Interim Group
Financial Statements
As At 31 March 2006

in accordance with the International Accounting Standard 34

The attached interim group 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**

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Interim consolidated 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		199.802	217.928
Interest expense and similar charges		(59.671)	(54.116)
Net interest income	**5**	**140.131**	**163.812**
Fee and commission income		21.946	18.702
Fee and commission expense		(3.835)	(3.998)
Net fee and commission income	**6**	**18.111**	**14.704**
Net trading income	**7**	7.577	7.351
Net gain/(loss) on disposal of non-trading financial instruments		851	1.210
Dividend income		6.222	4.703
Other operating income	**8**	23.649	27.797
Operating income		**196.541**	**219.577**
Impairment losses	**11.2**	(15.153)	(41.658)
Operating expenses	**9**	(121.891)	(121.853)
Operating profit		**59.497**	**56.066**
Share of profit of associates		239	(334)
Profit before tax		**59.736**	**55.732**
Income tax expense		(11.327)	(17.471)
Profit after tax		**48.409**	**38.261**
Attributable to			
Equity holders of the Bank		47.739	35.892
Minority interests		670	2.369
Basic and diluted earnings per share (expressed in Euro per share)	**10**	0,05	0,13

The accompanying notes (pages from 5 to 18) are an integral part of these interim consolidated financial statements.

Interim consolidated 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		991.767	733.935
Loans and advances to banks		2.515.147	2.394.395
Trading securities		522.540	333.760
Derivative financial instruments		0	99
Loans and advances to customers	**11**	11.692.151	12.557.460
Available-for-sale securities	**12**	1.532.230	1.347.573
Held-to-maturity securities		1.389.009	1.388.987
Investments in associates		38.796	38.476
Investment property		197.075	199.730
Property, plant and equipment		447.267	450.431
Intangible assets		4.956	5.206
Deferred tax asset	**13**	421.015	416.676
Other assets		962.234	959.226
Total assets		**20.714.187**	**20.825.954**
Liabilities			
Deposits from banks		177.197	255.412
Deposits from customers	**14**	17.502.669	17.596.049
Derivative financial instruments		54.826	90.055
Provision for employee benefits	**15**	334.474	333.992
Other liabilities		307.677	348.504
Subordinated loans		394.756	394.699
Insurance reserves		592.539	583.836
Total liabilities		**19.364.138**	**19.602.547**
Equity			
Share capital	**16**	1.729.399	1.729.399
Treasury shares		(29.730)	(33.291)
Share premium		95.126	95.275
Other reserves	**17**	457.190	381.386
Accumulated deficit		(953.694)	(1.000.868)
Equity attributable to the Bank's equity holders		**1.298.291**	**1.171.901**
Minority interests		51.758	51.506
Total equity		**1.350.049**	**1.223.407**
Total equity and liabilities		**20.714.187**	**20.825.954**

The accompanying notes (pages from 5 to 18) are an integral part of these interim consolidated financial statements.

Interim consolidated 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	Minority interests	Total
Balance at 1/1/2005 (as published in the interim financial statements of 31/3/2005)	**1.649.470**	**(58.185)**	**46.732**	**185.777**	**(1.804.452)**	**43.947**	**63.289**
Restatement entries (Note 22)	0	0	0	0	(408.093)	(1.550)	(409.643)
Restated balance at 1/1/2005	**1.649.470**	**(58.185)**	**46.732**	**185.777**	**(2.212.545)**	**42.397**	**(346.354)**
Profit for the period 1/1 - 31/3/2005	0	0	0	0	35.892	2.369	38.261
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	16.527	0	0	16.527
Percentage variation of group participation	0	0	0	(323)	1.185	(1.326)	(464)
Balance at 31/3/2005	**1.649.470**	**(58.185)**	**46.732**	**201.981**	**(2.175.468)**	**43.440**	**(292.030)**
Profit for the period 1/4 - 31/12/2005	0	0	0	0	103.528	3.406	106.934
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	135.549	0	1.024	136.573
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(680)	0	0	(680)
Deferred tax on entries recognized directly to equity	0	0	2.010	0	11.595	2.157	15.762
Reserves appropriation	0	0	0	43.406	(43.406)	0	0
Transfer to reserves	0	0	0	903	0	30	933
Percentage variation of group participation	0	0	0	227	(1.212)	1.449	464
(Purchases)/sales of treasury shares	0	24.894	0	0	(8.665)	0	16.229
Share capital increase	1.192.689	0	56.200	0	0	0	1.248.889
Share capital reduction	(1.112.760)	0	0	0	1.112.760	0	0
Expenses from shares capital increase	0	0	(9.667)	0	0	0	(9.667)
Balance at 31/12/2005	**1.729.399**	**(33.291)**	**95.275**	**381.386**	**(1.000.868)**	**51.506**	**1.223.407**
Profit for the period 1/1 - 31/3/2006	0	0	0	0	47.739	670	48.409
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	75.869	0	0	75.869
Deferred tax on entries recognized directly to equity	0	0	(149)	0	0	0	(149)
Percentage variation of group participation	0	0	0	(65)	483	(418)	0
(Purchases)/sales of treasury shares	0	3.561	0	0	(1.048)	0	2.513
Balance at 31/3/2006	**1.729.399**	**(29.730)**	**95.126**	**457.190**	**(953.694)**	**51.758**	**1.350.049**

The accompanying notes (pages from 5 to 18) are an integral part of these interim consolidated financial statements.

Interim consolidated 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	59.736	55.732
Adjustment for non-cash items		
Depreciation and amortization	7.629	8.512
Impairment losses	15.176	41.658
Changes in provisions	(50.400)	(30.408)
Change in fair value of trading investments	(11.108)	(7.753)
(Gain)/ loss on the sale of investments, property and equipment	(6.413)	(6.679)
Changes in operating assets and liabilities		
Net (increase)/decrease in loans and advances to banks	(120.752)	(1.865.128)
Net (increase)/decrease in trading securities	(178.294)	264.195
Net (increase)/decrease in derivative financial instruments	1.769	(2.307)
Net (increase)/decrease in loans and advances to customers	816.305	1.757.703
Net (increase)/decrease in other assets	137.354	36.994
Net increase/(decrease) in deposits from banks	(78.215)	(23.756)
Net increase/(decrease) in deposits from customers	(93.380)	(431.605)
Net increase/(decrease) in other liabilities	(130.789)	(16.466)
Cash flows from operating activities	**368.618**	**(219.308)**
Investing activities		
Acquisition of intangible assets, property and equipment	(3.510)	(7.611)
Proceeds from the sale of intangible assets, property and equipment	3.490	4.713
(Purchases)/Sales of held to maturity portfolio	(22)	0
(Purchases)/Sales of available for sale portfolio	(113.433)	(148.657)
Sale of subsidiaries	0	208
Cash flows from investing activities	**(113.475)**	**(151.347)**
Financing activities		
Proceeds/(Purchase) of treasury shares	2.513	0
Cash flows from financing activities	**2.513**	**0**
Effect of exchange rate changes on cash and cash equivalent	176	0
Net increase/(decrease) in cash flows	**257.832**	**(370.655)**
Cash and cash equivalent at 1 January	733.935	851.739
Cash and cash equivalent at 31 March	**991.767**	**481.084**

The accompanying notes (pages from 5 to 18) are an integral part of these interim 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 also maintains an important presence in the industrial sector.

The Group has 8.713 employees of whom 7.152 in the banking and finance sector. The Bank's main activities are in Greece, but it also has subsidiaries from the industrial sector in Serbia-Montenegro and Romania.

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. During 2005, the Bank changed its commercial name to "ATEbank Agricultural Bank of Greece".

The Bank's registered office is at 23 Panepistimiou Str. in the municipality of Athens. The duration of the Bank 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, on behalf of third parties, that contribute 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 Group besides the parent company includes the following subsidiary companies:

(Amounts in thousand Euro)

Name of Subsidiary	Activity	Percentage of Participation	
		31/3/2006	31/12/2005
Financial Sector			
FIRST BUSINESS BANK	Bank	44.00%	44.00%
AGROTIKI INSURANCE.	Insurance Company	84.93%	85.06%
ABG LEASING	Leasing	99.91%	99.91%
ABG CARDS	Credit Cards Management	99.70%	99.70%
ABG SECURITIES	Brokerage Services	95.01%	95.01%
ABG AEDAK	Mutual Funds Management	93.13%	93.13%
ABG REAL ESTATE AND IT DEVELOPMENT	Real Estate	91.53%	91.53%
A.B.G. FINANCE INTERNATIONAL	Finance	100.00%	100.00%
Non-Financial Sector			
HELLENIC SUGAR COMPANY	Sugar Production	82.33%	82.33%
SEKAP	Cigarette Production	45.12%	45.12%
DODONI	Dairy Production	67.77%	67.77%
ELVIZ	Feedstuff Production	99.82%	99.82%
RODOPI	Dairy Production	75.41%	75.41%
ETANAL	Pisciculture Management	75.00%	75.00%

2. Significant accounting principles

The accounting principles applied for the preparation of the Group'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 Group have been prepared in accordance with the International Accounting Standard (IAS) 34, «Interim Financial Reporting».

The date of transition for the Group 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 Group 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 in the modernization and growth of the economy and more specifically the agricultural sector. The Bank through its Branches offers financial products to both individuals and legal entities. At the same time the Group's activities expand in the insurance sector and the manufacturing sector (sugar, milk and tobacco).

Geographical segment

The Group's main activities are in Greece. The Bank has 459 branches one of which in Germany. The main activity of the Branch in Germany is lending as well as deposits. Its total assets represent 0.29% of the Bank, while its results 0.15%.

Business Sector Analysis

(Amounts in thousand Euro)

	31/3/2006			
	Financial sector	**Insurance sector**	**Commercial and industrial sector**	**Total**
Net interest income	140.212	2.774	(2.783)	140.203
Net fee and commission income	17.429	110	77	17.616
Net trading income	6.024	2.394	10	8.428
Dividend income	6.200	22	0	6.222
Other operating income	12.887	8.588	9.332	30.807
Total operating income	**182.752**	**13.888**	**6.636**	**203.276**
Impairment	(15.153)	0	0	(15.153)
Operating expenses	(107.750)	(11.678)	(9.198)	(128.626)
Operating results	**59.849**	**2.210**	**(2.562)**	**59.497**
Income from associates	239	0	0	239
Profit before tax	**60.088**	**2.210**	**(2.562)**	**59.736**
Income tax expense	(9.381)	(595)	(1.351)	(11.327)
Intercompany transactions per sector	2.988	(4.970)	1.982	0
Profit after tax	**53.695**	**(3.355)**	**(1.931)**	**48.409**
Total assets per sector	20.421.037	669.231	541.538	21.631.806
Intercompany transactions per sector	(799.929)	(111.674)	(6.016)	(917.619)
Net equity and liabilities per sector	20.421.037	669.231	541.538	21.631.806
Intercompany transactions per sector	703.435	1.248	212.936	917.619

4. 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

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.

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 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. The unaudited tax years for Group’s companies are listed in note 18. The Group 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	157.089	188.172
Loans to banks	19.874	15.827
Finance leases	3.389	3.530
Debt instruments	19.450	10.399
	199.802	**217.928**
Interest expense and similar charges:		
Customer deposits	(53.332)	(47.144)
Bank deposits	(2.583)	(3.732)
Subordinated loans	(3.756)	(3.240)
	(59.671)	**(54.116)**
Net interest income	**140.131**	**163.812**

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	4.189	2.512
Credit cards	1.356	1.826
Import-exports	254	306
Letters of guarantee	1.672	1.892
Money transfers	3.481	2.876
Mutual funds	2.190	3.262
Equity brokerage	1.925	1.035
Other	6.879	4.993
	21.946	**18.702**
Fee and commission expenses		
Contribution to Savings Guarantee Fund	(2.352)	(2.135)
Other	(1.483)	(1.863)
	(3.835)	**(3.998)**
Net fee and commission income	**18.111**	**14.704**

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)	(4.283)
Foreign exchange differences	(2.615)	2.261
Sales		
Equity instruments	4.737	3.368
Debt instruments	(113)	2.669
Revaluation		
Equity instruments	5.907	(401)
Debt instruments	5.465	2.857
Derivative financial instruments	(2.259)	880
	7.577	**7.351**

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
Gross profit on sale of goods and services	8.307	12.824
Insurance activities	3.564	6.638
Gain from the sale of fixed assets	905	0
Income from investment property	930	690
Income from consequential activities	3.042	1.702
Other	6.901	5.943
	23.649	**27.797**

9. Operating expenses

(Amounts in thousand Euro)

	1/1 – 31/3/2006	1/1 – 31/3/2005
Staff costs	(86.717)	(91.826)
Third party fees	(6.419)	(4.054)
Advertising and promotion expenses	(1.921)	(1.617)
Telecommunication expenses	(1.852)	(1.443)
Insurance fees	(102)	(207)
Repairs and maintenance	(1.797)	(2.051)
Travel	(1.223)	(712)
Stationery	(1.095)	(1.278)
Utility services	(486)	(507)
Depreciation	(7.299)	(5.836)
Amortization of intangible assets	(573)	(933)
Operating lease rentals	(2.876)	(3.731)
Other taxes	(2.680)	(2.251)
Other	(6.851)	(5.407)
	(121.891)	**(121.853)**

The average number of Group's employees on 31 March 2006 was 8.713 (31/3/2005: 9.475).

10. Basic and diluted earnings per share

	1/1 – 31/3/2006	1/1 – 31/3/2005
Earnings after tax (in thousands of euro)	47.739	35.892
Weighted average of number of shares in issue	898.314.279	273.448.337
Basic and diluted earnings per share (expressed in euro per share)	**0,05**	**0,13**

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.

11. Loans and advances to customers

(Amounts in thousand Euro)

11.1	**31/3/2006**	**31/12/2005**
Credit cards	268.241	271.378
Consumer loans	398.559	394.434
Mortgages	3.197.173	2.860.518
Other	9.870	7.738
Loans to individuals	**3.873.843**	**3.534.068**
Loans to the agricultural sector	2.359.244	2.124.530
Corporate loans	2.676.916	2.732.857
Loans to small and medium size firms	833.703	800.270
Loans to corporate entities	**5.869.863**	**5.657.657**
Finance leasing	**309.828**	**320.242**
Loans to the public sector	**3.358.653**	**4.754.795**
	13.412.187	**14.266.762**
Less: allowance for uncollectibility	(1.720.036)	(1.709.302)
	11.692.151	**12.557.460**

11.2 Allowance for uncollectibility

Movement in the allowance for uncollectibility	**2006**	**2005**
Balance at 1 January	**1.709.302**	**2.306.425**
Provision for impairment	15.153	41.658
Loans written-off - Law 3259/2004	0	(255.252)
- Other	(4.419)	0
Balance at 31 March	**1.720.036**	**2.092.831**
Balance at 1 April		**2.092.831**
Provision for impairment		78.719
Loans written-off - Law 3259/2004		(153.736)
- Other		(308.512)
Balance at 31 December		**1.709.302**

The Group 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 almost the 85.4% of non-performing loans.

12. Available-for-sale securities

(Amounts in thousand Euro)

	31/3/2006	31/12/2005
Debt securities:		
Greek Government bonds	194.442	127.464
Other issuers	421.891	428.616
	616.333	556.080
Equity securities:		
Listed	741.573	648.622
Unlisted	46.406	12.822
	787.979	661.444
Mutual fund units	127.918	130.049
	1.532.230	**1.347.573**

The change in fair value of the available for sale portfolio between 31 March 2006 and 31 December 2005, amounts to EUR 75.9 million and has been recognized directly in equity.

13. 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	1.122	2.060
Provision for impairment losses on customer loans	310.413	314.540
Derivative financial instruments	0	460
Employee benefits	78.239	78.243
Provision for contingent liabilities	19.159	18.714
Other items	9.662	0
Tax losses carried forward	4.914	4.905
	423.509	**418.922**
Deferred tax liability:		
Property, plant and equipment	2.329	1.713
Derivative financial instruments	126	0
Trading securities	39	0
Other items	0	533
	2.494	**2.246**
Net deferred tax asset	**421.015**	**416.676**

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	2.060	(789)	(149)	1.122
Provision for impairment losses on customer loans	314.540	(4.127)	0	310.413
Employee benefits	78.243	(4)	0	78.239
Other items	(533)	10.195	0	9.662
Property, plant and equipment	(1.713)	(616)	0	(2.329)
Derivative financial instruments	460	(586)	0	(126)
Trading securities	0	(39)	0	(39)
Tax losses carried forward	4.905	9	0	4.914
Provisions for contingent liabilities	18.714	445	0	19.159
	416.676	**4.488**	**(149)**	**421.015**

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.

14. 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	702.030	589.698
Term deposits	220.125	282.261
	922.155	**871.959**
Public sector entities		
Current accounts	1.413.613	1.343.445
Term deposits	90.455	114.159
	1.504.068	**1.457.604**
	17.502.669	**17.596.049**

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 218.571 thousand (31/12/2005: EUR 270.203 thousand).

15. 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 fund must be absorbed by the new founded 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 request of the Bank regarding the entrance of its auxiliary pension fund of the "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.

The Group's total obligation of defined contribution plans on 31 March 2006 has been raised in the amount of EUR 334.474 thousand (31/12/2005:EUR 333.992 thousand) The expense recognized in the income statement of the period was based on the Group's estimated obligation calculated by an independent actuary's study on 31 December 2005.

16. 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 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.

17. Reserves

(Amounts in thousand Euro)

	31/3/2006	**31/12/2005**
Statutory reserve	41.396	41.399
Tax free reserves	17.061	17.065
Extraordinary reserve	164.677	164.699
Revaluation reserve available-for-sale investments	202.289	126.420
Other reserves	31.767	31.803
	457.190	**381.386**

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 Group'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 Group. They can be distributed without any further taxes or withholdings.

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.

18. 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 Bank's off-balance sheet financial statements that commit 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 December 2005:EUR 322.693 thousand).

(d) Tax Anaudited years

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 during which the Bank and its subsidiaries that have not been audited by the tax authorities are as follows:

ATEBank	2005
Agrotiki Insurance	2002 – 2005
ABG Leasing	2000 – 2005
ABG Cards	2002 – 2005
ABG Securities.	2004 – 2005
ABG Aedak	2004 – 2005
ABG Real Estate and IT Development	2001 – 2005
Hellenic Sugar Company	1998 – 2005
Dodoni	2004 – 2005
Elviz	2000 – 2005
Rodopi	2001 – 2005
Etanal	2003 – 2005

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 unaudited tax years.

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

19. 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 with 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.

20. Capital adequacy

The capital requirements for the Group 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 Group is estimated that will raise in 14.04 % which is much higher than the regulatory limit of 8% set by the Bank of Greece directive.

21. Related party transactions

The Group is controlled by the Greek State that holds 77.3% of the Bank's share capital. The remaining share capital is widely held. A number of related party transactions have been carried out in the course of business. These transactions primarily relate to the grating of loans and the acceptance of deposits.

The transactions between related parties, outstanding balances as well as profits and expenses arising from these transactions during the period in question are presented on the table below.

(Amounts in thousand Euro)

ASSETS	**31/3/2006**	**31/12/2005**
Loans and advances to banks	134.316	205.262
Loans and advances to customers	504.089	516.163
Available for sale securities	4.554	4.543
Other assets	274.660	276.738
Total assets	**917.619**	**1.002.706**

LIABILITIES	**31/3/2006**	**31/12/2005**
Deposits from banks	299.173	315.917
Deposits from customers	138.713	205.706
Other liabilities	475.179	476.540
Subordinated loans	4.554	4.543
Total liabilities	**917.619**	**1.002.706**

INCOME STATEMENT	**31/3/2006**	**31/3/2005**
Income		
Interest and similar income	5.007	4.545
Fee and commission income	3.093	3.173
Operating income	7.778	4.685
Total income	**15.878**	**12.403**
Expenses		
Interest and similar expenses	4.381	4.224
Fee and commission expense	3.588	3.173
Operating expenses	7.909	5.006
Total expenses	**15.878**	**12.403**

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

22. Statement of changes in equity

The Group 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	(499.827)	(4.072)	(503.899)
Changes in deferred tax due to restatement	140.543	(45.401)	95.142
Revaluation of fixed assets	2.628	0	2.628
Derivatives valuation	0	(3.514)	(3.514)
Total Effect	**(356.656)**	**(52.987)**	**(409.643)**