changes in equity
For the period ended 31 March 2006
(Amounts in thousands of Euro)

	Share capital	Treasury shares	Share premium	Other reserves	Accumulated deficit	Total
Balance at 1/1/2005 (as published in the interim financial statements of 31/3/2005)	**1.649.470**	**(54.211)**	**46.732**	**163.064**	**(1.747.217)**	**57.838**
Restatement entries (Note 23)	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 - 31/3/2005	0	0	0	0	8.714	8.714
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	15.264	0	15.264
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	81	0	81
Balance at 31/3/2005	**1.649.470**	**(54.211)**	**46.732**	**178.409**	**(2.117.767)**	**(297.367)**
Profit for the period 1/4 - 31/12/2005	0	0	0	0	103.636	103.636
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	130.748	0	130.748
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(2.030)	0	(2.030)
Deferred tax on entries recognized directly to equity	0	0	2.010	0	0	2.010
Reserves appropriation	0	0	0	8.781	(8.781)	0
Transfer to reserves	0	0	0	191	0	191
(Purchases)/sales of treasury shares	0	28.580	0	0	(10.651)	17.929
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	(9.667)	0	0	(9.667)
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 - 31/3/2006	0	0	0	0	42.450	42.450
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	73.999	0	73.999
Deferred tax on entries recognized directly to equity	0	0	(149)	0	0	(149)
(Purchases)/sales of treasury shares	0	3.538	0	0	(1.078)	2.460
Balance at 31/3/2006	**1.729.399**	**(22.093)**	**95.126**	**390.098**	**(879.431)**	**1.313.099**

The accompanying c notes (pages from 5 to 16) are an integral part of these interim financial statements.

Interim statement of cash flows
For the period ended 31 March 2006
(Amounts in thousands of Euro)

	31/3/2006	31/3/2005
Operating activities		
Profit before tax	51.181	23.679
Adjustment for non-cash items		
Depreciation and amortization	6.173	7.713
Impairment losses	15.000	61.260
Changes in provisions	(63.897)	(9.481)
Change in fair value of trading investments	(11.141)	(7.778)
(Gain)/loss on the sale of investments, property and equipment	(4.769)	(6.731)
Changes in operating assets and liabilities		
Net (increase)/decrease in loans and advances to banks	(127.313)	(1.803.701)
Net (increase)/decrease in trading securities	(178.560)	264.402
Net (increase)/decrease in derivative financial instruments	1.769	(2.985)
Net (increase)/decrease in loans and advances to customers	820.358	1.779.768
Net (increase)/decrease in other assets	97.690	(6.981)
Net increase/(decrease) in deposits from banks	(75.313)	(12.278)
Net increase/(decrease) in deposits from customers	(160.373)	(485.170)
Net increase/(decrease) in other liabilities	(71.601)	(20.409)
Cash flows from operating activities	**299.204**	**(218.692)**
Investing activities		
Acquisition of intangible assets, property and equipment	(2.620)	(1.455)
Proceeds from the sale of intangible assets, property and equipment	3.401	1.028
(Purchases)/Sales of held to maturity portfolio	(22)	0
(Purchases)/Sales of available for sale portfolio	(45.028)	(152.700)
Sale of subsidiaries	0	208
Cash flows from investing activities	**(44.269)**	**(152.919)**
Financing activities		
Proceeds/(Purchase) of treasury shares	2.460	0
Cash flows from financing activities	**2.460**	**0**
Effect of exchange rate changes on cash and cash equivalent	143	0
Net increase/(decrease) in cash flows	**257.538**	**(371.611)**
Cash and cash equivalents at 1 January	732.978	851.045
Cash and cash equivalents at 31 March	**990.516**	**479.434**

The accompanying notes (pages from 5 to 16) are an integral part of these interim financial statements.

1. General information

Agricultural Bank, (the Bank or ATE), was founded in 1929. The Bank's registered office is at 23 Panepistimiou Str. in the municipality of Athens 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 458 in Greece and 1 abroad which offer to the clients a wide range of banking activities. The Bank also has 570 ATMs (Automatic Teller Machines), while 45% of the branches are privately owned.

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

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

2. Significant accounting principles

The accounting principles applied for the preparation of the Bank’s interim financial statements are the same as those used in the published annual financial statements for the year ended 31 December 2005.

2.1 Statement of compliance

The financial statements of the Bank have been prepared in accordance with the International Accounting Standard (IAS) 34, «Interim Financial Reporting».

The date of transition for the Bank to IFRS was 1 January 2004, when the opening balance sheet was prepared in accordance with IFRS 1.

2.2 Basis of preparation

The financial statements are presented in euro rounded to the nearest thousand. They are prepared on the historic cost basis, except for the following assets and liabilities which are stated at fair value: financial instruments held for trading, financial instruments classified as available-for-sale and derivatives financial instruments.

The preparation of financial statements in conformity with IFRS, requires management to make estimates and assumptions that may affect the application of policies and reported amount of assets and 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 referred in note 4.

3. 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 459 branches in Greece and one in Germany. The main activity of the Branch in Germany is lending as well as deposits. Its total assets represent 0.29% of the Bank, while its results 0.15%.

Business sector analysis

(Amounts in thousand Euro)	31/3/2006					
	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	29.338	9.322	39.167	26.748	33.313	137.888
Funds Transfer Pricing	44.311	(579)	(16.326)	(10.776)	(16.630)	0
Net fee and commission income	3.554	1.356	713	6.554	(182)	11.995
Dividend income	0	0	0	0	6.200	6.200
Net trading income	0	0	0	0	5.456	5.456
Other operating income	1.255	168	1.438	106	3.048	6.015
Total operating income	**78.458**	**10.267**	**24.992**	**22.632**	**31.205**	**167.554**
Operating expenses	(61.635)	(8.066)	(12.893)	(10.037)	(8.742)	(101.373)
Impairment	(6.337)	(750)	(7.163)	(750)	0	(15.000)
Profit before tax	**10.486**	**1.451**	**4.936**	**11.845**	**22.463**	**51.181**
Income tax expense						(8.731)
Profit after tax						**42.450**

4. 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

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.

2. 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.

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. Furthermore, estimates are used to determine the fair value of securities which are not quoted in active markets. The calculated fair value of these securities through various valuation models is taken into account with estimates about sector variations and expectations along with the financial condition of the entities which constitute the available for sale portfolio.

4. *Income taxes*

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. The last audited tax year for ATEbank was 2004. The Bank has accounted a provision for the unaudited financial years according to IFRS. The differences that may rise from the tax audit will be accounted against the existing recorded provision.

5. Net interest income

(Amounts in thousand Euro)

	1/1 – 31/3/2006	1/1 – 31/3/2005
Interest and similar income:		
Loans and advances to customers	160.366	191.286
Loans to banks	19.759	15.821
Debt instruments	17.456	9.361
	197.581	**216.468**
Interest expense and similar charges:		
Customer deposits	(54.164)	(48.200)
Bank deposits	(1.219)	(1.942)
Subordinated loans	(3.756)	(3.240)
Financial leasing (Lessor)	(554)	0
	(59.693)	**(53.382)**
Net interest income	**137.888**	**163.086**

Interest income from loans and advances to customers on 31 March 2005, includes an amount of EUR 30 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 has been recognized in the income statement of the period.

6. Net fee and commission income

(Amounts in thousand Euro)

	1/1 – 31/3/2006	1/1 – 31/3/2005
Fee and commission income		
Loans and advances to customers	4.095	2.506
Custody services	652	881
Import-exports	254	306
Letters of guarantee	1.672	1.892
Money transfers	3.481	2.876
Other	6.597	5.983
	16.751	**14.444**
Fee and commission expenses		
Contribution to Savings Guarantee Fund	(2.352)	(2.135)
Other	(2.404)	(2.249)
	(4.756)	**(4.384)**
Net fee and commission income	**11.995**	**10.060**

7. Net trading income

(Amounts in thousand Euro)

	1/1 – 31/3/2006	1/1 – 31/3/2005
Trading Portfolio		
Gain minus Losses		
Derivative financial instruments	(3.545)	(4.305)
Foreign exchange differences	(2.615)	2.259
Sales		
Equity instruments	3.632	2.853
Debt instruments	(113)	2.669
Revaluation		
Equity instruments	4.891	(376)
Debt instruments	5.465	2.857
Derivative financial instruments	(2.259)	880
	5.456	**6.837**

According to the amendment of I.A.S. 39 "Recognition and Measurement – The Fair Value Option" (June 2005) regarding hedging and accounting "mismatch", the Bank restated the published Interim Income Statement of 31 March 2005 by decreasing the revaluation of derivative financial instruments by EUR 4.417 thousand in order to be comparable with the Interim Financial Statements of 31 March 2006.

8. Other operating income

(Amounts in thousand Euro)

	1/1 – 31/3/2006	1/1 – 31/3/2005
Gain from the sale of fixed assets	905	0
Income from investment property	739	646
Income from consequential activities	3.042	1.702
Other	984	2.579
	5.670	**4.927**

9. Impairment losses

(Amounts in thousand Euro)

	1/1 – 31/3/2006	1/1 – 31/3/2005
Loans and advances to customers	(15.000)	(41.500)
Subsidiaries	0	(19.775)
	(15.000)	**(61.275)**

The bank recognized on 31/3/2005 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 31/3/2005 the above mentioned amount for impairment losses was recorded in "Net gain / (loss) on disposal of non-trading instruments".

10. Operating expenses

(Amounts in thousand Euro)

	1/1 – 31/3/2006	1/1 – 31/3/2005
Staff costs	(77.311)	(84.046)
Third party fees	(3.069)	(1.824)
Advertising and promotion expenses	(1.713)	(1.024)
Telecommunication expenses	(1.333)	(891)
Insurance fees	(597)	(181)
Repairs and maintenance	(1.481)	(1.727)
Travel	(1.025)	(614)
Stationery	(810)	(976)
Utility services	(475)	(444)
Depreciation	(5.680)	(5.180)
Amortization of intangible assets	(494)	(855)
Operating lease rentals	(2.752)	(3.100)
Other taxes	(2.617)	(2.224)
Other	(2.016)	(1.891)
	(101.373)	**(104.977)**

The average number of the Bank's employees on 31 March 2006 was 6.279 (31/3/2005: 5.825).

11. Basic and diluted earnings per share

	1/1 – 31/3/2006	1/1 – 31/3/2005
Earnings after tax (in thousands of euro)	42.450	8.714
Weighted average of number of shares in issue	902.544.874	273.981.690
Basic and diluted earnings per share (expressed in euro per share)	**0,05**	**0,03**

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.

12. Loans and advances to customers

(Amounts in thousand Euro)

12.1	31/3/2006	31/12/2005
Credit cards	268.241	271.378
Consumer loans	393.191	389.213
Mortgages	3.197.173	2.860.518
Loans to private individuals	**3.858.605**	**3.521.109**
Loans to the agricultural sector	2.359.244	2.124.530
Corporate loans	3.130.312	3.198.441
Loans to small and medium size firms	833.703	800.270
Loans to corporate entities	**6.323.259**	**6.123.241**
Loans to the public sector	3.358.653	4.754.795
	13.540.517	**14.399.145**
Less: allowance for uncollectibility	(1.620.980)	(1.610.395)
	11.919.537	**12.788.750**

12.2 Allowance for uncollectibility

Movement in the allowance for uncollectibility	2006	2005
Balance at 1 January	**1.610.395**	**2.207.631**
Provision for impairment	15.000	41.500
Loans written-off - Law 3259/2004	0	(255.252)
- Other	(4.415)	0
Balance at 31 March	**1.620.980**	**1.993.879**
Balance at 1 April		**1.993.879**
Provision for impairment		78.500
Loans written-off - Law 3259/2004		(153.736)
- Other		(308.248)
Balance at 31 December		**1.610.395**

The Bank complying with the relative legislation concerning the allowance for uncollectibility calculation basis, reassessed the loan portfolio that might be impaired and determined a provision amount which represents approximately the 80.5% of non-performing loans.

13. Available-for-sale securities

(Amounts in thousand Euro)

	31/3/2006	31/12/2005
Debt securities:		
Greek Government bonds	10.092	10.255
Other issuers	394.581	401.446
	404.673	411.701
Equity securities:		
Listed	730.567	640.232
Unlisted	44.468	10.860
	775.035	651.092
Mutual fund units	21.028	19.360
	1.200.736	**1.082.153**

The change in fair value of the available for sale portfolio between 31 March 2006 and 31 December 2005, amounts to EUR 73.9 million and has been recognized directly in equity.

14. Deferred tax asset

(Amounts in thousand Euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31/3/2006	31/12/2005
Deferred tax asset:		
Intangible assets	2.196	2.380
Provision for impairment losses on customer loans	305.944	309.963
Derivative financial instruments	0	221
Employee benefits	73.089	73.089
Other items	7.580	6.870
	388.809	**392.523**

Deferred tax liability:		
Property, plant and equipment	1.285	860
Derivative financial instruments	126	0
Provision for contingent liabilities	6.063	6.063
	7.474	**6.923**
Net deferred tax asset	**381.335**	**385.600**

Movement in temporary differences during the period

(Amounts in thousand Euro)

	Balance 1 January 2006	Recognized in income	Recognized in equity	Balance 31 March 2006
Intangible assets	2.380	(35)	(149)	2.196
Provision for impairment losses on customer loans	309.963	(4.019)	0	305.944
Employee benefits	73.089	0	0	73.089
Other items	6.870	710	0	7.580
Property, plant and equipment	(860)	(425)	0	(1.285)
Derivative financial instruments	221	(347)	0	(126)
Provisions for contingent liabilities	(6.063)	0	0	(6.063)
	385.600	**(4.116)**	**(149)**	**381.335**

According to Law 3296/2004, the income tax rate was reduced to 32% for the year 2005, 29% for the year 2006 and to 25% for the year 2007 and the subsequent years.

15. Deposits from customers

(Amounts in thousand Euro)

	31/3/2006	31/12/2005
Retail customers:		
Current accounts	142.741	171.722
Saving accounts	11.194.345	11.649.307
Term deposits	3.739.360	3.445.457
	15.076.446	**15.266.486**
Private sector entities:		
Current accounts	716.000	613.451
Term deposits	344.868	464.214
	1.060.868	**1.077.665**
Public sector entities		
Current accounts	1.413.613	1.343.445
Term deposits	90.455	114.159
	1.504.068	**1.457.604**
	17.641.382	**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. At 31 March 2006 the funds received amounted to EUR 226.015 thousand (31/12/2005: EUR 290.874 thousand).

16. Provision for pension liabilities

- Bank employee's pension law

In 2005, the government introduced Law 3371/14.7.2005, in order to rationalize and consolidate pension Funds of bank employees. According to this Law, 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.
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's 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 on 31 March 2006 is EUR 280.035 thousand.

17. Share capital

At 31 March 2006 the share capital of the Group has been raised in the amount of EUR 1.729.399 thousand, consisted of 905.444.444 authorized and issued common shares of nominal value of EUR 1.91 per share fully paid.

In the annual shareholders' meeting of 27 May 2005 the following were decided:

- To decrease 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.
- To increase 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

18. Reserves

(Amounts in thousand Euro)

	31/3/2006	**31/3/2005**
Statutory reserve	39.216	39.216
Tax free reserves	13.223	13.223
Extraordinary reserve	147.126	147.126
Revaluation reserve available-for-sale investments	189.717	115.718
Other reserves	816	816
	390.098	**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 amount to one third of the Bank's share capital. This reserve is not available for distribution, but it may be applied to extinguish losses.

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

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

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.

19. Contingent liabilities and commitments

(a) Litigation

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

(b) Letters of credit and guarantee

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

	31/3/2006	31/12/2005
Letters of guarantee	670.137	652.683
Letters of credit	1.402	995
	671.539	**653.678**

(c) Assets pledged

Assets are pledged with the Central Bank as guarantee for client Repos deposits. Their nominal value amounts to EUR 232.560 thousand as of 31 March 2006 (31/12/2005: EUR 322.693 thousand).

(d) Tax Anaudited 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 then 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 Group remains contingently liable for additional taxes and penalties for its anaudited tax years.

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

20. Subsequent events

a) 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 thousand 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.

Subsequently, the share capital of the Bank will amount to EUR 651.919.999,68 divided in 905.444.444 authorized and issued common shares of nominal value of EUR 0,72 per share.
Due to dividend distribution of EUR 0,07 per share, an additional income tax charge of EUR 29,8 million will be recorded in the Bank's income statement for the second quarter of 2006.

b) The major shareholder of the Group, the Greek State, 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 the 77,3% of the Bank 's share capital.

c) At the same time, the Bank disposed all of its treasury shares that held on 31 March 2006 (acquisition cost EUR 22.093 thousand).

d) 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.

21. 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 current capital ratio for the Bank, is estimated that will raise in 14.5% which is much higher than the regulatory limit of 8% set by the Bank of Greece directive.

22. 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 with its subsidiaries and associates and relating expense and income is as follows:

(Amounts in thousand Euro)

ASSETS	**31/3/2006**	**31/12/2005**
Loans and advances to customers	453.396	465.584
Other assets	3.444	6.847
Total assets	**456.840**	**472.431**

LIABILITIES	31/3/2006	31/12/2005
Deposits from customers	138.713	205.706
Other liabilities	52.980	53.473
Subordinated loans	4.554	4.543
Total liabilities	**196.247**	**263.722**

INCOME STATEMENT	31/3/2006	31/3/2005
Income		
Interest and similar income	3.387	3.123
Fee and commission income	455	1.259
Operating income	1.916	603
Total income	**5.758**	**4.985**
Expenses		
Interest and similar expenses	1.063	1.101
Fee and commission expense	2.433	1.914
Operating expenses	5.534	3.967
Total expenses	**9.030**	**6.982**

The key management and personnel fees were:

Key Management Personnel Fees	31/3/2006	31/3/2005
Fees	140	140
Transportation	3	1
Other	35	35

23. 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.

More specifically restatements concerned the following:

(Amounts in thousand Euro)	Increase / (Reduction)		
	Effects in equity as of 1/1/2004	Effects in profit and loss account as of 31/12/2004	Effects in 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)	113.124
Impairment of subsidiaries	(39.372)	0	(39.372)
Derivatives valuation	0	(3.516)	(3.516)
Total Effect	**(331.872)**	**(47.392)**	**(379.264)**