Financial Statements
31 December 2006

In accordance with International Financial Reporting Standards

The attached financial statements were approved by the BoD of the Agricultural Bank of Greece on 12 March 2007 and are available on the web address **www.atebank.gr**

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

To the Shareholders of
ATE BANK S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of ATE BANK S.A. (the Bank) which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying Financial Statements give a true and fair view, of the financial position of the Bank as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that have been adopted by the European Union.

Athens, 12 March 2007

KPMG Kyriacou Certified Auditors A.E.	Baker Tilly Hellas A.E.
Nikolaos Vouniseas Certified Auditor Accountant AM SOEL 18701	Ioannis Kalogeropoulos Certified Auditor Accountant AM SOEL 10741

Income statement
For the year ended 31 December 2006
(Amounts in thousands of Euro)

	Note	1/1-31/12/2006	1/1-31/12/2005
Interest and similar income		852.014	820.115
Interest expense and similar charges		(267.715)	(224.092)
Net interest income	**7**	**584.299**	**596.023**
Fee and commission income		82.937	75.561
Fee and commission expense		(19.321)	(20.306)
Net fee and commission income	**8**	**63.616**	**55.255**
Net trading income	**9**	14.281	14.248
Net gain/(loss) on disposal of non-trading financial instruments	**10**	44.313	(2.034)
Dividend income	**11**	29.240	20.100
Other operating income	**12**	25.074	20.473
Operating income		**760.823**	**704.065**
Impairment losses	**13**	(60.000)	(133.579)
Operating expenses	**14**	(458.885)	(425.590)
Profit before tax		**241.938**	**144.896**
Income tax expense	**16**	(80.505)	(32.546)
Profit after tax		**161.433**	**112.350**
Basic and diluted earnings per share (expressed in Euro per share)	**17**	0,18	0,19

The Financial Statements on pages 1 to 38 have been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union and have been approved by the Board of Directors as of 12 March 2007 and are signed by:

The Governor	The Deputy Governor	The Deputy Head of Finance Department
Dimitrios Miliakos	Vasilios Drougkas	Spyros Chimaras

The accompanying notes (pages from 5 to 38) are an integral part of these financial statements.

Balance sheet
For the year ended 31 December 2006
(Amounts in thousands of Euro)

	Note	31/12/2006	31/12/2005
Assets			
Cash and balances with the Central Bank	**18**	925.536	732.978
Loans and advances to banks	**19**	1.279.414	2.377.576
Trading securities	**20**	558.406	318.994
Derivative financial instruments	**21**	20.358	99
Loans and advances to customers	**22**	13.624.532	12.788.750
Available-for-sale securities	**23**	1.236.423	1.082.153
Held-to-maturity securities	**24**	1.268.610	1.377.987
Investments in subsidiaries and associates	**25**	437.921	285.153
Investment property	**26**	181.001	194.325
Property, plant and equipment	**27**	288.064	273.703
Intangible assets	**28**	5.544	4.591
Deferred tax asset	**29**	362.193	385.600
Other assets	**30**	400.410	386.497
Total assets		**20.588.412**	**20.208.406**
Liabilities			
Deposits from banks	**31**	94.381	208.623
Deposits from customers	**32**	18.198.205	17.801.755
Derivative financial instruments	**21**	49.592	90.055
Provision for employee benefits	**33**	290.232	290.773
Other liabilities	**34**	221.990	223.619
Subordinated loans	**35**	399.515	399.242
Total liabilities		**19.253.915**	**19.014.067**
Equity			
Share capital	**36**	651.920	1.729.399
Treasury shares		0	(25.631)
Share premium		94.714	95.275
Other reserves	**37**	365.195	316.099
Accumulated surplus / (deficit)		222.668	(920.803)
Total equity		**1.334.497**	**1.194.339**
Total equity and liabilities		**20.588.412**	**20.208.406**

The accompanying notes (pages from 5 to 38) are an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2006
(Amounts in thousands of Euro)

	Share capital	Treasury share	Share premium	Other reserves	Accumulated surplus / deficit	Total
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 - 31/12/2005	0	0	0	0	112.350	112.350
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	146.012	0	146.012
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(1.949)	0	(1.949)
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 - 31/12/2006	0	0	0	0	161.433	161.433
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	92.469	0	92.469
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(21.581)	0	(21.581)
Deferred tax on entries recognized directly to equity	0	0	(561)	0	0	(561)
Dividends paid	0	0	0	0	(63.381)	(63.381)
Transfer to reserves	0	0	0	(21.792)	21.792	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 31/12/2006	**651.920**	**0**	**94.714**	**365.195**	**222.668**	**1.334.497**

The accompanying notes (pages from 5 to 38) are an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2006
(Amounts in thousands of Euro)

	31/12/2006	31/12/2005
Operating activities		
Profit before tax	241.938	144.896
Adjustment for:		
Depreciation and amortization	25.761	22.260
Impairment losses	60.000	80.001
Changes in provisions	(12.827)	14.445
Change in fair value of trading investments	(14.448)	(4.341)
(Gain)/loss on the sale of investments, property and equipment	(58.494)	4.260
Changes in operating assets and liabilities		
Net (increase)/decrease in loans and advances to banks	1.087.532	(1.279.451)
Net (increase)/decrease in trading securities	(227.845)	28.421
Net (increase)/decrease in derivative financial instruments	0	55.489
Net (increase)/decrease in loans and advances to customers	(948.133)	(725.342)
Net (increase)/decrease in other assets	(33.311)	26.792
Net increase/(decrease) in deposits from banks	(114.242)	(18.136)
Net increase/(decrease) in deposits from customers	396.450	589.507
Net increase/(decrease) in other liabilities	4.509	(94.453)
Cash flows from operating activities	**406.890**	**(1.155.652)**
Investing activities		
Acquisition of intangible assets, property and equipment	(43.851)	(24.451)
Proceeds from the sale of intangible assets, property and equipment	25.140	27.758
(Purchases)/Sales of held to maturity portfolio	109.377	(118.534)
(Purchases)/Sales of available for sale portfolio	(84.533)	(88.308)
Dividends received	25.819	14.012
Purchases of subsidiaries	(152.768)	(41.170)
Cash flows from investing activities	**(120.816)**	**(230.693)**
Financing activities		
Net proceeds from share capital increase	0	1.248.899
Share capital return - Dividends paid	(108.653)	0
Share capital increase expenses	0	(9.667)
Proceeds/(Purchases) of treasury shares	17.051	28.580
Cash flows from financing activities	**(91.602)**	**1.267.812**
Effect of exchange rate changes on cash and cash equivalent	(1.914)	466
Net increase/(decrease) in cash flows	**192.558**	**(118.067)**
Cash and cash equivalents at 1 January	732.978	851.045
Cash and cash equivalents at 31 December	**925.536**	**732.978**

The accompanying notes (pages from 5 to 38) are an integral part of these financial statements.

1. GENERAL INFORMATION

Agricultural Bank, (the Bank or ATE), was founded in 1929. The Bank's registered office is at 23 Panepistimiou Str. in the municipality of Athens 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 13 abroad, 12 of which through the acquisition of the Bank in Romania, MINDBANK, and 1 in Germany. The Bank offers to the clients a wide range of banking activities. The Bank also has 800 ATMs (Automatic Teller Machines), while 45% of the branches are privately owned.

The Bank's shares have been listed since 2000 on the Athens Stock Exchange and are included in the FTSE 20 Index (index for Large Capitalization Companies).

From 2005 onwards the Bank uses the brand name " ATEbank ".

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

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

The financial statements were approved by the Board of Directors on 12 March 2007.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following financial instruments which are presented at fair value: available for sale financial instruments, trading portfolio financial instruments and derivative financial instruments.

2.3 Functional currency

These financial statements are presented in euro, which is the Bank's functional currency. Except as indicated, financial information presented in euro has been rounded to the nearest thousand.

2.4 Use of estimation and judgment

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Deviations to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

2.5 Custody services.

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

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost which includes transaction costs, less impairment loss where considered necessary.

(a) Subsidiaries

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

(b) Associates

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

(c) Special purpose entities (SPEs)

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

3.2 Foreign currency transactions

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

3.3 Interest income and expense

Interest income and expense is recognized in the income statement as it accrues, taking into account the effective yield of the instrument or the applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the future cash receipts or payments through the expected life of the financial instrument.

Once a financial asset or a group of financial assets has been written off as a result of an impairment loss, account of interest ceases.

3.4 Fee and commission income

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

3.5 Net trading income

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

3.6 Net investment income

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

3.7 Dividend income

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

3.8 Income tax

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

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

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

3.9 Financial assets

Initial Recognition

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

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

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

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

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

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, and available-for-sale are recognized at trade date – the date on which the Bank commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership.

Derecognition

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

Valuation

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

Offsetting

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

3.10 Impairment of financial assets

(a) Assets carried at amortised cost

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

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

a. significant financial difficulty of the obligor;
b. a breach of contract, such as a default or delinquency in interest or principal payments;

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

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

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

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

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

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

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

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

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

(b) Assets carried at fair value

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

3.11 Derivative financial instruments and hedging accounting

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

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

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

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

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

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

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

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

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

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

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

3.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand and not pledged balances held with the Central Bank with maturities of less than three months from the Balance Sheet date.

3.13 Repurchase agreements

The Bank enters into agreements for the purchases (sales) of investments and to resell (repurchase) substantially the identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized in loans to either banks or customers. The receivables are shown as collateralized by the underlying security.

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

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

3.14 Property, plant and equipment

Land and buildings are used by the Bank either for branches or for administrative purposes. All property, plant and equipment is stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

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

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

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

3.15 Investment property

Properties held by the Bank either to earn rental income, capital appreciation, or both, are classified as investment property. Investment property is accounted for in a similar manner as property, plant and equipment. (Note 3.14).

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

3.16 Intangible assets

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

(a) Goodwill

Goodwill represents the excess of the cost of the acquisition over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Positive goodwill is a non amortized intangible asset which is assesed on each balance sheet date for impairment.

Negative goodwill is recognised immediately in profit or loss.

Goodwill should be allocated to the cash generating units on the acquisition date. In case that there are difficulties in the immediate allocation of the fair value of assets, this can be postponed but should be performed within twelve months from the acquisition date.

(b) Software

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

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

3.17 Leases

The Bank as the lessor

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

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease loans are subject to the same impairment testing as applied to customer loans and advances as described in note 3.10.

The Bank as the lessee

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

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

3.18 Provisions

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

3.19 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

3.20 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) Treasury shares

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

3.21 Earnings per share

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

3.22 Segment reporting

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

3.23 New standards

The new standards and amendments and interpretations issued , which must be adopted for financial periods from 1 January 2007, are the following:

International Financial Reporting Standard 7 « Financial instruments: Disclosures», (Rule 108/2006) as well as the changes that it has imposed to other standards.

IFRS 7 and the amendments that it imposes on other standards are effective for annual periods beginning on or after 1.1.2007 and they are expected to affect significantly the disclosure requirements concerning financial instruments.

Amendment to IAS 1 «Presentation of Financial Statements – Capital Disclosure (effective for annual periods beginning on or after 1.1.2007)

This amendment requires additional disclosures both quantitative and qualitative relating to the management of the Bank's capital.

Finally, the International Accounting Standards Board (IASB) has issued the following standards and interpretations which have not yet been adopted by the European Union.

International Financial Reporting Standard 8 «Operating segments» Effective for annual periods on or after 1.1.2009.

This standard replaces the IAS 14 "Segment Reporting". Its adoption by the European Union and the Bank will have an significant impact on the Bank's disclosures about operating segments.

Interpretations 11 and 12 «Bank and Treasury Shares Transactions» Effective for annual periods on or after 1.3.2007 and «Service Concession Arrangements» Effective for annual periods on or after 1.1.2008

The Bank is examining whether there will be an impact from the adoption of the above interpretations.

4. RISK MANAGEMENT

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

4.1 Credit risk

The Bank takes an exposure to credit risk, which is the risk that a counterparty will be unable to pay an amount in full when due. Impairment provisions are provided for losses that have been incurred at the balance sheet date.

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

The Bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments.
Such risks are monitored on a revolving basis and are subject to an annual or more frequent review. Limits on the level of credit risk by product and industry sector are set.

The exposure to any one borrower including banks is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily.

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

4.2 Market risk

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

The value at risk valuation estimates the maximum possible loss in the net present value of the portfolio that can occur in a set time period and for a given confidence level, nevertheless it can not measure losses that can arise from extreme financial conditions. The Bank uses a confidence level of 97.5% in order to carry out value at risk valuation for the daily time horizon.

The Bank also applies a program to back test the value at risk analysis by comparing daily the actual fluctuation in the value of the portfolio with the respective value- at- risk figure.

The trading portfolio of the Bank consists of bonds, shares and derivatives. The value at risk price for the whole trading portfolio as at 31 December 2006 was EUR 1.638 million (2005: EUR 2.458 million) and of which EUR 0.006 million (2005: EUR 0.012 million) related to interest rate risk, EUR 1.220 million (2005: EUR 0.830 million) for market risk and EUR 1.494 million (2005: EUR 2.144 million) for foreign exchange risk. Due to the structure of the trading portfolio as of 31 December 2006 and the level of diversification a reduction of the value-at-risk of EUR 1.083 million (2005: EUR 0.529 million) has been accomplished.

4.3 Liquidity risk

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

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

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

Maturity of assets and liabilities
At 31 December 2006

Assets	Up to 1 month	1 - 3months	3- 12 months	1 - 5 years	Over 5 years	Total
Cash and balances with Central Bank	925.536	0	0	0	0	925.536
Loans and advances to banks	1.153.639	125.775	0	0	0	1.279.414
Trading securities	107.042	0	4	37.127	414.233	558.406
Derivative financial instruments	20.358	0	0	0	0	20.358
Loans and advances to customers	114.977	689.915	2.189.451	3.600.765	7.029.424	13.624.532
Available-for-sale securities	801.031	0	0	66.404	368.988	1.236.423
Held-to-maturity portfolio	0	35.577	55.759	1.058.652	118.622	1.268.610
Investments in associates	0	0	0	0	437.921	437.921
Investment property	0	0	0	0	181.001	181.001
Property, plant and equipment	0	0	0	0	288.064	288.064
Intangible assets	0	0	0	0	5.544	5.544
Deferred tax asset	0	0	0	362.193	0	362.193
Other assets	7.321	0	389.043	0	4.046	400.410
Total assets	**3.129.904**	**851.267**	**2.634.257**	**5.125.141**	**8.847.843**	**20.588.412**
Liabilities						
Deposits from banks	92.640	0	0	0	1.741	94.381
Deposits from customers	15.469.335	1.150.380	1.573.804	4.686	0	18.198.205
Derivative financial instruments	49.592	0	0	0	0	49.592
Provision for employee benefits	9.458	13.632	17.122	85.150	164.870	290.232
Other liabilities	0	0	174.171	6.593	41.226	221.990
Subordinated loans	0	0	0	0	399.515	399.515
Total liabilities	**15.621.025**	**1.164.012**	**1.765.097**	**96.429**	**607.352**	**19.253.915**
Net liquidity gap	**(12.491.121)**	**(312.745)**	**869.160**	**5.028.712**	**8.240.491**	**1.334.497**
At 31 December 2005						
Total assets	4.146.441	306.261	2.610.293	7.697.858	5.447.553	20.208.406
Total liabilities	15.595.146	892.160	1.575.913	294.127	656.721	19.014.067
Net liquidity gap	**(11.448.705)**	**(585.899)**	**1.034.380**	**7.403.731**	**4.790.832**	**1.194.339**

4.4 Currency risk

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

The table below summarizes the Bank's exposure to foreign currency exchange risk at 31 December 2006. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by currency (the amounts are expressed in thousands of Euro):

At 31 December 2006

Assets	EUR	USD	GBP	OTHER	Total
Cash and balances with Central Bank	918.739	4.105	1.061	1.631	925.536
Loans and advances to banks	1.018.196	133.160	35.966	92.092	1.279.414
Trading securities	544.876	13.530	0	0	558.406
Derivative financial instruments	20.358	0	0	0	20.358
Loans and advances to customers	13.508.675	64.129	1	51.727	13.624.532
Available-for-sale securities	1.198.856	37.567	0	0	1.236.423
Held-to-maturity portfolio	1.268.610	0	0	0	1.268.610
Investments in associates	437.921	0	0	0	437.921
Investment property	181.001	0	0	0	181.001
Property, plant and equipment	288.064	0	0	0	288.064
Intangible assets	5.544	0	0	0	5.544
Deferred tax asset	362.193	0	0	0	362.193
Other assets	400.341	1	22	46	400.410
Total assets	**20.153.374**	**252.492**	**37.050**	**145.496**	**20.588.412**
Liabilities					
Deposits from banks	80.743	13.514	0	124	94.381
Deposits from customers	17.915.498	192.002	19.008	71.697	18.198.205
Derivative financial instruments	49.592	0	0	0	49.592
Provision for employee benefits	290.232	0	0	0	290.232
Other liabilities	217.948	4.037	4	1	221.990
Subordinated loans	399.515	0	0	0	399.515
Total liabilities	**18.953.528**	**209.553**	**19.012**	**71.822**	**19.253.915**
Net on balance sheet position	**1.199.846**	**42.939**	**18.038**	**73.674**	**1.334.497**
Net off balance sheet position	**2.334.286**	**0**	**0**	**36.797**	**2.371.083**

At 31 December 2005

Total assets	19.694.794	320.778	32.963	159.871	20.208.406
Total liabilities	18.618.877	281.479	16.787	96.924	19.014.067
Net on balance sheet position	**1.075.917**	**39.299**	**16.176**	**62.947**	**1.194.339**
Net off balance sheet position	**2.510.000**	**852**	**0**	**33.864**	**2.544.716**

4.5 Interest rate risk

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

The table below summarizes the Bank's exposure to interest rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates (amounts are expressed in thousands of Euro):

At 31 December 2006

Assets	Up to 1 month	1 - 3months	3- 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Cash and balances with Central Bank	925.536	0	0	0	0	0	925.536
Loans and advances to banks	1.153.639	125.775	0	0	0	0	1.279.414
Trading securities	35	0	10	37.127	414.233	107.001	558.406
Derivative financial instruments	20.358	0	0	0	0	0	20.358
Loans and advances to customers	7.164.026	552.925	775.208	2.138.448	2.993.925	0	13.624.532
Available-for-sale securities	30.848	204.014	184.410	11.059	5.061	801.031	1.236.423
Held-to-maturity portfolio	32.274	35.577	1.189.649	11.110	0	0	1.268.610
Investments in associates	0	0	0	0	0	437.921	437.921
Investment property	0	0	0	0	0	181.001	181.001
Property, plant and equipment	0	0	0	0	0	288.064	288.064
Intangible assets	0	0	0	0	0	5.544	5.544
Deferred tax asset	0	0	0	0	0	362.193	362.193
Other assets	0	0	0	0	0	400.410	400.410
Total assets	**9.326.716**	**918.291**	**2.149.277**	**2.197.744**	**3.413.219**	**2.583.165**	**20.588.412**
Liabilities							
Deposits from banks	92.640	0	0	0	0	1.741	94.381
Deposits from customers	15.470.421	1.150.330	1.573.802	3.652	0	0	18.198.205
Derivative financial instruments	49.592	0	0	0	0	0	49.592
Provision for employee benefits	0	0	0	0	0	290.232	290.232
Other liabilities	0	0	47.123	0	0	174.867	221.990
Subordinated loans	0	399.515	0	0	0	0	399.515
Total liabilities	**15.612.653**	**1.549.845**	**1.620.925**	**3.652**	**0**	**466.840**	**19.253.915**
Total interest sensitivity gap	**(6.285.937)**	**(631.554)**	**528.352**	**2.194.092**	**3.413.219**	**2.116.325**	**1.334.497**
At 31 December 2005							
Total assets	12.971.853	353.296	2.098.904	1.388.775	1.122.264	2.273.314	20.208.406
Total liabilities	15.668.756	1.337.645	1.390.053	10.919	0	606.694	19.014.067
Total interest sensitivity gap	**(2.696.903)**	**(984.349)**	**708.851**	**1.377.856**	**1.122.264**	**1.666.620**	**1.194.339**

4.6 Capital management and capital adequacy

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

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

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

The bank's capital adequacy is calculated according to the relevant directive by the Bank of Greece (2397/96), which is an enforcement of the directive of the European Union for the capital adequacy of financial institutions and investment funds.

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

- Tier 1 capital
- Tier 2 capital

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

The table below summarizes the composition of regulatory capital of the Bank for the years ended 31 December 2006 and 2005 respectively.

Tier 1 Capital	**31/12/2006**	**31/12/2005**
Total equity	1.334.497	1.194.339
Less: Intangible assets	(5.544)	(4.591)
Less: Proposed dividends	(81.490)	0
Adjustment due to Bank of Greece directive 2563/2005	(76.160)	(5.274)
	1.171.303	**1.184.474**
Tier 2 Capital		
Supplementary capital	399.515	399.242
Adjustment according to Bank of Greece directive 2563/2005	74	(47.835)
	399.588	**351.408**
Deductions according to Bank of Greece directive 2563/2005	**(321.768)**	**(170.225)**
Regulatory capital	**1.249.124**	**1.365.657**
Risk-weighted assets	**10.740.054**	**9.351.311**
Capital adequacy ratio	**11,63%**	**14,60%**

The capital ratio for the Bank, is estimated to 11,63% which is much higher than the regulatory limit of 8% set by the Bank of Greece directive.

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

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

5.1. Fair value

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

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

5.2 Impairment losses on loans and advances to customers

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

5.3 Fair value of derivatives

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

5.4 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.
For these financial instruments, fair value is calculated using financial models along with estimates for future segment variations and prospects, as well as the financial condition of the companies that are included in the Bank's portfolio.

5.5 Income tax

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

6. SEGMENT REPORTING

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

Business sector analysis

(Amounts in thousand Euro) **31/12/2006**

	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	351.897	39.936	85.294	70.889	36.283	584.299
Net fee and commission income	23.676	4.876	7.856	26.980	228	63.616
Dividend income	0	0	0	0	29.240	29.240
Net trading income	0	0	0	0	58.594	58.594
Other operating income	3.139	2.145	4.479	1.475	13.836	25.074
Total operating income	**378.712**	**46.957**	**97.629**	**99.344**	**138.181**	**760.823**
Operating expenses	(269.277)	(36.283)	(58.218)	(46.509)	(48.598)	(458.885)
Impairment losses	(32.489)	(1.488)	(25.273)	(750)	0	(60.000)
Profit before tax	**76.946**	**9.186**	**14.138**	**52.085**	**89.583**	**241.938**
Income tax expense						(80.505)
Profit after tax						**161.433**

(Amounts in thousand Euro)

31/12/2005	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	143.802	49.181	163.735	114.181	125.124	596.023
Net fee and commission income	12.389	5.756	7.973	29.784	(647)	55.255
Dividend income	0	0	1449	0	18.651	20.100
Net trading income	0	0	0	0	12.214	12.214
Other operating income	6.630	2.281	6.800	2.994	1.768	20.473
Total operating income	**162.821**	**57.218**	**179.957**	**146.959**	**157.110**	**704.065**
Operating expenses	(98.421)	(34.587)	(108.780)	(88.833)	(94.969)	(425.590)
Impairment losses	(58.121)	(2.345)	(65.802)	0	(7.311)	(133.579)
Profit before tax	**6.279**	**20.286**	**5.375**	**58.126**	**54.830**	**144.896**
Income tax expense						(32.546)
Profit after tax						**112.350**

7. NET INTEREST INCOME

(Amounts in thousand Euro)

	1/1-31/12/2006	1/1-31/12/2005
Interest and similar income:		
Loans and advances to customers	698.851	681.031
Loans to banks	81.000	77.984
Debt instruments	72.163	61.100
	852.014	**820.115**
Interest expense and similar charges:		
Customer deposits	(246.087)	(203.144)
Bank deposits	(3.079)	(7.001)
Subordinated loans	(16.173)	(13.947)
Financial leasing (Lessor)	(2.376)	
	(267.715)	**(224.092)**
Net interest income	**584.299**	**596.023**

Interest income from Loans and advances to customers as of 31/12/2005, 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 13).

8. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1-31/12/2006	1/1-31/12/2005
Fee and commission income		
Loans and advances to customers	21.592	14.735
Money transfers	14.164	13.603
Letters of guarantee	6.469	7.007
Custody services	4.570	5.846
Import-exports	1.055	1.275
Other	35.087	33.095
	82.937	**75.561**

Fee and commission expenses		
Contribution to Savings Guarantee Fund	(10.064)	(9.376)
Other	(9.257)	(10.930)
	(19.321)	**(20.306)**
Net fee and commission income	**63.616**	**55.255**

9. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1-31/12/2006	**1/1-31/12/2005**
Trading Portfolio		
Gain minus Losses		
Derivative financial instruments	(2.797)	(10.060)
Foreign exchange differences	(5.308)	6.962
Sales		
Equity instruments	8.173	9.180
Debt instruments	(235)	3.825
Revaluation		
Equity instruments	6.334	5.780
Debt instruments	10.374	5.420
Derivative financial instruments	(2.260)	(6.859)
	14.281	**14.248**

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

(Amounts in thousand Euro)

	1/1-31/12/2006	**1/1-31/12/2005**
Financial assets available for sale		
From sale		
Equity instruments	42.208	649
Debt instruments	70	182
Other	2.035	(1.455)
From Impairment		
Equity instruments		(1.410)
	44.313	**(2.034)**

Amount of approximately EUR 41,8 million of the period 1/1 – 31/12/2006, was derived from the disposal of a part of the available for sale securities of listed firms in the Athens Stock Exchange.

11. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2006	**1/1 - 31/12/2005**
Trading securities	3.421	1.605
Available for sale securities	21.145	14.012
Subsidiaries	4.674	4.483
	29.240	**20.100**

12. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1-31/12/2006	1/1-31/12/2005
Gain from the sale of fixed assets	9.040	4.069
Income from investment property	2.713	2.559
Income from sequential activities	7.919	5.818
Telecommunication fees	2.848	2.624
Other	2.554	5.403
	25.074	**20.473**

13. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1-31/12/2006	1/1-31/12/2005
Loans and advances to customers	(60.000)	(120.000)
Subsidiaries	0	(7.311)
Other	0	(6.268)
	(60.000)	**(133.579)**

Due to the application of Law 3259/2004, the Bank as of 31/12/2005 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 7). This amount constitutes non recurring expense.

14. OPERATING EXPENSES

(Amounts in thousand Euro)

	1/1-31/12/2006	1/1-31/12/2005
Staff cost (Note 15)	(337.812)	(318.598)
Third party fees	(20.616)	(14.873)
Advertising and promotion expenses	(16.621)	(10.680)
Telecommunication expenses	(8.566)	(6.770)
Insurance fees	(1.809)	(1.961)
Repairs and maintenance	(9.446)	(9.549)
Travel	(6.359)	(5.522)
Stationery	(2.115)	(2.145)
Utility services	(2.907)	(2.686)
Depreciation	(22.655)	(19.904)
Amortization of intangible assets	(3.106)	(2.354)
Operating lease rentals	(10.703)	(12.563)
Other taxes	(5.567)	(6.316)
Other	(10.603)	(11.669)
	(458.885)	**(425.590)**

15. STAFF COST

(Amounts in thousand Euro)

	1/1 - 31/12/2006	1/1 - 31/12/2005
Wages and salaries	(180.879)	(171.393)
Social security costs	(97.906)	(94.981)
Defined benefit plan costs (note 33)	(31.729)	(26.129)
Other staff costs	(27.298)	(26.095)
	(337.812)	**(318.598)**

The average number of persons employed by the Bank during the year was 6.157 (2005: 6.333).

16. INCOME TAX EXPENSE

(Amounts in thousand Euro)

	1/1- 31/12/2006	1/1- 31/12/2005
Current tax	(18.751)	0
Deferred tax	(22.846)	(32.546)
Reserve taxation (clause 10 Law 3513/2006)	(8.918)	0
Profit distribution tax (year 2005)	(29.990)	0
	(80.505)	**(32.546)**

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%.

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.

In the closing financial year, according to the clauses of the latest tax law, 15% of the Banks' tax free reserves were taxed. The total obligation from the taxation of the above mentioned reserves was Euro 8, 9 million and was paid in total during 2006. The reserves of total amount Euro 59,5 million that were taxed according to the clauses of the latest tax law can be capitalized or distributed without further taxation. The abovementioned tax amount was recorded in the income statement

Further information about deferred income tax is provided in note 29.

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

	31/12/2006	31/12/2005
Profit before tax	241.938	144.896
Income tax at 29% (2005: 32%)	(70.162)	(46.367)
Tax exempt revenues (corresponding tax)	52.861	48.114
Non-deductible expenses (corresponding tax)	(1.289)	(1.544)
Additional tax on property	(161)	(203)
Reserve taxation (clause 10 Law 3513/2006)	(8.918)	0
Profit distribution tax (year 2005)	(29.990)	0
Effect of deferred tax on income statement	(22.846)	(32.546)
Tax	**(80.505)**	**(32.546)**
Effective rate	33,2%	22,4%

In Greece the results reported to the tax authorities by an entity are considered provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore, entities remain contingently liable for additional tax and penalties, which may be assessed upon such examination. The Bank has been audited by the tax authorities and has settled all its tax obligations up until 31 December 2004. Because of the fashion under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional taxes and penalties for the fiscal years 2005 and 2006.

For the years 2005 and 2006, the relative provision has been accounted according to IFRS.

17. BASIC AND DILUTED EARNINGS PER SHARE

	1/1-31/12/2006	1/1-31/12/2005
Earnings after tax (in thousands of euro)	161.433	112.350
Weighted average of number of shares in issue (thousands)	904.427.861	591.000.929
Basic and diluted earnings per share (expressed in euro per share)	**0,18**	**0,19**

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

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

18. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Cash in hand	410.342	393.928
Balances with Central Bank	514.691	336.989
Mandatory deposits at Central Bank	503	2.061
	925.536	**732.978**

19. LOANS AND ADVANCES TO BANKS

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Current accounts	96.073	98.088
Other placements	1.183.341	2.279.488
	1.279.414	**2.377.576**

20. TRADING SECURITIES

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Greek government bonds	581	632
Corporate Loans	450.824	245.468
Equity securities	107.001	72.894
	558.406	**318.994**

21. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)	2006			2005		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
Foreign exchange derivatives						
Swaps	36.797	479	0	33.864	94	0
Forwards	0	0	0	852	5	0
Interest rate derivatives						
Swaps	1.670.000	19.879	0	1.670.000	0	35.029
O.T.C. interest rate options	840.000	0	49.592	840.000	0	55.026
	2.546.797	**20.358**	**49.592**	**2.544.716**	**99**	**90.055**

The notional amount of certain types of derivative financial instruments provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, to the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

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

22. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

22.1	31/12/2006	31/12/2005
Credit cards	272.516	271.378
Consumer loans	505.957	389.213
Mortgages	4.032.871	2.860.518
Loans to private individuals	**4.811.344**	**3.521.109**
Loans to the agricultural sector	2.306.963	2.124.530
Corporate loans	2.993.346	3.198.441
Small and medium sized firms	837.801	800.270
Loans to corporate entities	**6.138.110**	**6.123.241**
Loans to the public sector	3.975.934	4.754.795
	14.925.388	**14.399.145**
Less: allowance for uncollectibility	(1.300.856)	(1.610.395)
	13.624.532	**12.788.750**

22.2 ALLOWANCE FOR UNCOLLECTIBILITY

Movement in the allowance for uncollectibility	2006	2005
Balance at 1 January	**1.610.395**	**2.207.631**
Provision for impairment	60.000	120.000
Loans written-off - Law 3259/2004	0	(408.988)
- Other	(369.539)	(308.248)
Balance at 31 December	**1.300.856**	**1.610.395**

The Bank for the financial years 2006 and 2005 wrote off loans of total amount Euro 1.086 million. The part that arises from the implementation of the Panotokia Law, including the amount that was written off from the same cause in 2004, amounts to Euro 582 million. The remaining amount of Euro 678 million for the years 2006 and 2005 mainly relates to write offs of loans granted to agricultural associations and agricultural enterprises. In order for a write off to be materialized, a proposal is submitted by the Write Off Committee, which is subsequently verified by the Asset and Liability Management Committee (ALCO) and the Board of Directors. Write offs are recorded on off balance sheet accounts in order to be monitored for prospective legal actions and probable collections.

23. AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Debt securities:		
Greek Government bonds	104.040	10.255
Other issuers	331.352	401.446
	435.392	411.701
Equity securities:		
Listed	717.322	640.232
Unlisted	8.388	10.860
Equity fund	53.045	0
	778.755	651.092
Mutual fund units	22.276	19.360
	1.236.423	**1.082.153**

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 8.388 thousand, which are carried at cost because fair value can not be determined.

The movement in the available-for-sale securities is summarized as follows (amounts in thousands Euro) :

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
At 1 January	**1.082.153**	**856.554**
Additions	175.547	281.055
Disposals	(113.746)	(200.058)
Impairment	0	(1.410)
Gains from changes in fair value	92.469	146.012
31 December	**1.236.423**	**1.082.153**

Analysis of additions and reductions follows:

(Amounts in thousand Euro)

	Additions	Disposals
Greek Government bonds	97.180	21
Equity Fund	45.448	0
Corporate bonds	20.515	58.745
Listed securities	9.324	54.980
Unlisted securities	2.432	0
Mutual funds	648	0
	175.547	**113.746**

24. HELD TO MATURITY SECURITIES

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Greek Government bonds	1.268.610	1.377.987
	1.268.610	**1.377.987**

Mainly include Greek Government Bonds, that are held by the Bank from the issue date and that the Bank intends to hold until their maturity. The fair value of the above mentioned bonds as of 31.12.2006 is EUR 1.243.015 thousand (2005: EUR 1.363.436 thousand).

25. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	% Participation	31/12/2006	31/12/2005
ATE LEASING	99,41%	170.318	170.318
ATE-Cards	98,00%	5.802	5.802
ATE AEDAK	54,00%	613	613
ATE Tecniki Pliroforiki	82,73%	3.557	3.557
ATE A.X.E.P.E.Y.	66,58%	22.205	22.205
ATE Insurance	84,26%	490.815	490.815
ABG FINANCE INT.	100,00%	37	37
FIRST BUSINESS BANK	49,00%	47.408	38.808
HELLENIC SUGAR COMPANY	82,33%	228.664	228.664
DODONI	67,77%	12.799	12.799
SEKAP	42,87%	5.237	5.237
RODOPI	70,09%	3.096	3.096
ETANAL	75,00%	110	110
ELVIZ	99,82%	2.154	2.154
ATE ADVERTISING	47,80%	510	0
MINDBANK	69,01%	48.701	0
AIK BANKA	20,66%	94.957	0
		1.136.983	**984.215**
Less: Provision for impairment		**(699.062)**	**(699.062)**
		437.921	**285.153**

Participation on subsidiaries and affiliated companies is recorded at cost value less any impairment that has been incurred.
The Bank within 2006 acquired the majority of MINDBANK's (Romania) share capital and a percentage of AIK BANKA (Servia), as well as raised her percentage by 5% in FBB (Note 40).

26. INVESTMENT PROPERTY

(Amounts in thousand Euro)

	Land	Buildings	Total
At 1 January 2005			
Cost	118.281	84.590	202.871
Accumulated Depreciation	0	(22.460)	(22.460)
Net book value	**118.281**	**62.130**	**180.411**
2005			
Opening net book value	118.281	62.130	180.411
Additions	26.588	1.300	27.888
Disposals	(5.649)	(6.571)	(12.220)
Depreciation charge	0	(5.319)	(5.319)
Depreciation of disposals	0	2.456	2.456
Transfer	0	1.109	1.109
Net book value	**139.220**	**55.105**	**194.325**
31 December 2005			
Cost	139.220	80.428	219.648
Accumulated Depreciation	0	(25.323)	(25.323)
Net book value	**139.220**	**55.105**	**194.325**
2006			
Opening net book value	139.220	55.105	194.325
Additions	4.817	7.150	11.967
Disposals	(8.068)	(9.777)	(17.845)
Depreciation charge	0	(4.935)	(4.935)
Depreciation of disposals	0	2.624	2.624
Transfer	(5.114)	(21)	(5.135)
Net book value	**130.855**	**50.146**	**181.001**
31 December 2006			
Cost	130.855	77.780	208.635
Accumulated Depreciation	0	(27.634)	(27.634)
Net book value	**130.855**	**50.146**	**181.001**

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

The Bank has included as investment property, land and buildings that have come into its possession from the foreclosure of non-performing loans. In accordance with local banking regulations banks are required to dispose of foreclosed property within three years, however, extensions to this holding period can be approved by the Bank of Greece. The net book value of this property as at 31 December 2006 was EUR 103.808 thousands (2005: EUR 112.565 thousand).

27. PROPERTY, PLANT AND EQUIPMENT

(Amounts in thousand Euro)

	Land	Buildings	Furniture and Equipment	Leasehold Improvements	Under Construction	Total
At 1 January 2005						
Cost	105.648	167.235	70.865	11.019	11.675	366.442
Accumulated Depreciation	0	(26.359)	(53.406)	(4.297)	0	(84.062)
Net book value	**105.648**	**140.876**	**17.459**	**6.722**	**11.675**	**282.380**
2005						
Opening net book value	105.648	140.876	17.459	6.722	11.675	282.380
Additions	3.337	7.989	8.105	1.982	816	22.229
Disposals	(4.792)	(10.112)	(1.422)	0	(249)	(16.575)
Depreciation charge	0	(7.510)	(4.788)	(2.289)	0	(14.587)
Depreciation of disposals	0	512	853	0	0	1.365
Transfer	0	2.866	0	2.204	(6.179)	(1.109)
Net book value	**104.193**	**134.621**	**20.207**	**8.619**	**6.063**	**273.703**
31 December 2005						
Cost	104.193	167.978	77.548	15.205	6.063	370.987
Accumulated Depreciation	0	(33.357)	(57.341)	(6.586)	0	(97.284)
Net book value	**104.193**	**134.621**	**20.207**	**8.619**	**6.063**	**273.703**
2006						
Opening net book value	104.193	134.621	20.207	8.619	6.063	273.703
Additions	802	2.797	14.979	2.920	6.327	27.825
Disposals	(409)	(2)	(5.515)	0	0	(5.926)
Depreciation charge	0	(7.719)	(7.668)	(2.333)	0	(17.720)
Depreciation of disposals	0	2	5.045	0	0	5.047
Transfer	5.114	2.034	0	282	(2.295)	5.135
Net book value	**109.700**	**131.733**	**27.048**	**9.488**	**10.095**	**288.064**
31 December 2006						
Cost	109.700	172.807	87.012	18.407	10.095	398.021
Accumulated Depreciation	0	(41.074)	(59.964)	(8.919)	0	(109.957)
Net book value	**109.700**	**131.733**	**27.048**	**9.488**	**10.095**	**288.064**

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

28. INTANGIBLE ASSETS

(Amounts in thousand Euro)

	2006	2005
Cost - Software	17.984	13.925
Accumulated amortization	(12.440)	(9.334)
Net book value	**5.544**	**4.591**

29. DEFERRED TAX ASSET
(Amounts in thousands of Euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31/12/2006	31/12/2005
Deferred tax asset:		
Intangible assets	1.619	2.380
Provision for impairment losses on customer loans	288.937	309.963
Derivative financial instruments	0	221
Employee benefits	72.978	73.089
Other items	8.068	6.870
	371.602	**392.523**
Deferred tax liability:		
Property, plant and equipment	4.564	860
Derivative financial instruments	109	0
Provision for contingent liabilities	4.736	6.063
	9.409	**6.923**
Net deferred tax asset	**362.193**	**385.600**

Movement in temporary differences during the year

(Amounts in thousand Euro)

	Balance 1 January 2006	Recognized in income	Recognized in equity	Balance 31 Dec 2006
Intangible assets	2.380	(200)	(561)	1.619
Provision for impairment losses on customer loans	309.963	(21.026)	0	288.937
Employee benefits	73.089	(111)	0	72.978
Other items	6.870	1.198	0	8.068
Property, plant and equipment	(860)	(3.704)	0	(4.564)
Derivative financial instruments	221	(330)	0	(109)
Provisions for contingent liabilities	(6.063)	1.327	0	(4.736)
	385.600	**(22.846)**	**(561)**	**362.193**

30. OTHER ASSETS
(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Prepaid expenses	473	798
Tax advances and other tax receivables	25.466	18.584
Accrued interest and commissions **(30α)**	74.611	68.190
Other receivables from public sector	95.689	125.402
Cheques and notes receivables	30.003	14.622
Receivables from pension fund	72.017	65.222
Customers	30.906	32.766
Other	71.245	60.913
	400.410	**386.497**

30a. ACCRUED INTEREST AND COMMISSIONS

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Accrued interest from Public sector	7.101	8.170
Accrued interest from Private sector	3.932	5.622
Accrued interest from loans	59.242	47.373
Accrued interest from money market	1.782	2.776
Public sector commissions	1.584	1.671
Other	970	2.578
	74.611	**68.190**

31. DEPOSITS FROM BANKS

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Term deposits	92.505	206.365
Due to Central Bank	1.198	1.221
Other borrowings	678	1.037
	94.381	**208.623**

32. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Retail customers:		
Current accounts	165.326	171.722
Saving accounts	11.565.124	11.649.307
Term deposits	4.460.645	3.445.457
	16.191.095	**15.266.486**
Private sector entities:		
Current accounts	742.765	613.451
Term deposits	234.196	464.214
	976.961	**1.077.665**
Public sector entities		
Current accounts	917.666	1.343.445
Term deposits	112.483	114.159
	1.030.149	**1.457.604**
	18.198.205	**17.801.755**

At 31 December 2006 the funds received amounted to EUR 112.627 thousand (2005: EUR 290.874 thousand). The majority of the repurchase agreements expiry within one month of the balance sheet date and the total interest expense on repurchase agreements for the year ended 31 December 2006 was EUR 4.653 thousand (2005: EUR 10.002 thousand).

33. PROVISION FOR PENSION LIABILITIES

(a) Defined contribution plans

- Main Pension Plan

According to law 3522/22.12.2006, that was recently voted (December 2006) effective 1st January 2007, the pension segment of the Main Employee Pension Fund of the Bank will accede to the Social Insurance - Common Employee Pension Fund (IKA- ETAM).

The employer and employees contributions rates are reduced to the respective effective ones in IKA-ETAM, promptly for the employees as of 01.01.2007, and gradually in equal portions for the employer (ATE Bank) within 5 years starting as of 01.01.2007.

Besides the above mentioned regular contributions, the Bank will continue to pay annually as a fixed contribution to IKA- ETAM, an amount of Euro 28 million for fifteen years.

- Medical fund

The medical fund of the Bank, "TYPATE", provides for defined contributions to be made by the Bank at a rate of 6.25% of the employee's salary. Such contributions amounted to approximately Euro 10.148 thousand as of 31 December 2006 (2005: 9 632 thousand). Employees contribute at a rate of 2%.

(b) Defined benefit plans

In addition to the plans discussed above, the Bank up to 31.12.2006 had the following defined benefit plans:

- Early Retirement Plan

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

As of 1st January 2007 the insured employees and pensioners of ATE Bank's Auxiliary Pension Plan (ELEM) must compulsory accede to the Bank Employee Fund (E.T.A.T). The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions, is covered from a payment that ATE Bank will incur in the amount of Euro 380 million. An amount of Euro 280 million will be paid in January 2007 while the remaining amount of Euro 100 million will be made as a fixed contribution in 10 annual, equal payments made at the beginning of each year. The Bank in January 2007 paid the amount of Euro 280 million to ETAT which had been provided for, according to an actuarial study for this purpose.

The Bank's contribution gradually decreases from 9% to 7,5% within 3 years performed from 01.01.2007.

- Lump Sum granted on retirement

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

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

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Present value of unfunded obligations	280.000	280.034
Present value of funded obligations	18.095	16.165
Fair value of plan assets	(8.439)	(8.080)
Unrecognized actuarial gains and losses	576	2.654
Recognized liability for defined benefit obligations	**290.232**	**290.773**

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

Net liability for defined benefit obligations at 1 January	290.773	294.090
Expense recognized in the income statement	31.729	26.129
Contributions received	(32.270)	(29.446)
Net liability for defined benefit obligations at 31 December	**290.232**	**290.773**

Expense recognized in the income statement	31/12/2006	31/12/2005
Current service cost	31.509	15.789
Interest on obligation	566	10.576
Expected return on plan assets	(283)	(236)
Net actuarial (gain)/loss recognized in year	(63)	0
	31.729	**26.129**

The principal actuarial assumptions at the balance sheet date are:

	2006		2005	
ACTUARIAL STUDY	**Non Funded**	**Funded**	**Non Funded**	**Funded**
Discount rate	_	**4,00%**	**3,50%**	**3,50%**
Future salary increases	_	**4,22%**	_	**4,52%**
Future pension increases	_	_	Inflation rate	_
Expected return on plan assets	_	**4,00%**	**3,50%**	**3,50%**

34. OTHER LIABILITIES

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Prepaid expenses and deferred income	74.497	82.635
Creditors and suppliers	10.435	6.483
Fees and payroll payable	43	49
Tax and duties payable (except income tax)	17.936	15.048
Income tax payable	18.750	0
Due to public sector	31.107	39.134
Finance lease payable	47.123	49.274
Other	22.099	30.996
	221.990	**223.619**

35. SUBORDINATED LOANS

(Amounts in thousand Euro)

	31/12/2006	31/12/2005
Subordinated loan due 2012	199.797	199.524
Subordinated loan due 2014	199.718	199.718
	399.515	**399.242**

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

The first notes issue occurred on 23 December 2002 for EUR 200 million due in 2012. The notes carry interest at Euribor plus 1,4% which is paid quarterly. The notes may be redeemed at the option of the Bank after 23 December 2007, if they are not redeemed the interest spread of 1,4% increases to 2,7%.

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

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

36. SHARE CAPITAL

At 31 December 2006 the share capital of the Bank was Euro 651.919.999,68 and consisted of 905.444.444 authorized and issued common shares of nominal value of Euro 0,72 per share fully paid.

a) In the Annual Shareholders' Meeting on 04 May 2006 the following were decided:

- Decrease in the share capital by EUR 1.032.206.666,16 charged against 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.

b) 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.

c) 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). The net Euro 8.580 thousand loss from the disposal of the treasury shares was recognized directly in equity.

37. RESERVES

(Amounts in thousand Euro)

	31/12/2006	**31/12/2005**
Statutory reserve	39.216	39.216
Tax free reserves	61.684	13.223
Extraordinary reserve	76.873	147.126
Revaluation reserve available-for-sale investments	186.606	115.718
Other reserves	816	816
	365.195	**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.

38. DIVIDEND PER SHARE

The annual shareholders' meeting on 04 May 2006 approved the distribution of dividends of total amount Euro 63.381 million (that is Euro 0,07 per share). This dividend arose from profits of 2005. Furthermore, capital return was materialized through a decrease in share capital by Euro 0,05 per share.

The Board of Directors of the Bank has decided and will propose to the General Shareholders Meeting the distribution of dividends of Euro 0,09 per share for 2006.

Income tax was calculated under the condition that the Bank will distribute profits according to the Board of Directors' proposal.

39. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Litigation

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

(b) Letters of credit and guarantee

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

(Amounts in thousand Euro)

	31/12/2006	**31/12/2005**
Letters of quarantee	435.152	652.683
Letters of credit	4.657	995
	439.809	**653.678**

(c) Assets pledged

Assets are pledged with the Central Bank as guarantee for client Repos deposits. Their nominal value amounts to EUR 500.000 thousand as of 31 December 2006 and EUR 322.693 thousand as of 31 December 2005.

40. ACQUISITION OF SUBSIDIARIES

a) The Bank within 2006 acquired 69,01% of the share capital of the Romanian Bank MINDBANK.

The acquired Bank has 262 employees and 12 branches in Romania, and mainly provides financial services and products to medium size enterprises and individuals both in local and foreign currency.

The financial position of the acquired MINDBANK as of 31/12/2006 is presented on the following table:

(Amounts in thousands of Euro)

	31/12/2006
Assets	
Cash and balances with the Central Bank	20.413
Loans and advances to banks	18.740
Loans and advances to customers	37.522
Available-for-sale securities	150
Property, plant and equipment	22.871
Intangible assets	480
Other assets	337
Total assets	**100.514**

Liabilities	
Deposits from banks	18.386
Deposits from customers	49.005
Deferred tax liability	1.801
Other liabilities	439
Total liabilities	**69.631**
Equity	30.883
Total equity and liabilities	**100.514**

Purchase price of shares	:	43.987
Directly attributable costs relating to the acquisition	:	4.714
Total cost of acquisition	**:**	**48.701**

The fair value of the identifiable financial assets and liabilities will be determined based on the clauses of IFRS 3 that relates to the acquisition of entities. The determination of the fair value of the identifiable intangible assets is in progress upon the final determination of the fair value of the identifiable intangible assets. The Bank will allocate the excess of cost over assets acquired, by recognizing the respective intangible assets at fair value on the date of acquisition. The non allocated part will be recognized on the balance sheet as goodwill.

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 94,9 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.
As mentioned above according to the clauses of IFRS 3 the fair value of the assets of AIK BANKA will be determined in order to define goodwill.

(c) On 27/12/2006 the Bank increased its participation in FBB by 5%. The cost of the additional consideration was Euro 8,6 million.

41. 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	31/12/2006	31/12/2005
Loans and advances to customers	570.772	669.483
Other assets	7.648	6.847
Total assets	**578.420**	**676.330**

LIABILITIES		
Deposits from customers	(157.956)	(205.745)
Other liabilities	(47.344)	(53.473)
Subordinated loans	(4.542)	(4.543)
Total liabilities	**(209.842)**	**(263.761)**

INCOME STATEMENT	31/12/2006	31/12/2005
Income		
Interest and similar income	23.359	21.843
Fee and commission income	6.989	4.757
Dividends received	4.674	3.639
Operating income	3.686	4.826
Total income	**38.708**	**35.065**
Expenses		
Interest and similar expenses	(6.662)	(4.311)
Fee and commission expense	(8.812)	(8.505)
Operating expenses	(18.742)	(11.970)
Total expenses	**(34.216)**	**(24.786)**

Key Management Personnel Fees	31/12/2006	31/12/2005
Fees	(583)	(581)
Transportation	(13)	(11)
Other	(157)	(148)

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

42. SUBSEQUENT EVENTS

There are no other significant issues that happened after the balance sheet date that require relevant remark.