



**Interim Financial Statements  
as at 30 September 2007**

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

The attached financial statements were approved by the BoD of the Agricultural Bank of Greece on 21 November 2007 and are available on the web address **[www.atebank.gr](http://www.atebank.gr)**

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**Interim income statement**  
**For the period ended 30 September 2007**  
**(Amounts in thousands of Euro)**

	Note	1/1 - 30/9/2007	1/1 - 30/9/2006	1/7 - 30/9/2007	1/7 - 30/9/2006
Interest and similar income		720.449	614.593	240.773	213.728
Interest expense and similar charges		(283.042)	(191.729)	(99.125)	(68.128)
<b>Net interest income</b>	<b>7</b>	<b>437.407</b>	<b>422.864</b>	<b>141.648</b>	<b>145.600</b>
Fee and commission income		58.403	54.834	18.194	20.071
Fee and commission expense		(16.878)	(14.449)	(6.136)	(5.147)
<b>Net fee and commission income</b>	<b>8</b>	<b>41.525</b>	<b>40.385</b>	<b>12.058</b>	<b>14.924</b>
Net trading income	<b>9</b>	41.432	(6.197)	(1.789)	(1.353)
Net gain/(loss) on disposal of non-trading financial instruments	<b>10</b>	80.518	21.974	62.000	0
Dividend income	<b>11</b>	25.903	24.567	2.070	154
Other operating income	<b>12</b>	18.899	18.165	8.287	4.634
<b>Other income</b>		<b>166.752</b>	<b>58.509</b>	<b>70.568</b>	<b>3.435</b>
<b>Operating income</b>		<b>645.684</b>	<b>521.758</b>	<b>224.274</b>	<b>163.959</b>
Impairment losses	<b>13</b>	(61.846)	(45.000)	(18.000)	(15.000)
Operating expenses	<b>14</b>	(335.923)	(317.802)	(116.055)	(114.254)
<b>Profit before tax</b>		<b>247.915</b>	<b>158.956</b>	<b>90.219</b>	<b>34.705</b>
Income tax expense	<b>15</b>	(54.444)	(58.165)	(19.709)	(9.265)
<b>Profit after tax</b>		<b>193.471</b>	<b>100.791</b>	<b>70.510</b>	<b>25.440</b>
Basic and diluted earnings per share (expressed in Euro per share)	<b>16</b>	0,21	0,11	0,07	0,03

The Financial Statements on pages 1 to 17 have been prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union applicable to Interim Financial Reporting (IAS 34) have been approved by the Board of Directors as of 21 November 2007 and are signed by:

The Governor

The Deputy Governor

The Head of Finance Department

Dimitrios Miliakos

Vasilios Drougas

Christos Stokas

The accompanying notes (pages from 5 to 17) are an integral part of these interim financial statements.

**Interim balance sheet**  
**For the period ended 30 September 2007**  
**(Amounts in thousands of Euro)**

	Note	30/09/2007	31/12/2006
<b>Assets</b>			
Cash and balances with the Central Bank		893.357	925.536
Loans and advances to banks		1.507.928	1.279.414
Trading securities		549.090	558.406
Derivative financial instruments		48.823	20.358
Loans and advances to customers	17	14.336.003	13.624.532
Available-for-sale securities	18	1.143.298	1.236.423
Held-to-maturity securities		1.233.097	1.268.610
Investments in subsidiaries and associates	26	478.742	437.921
Investment property		172.533	181.001
Property, plant and equipment		290.634	288.064
Intangible assets		4.260	5.544
Deferred tax asset	19	307.589	362.193
Other assets		520.881	400.410
<b>Total assets</b>		<b>21.486.235</b>	<b>20.588.412</b>
<b>Liabilities</b>			
Deposits from banks		149.282	94.381
Deposits from customers	20	19.275.814	18.198.205
Derivative financial instruments		11.707	49.592
Provision for employee benefits	21	10.232	290.232
Other liabilities		246.196	221.990
Subordinated loans		399.591	399.515
<b>Total liabilities</b>		<b>20.092.822</b>	<b>19.253.915</b>
<b>Equity</b>			
Share capital	22	651.920	651.920
Share premium		94.352	94.714
Reserves	23	241.784	365.195
Accumulated surplus		405.357	222.668
<b>Total equity</b>		<b>1.393.413</b>	<b>1.334.497</b>
<b>Total equity and liabilities</b>		<b>21.486.235</b>	<b>20.588.412</b>

The accompanying notes (pages from 5 to 17) are an integral part of these interim financial statements.

**Interim statement of changes in equity**  
**For the period ended 30 September 2007**  
**(Amounts in thousands of Euro)**

	Share capital	Treasury shares	Share premium	Reserves	Accumulated surplus / (deficit)	Total
<b>Balance at 1/1/2006</b>	<b>1.729.399</b>	<b>(25.631)</b>	<b>95.275</b>	<b>316.099</b>	<b>(920.803)</b>	<b>1.194.339</b>
Profit for the period 1/1 - 30/9/2006	0	0	0	0	100.791	100.791
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	8.117	0	8.117
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(11.017)	0	(11.017)
Deferred tax on entries recognized directly to equity	0	0	(429)	0	0	(429)
Dividends paid	0	0	0	0	(63.381)	(63.381)
Transfer to reserves	0	0	0	10.395	(10.395)	0
(Purchases)/sales of treasury shares	0	25.631	0	0	(8.580)	17.051
Share capital reduction	(1.032.207)	0	0	0	1.032.207	0
Share capital return	(45.272)	0	0	0	0	(45.272)
<b>Balance at 30/9/2006</b>	<b>651.920</b>	<b>0</b>	<b>94.846</b>	<b>323.594</b>	<b>129.839</b>	<b>1.200.199</b>
Profit for the period 1/10 - 31/12/2006	0	0	0	0	60.642	60.642
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	84.352	0	84.352
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(10.564)	0	(10.564)
Deferred tax on entries recognized directly to equity	0	0	(132)	0	0	(132)
Transfer to reserves	0	0	0	(32.187)	32.187	0
<b>Balance at 31/12/2006</b>	<b>651.920</b>	<b>0</b>	<b>94.714</b>	<b>365.195</b>	<b>222.668</b>	<b>1.334.497</b>
Profit for the period 1/1 - 30/9/2007	0	0	0	0	193.471	193.471
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	12.988	0	12.988
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(65.691)	0	(65.691)
Deferred tax on entries recognized directly to equity	0	0	(362)	0	0	(362)
Dividends paid	0	0	0	0	(81.490)	(81.490)
Transfer to reserves	0	0	0	(70.708)	70.708	0
<b>Balance at 30/9/2007</b>	<b>651.920</b>	<b>0</b>	<b>94.352</b>	<b>241.784</b>	<b>405.357</b>	<b>1.393.413</b>

The accompanying notes (pages from 5 to 17) are an integral part of these interim financial statements.

**Interim statement of cash flows**  
**For the period ended 30 September 2007**  
**(Amounts in thousands of Euro)**

	<b>30/9/2007</b>	<b>30/9/2006</b>
<b>Operating activities</b>		
Profit before tax	247.915	158.956
<b>Adjustment for:</b>		
Depreciation and amortization	20.917	18.394
Impairment losses	61.846	45.000
Changes in provisions	(68.021)	(51.299)
Change in fair value of trading investments	(27.602)	3.248
(Gain)/loss on the sale of investments, property and equipment	(128.829)	(27.223)
<b>Changes in operating assets and liabilities</b>		
Net (increase)/decrease in loans and advances to banks	(263.592)	(119.090)
Net (increase)/decrease in trading securities	34.888	(215.512)
Net (increase)/decrease in loans and advances to customers	(783.879)	787.627
Net (increase)/decrease in other assets	8.268	(104.564)
Net increase/(decrease) in deposits from banks	54.901	(130.021)
Net increase/(decrease) in deposits from customers	1.077.609	(158.477)
Net increase/(decrease) in other liabilities	(318.282)	(36.187)
<b>Cash flows from operating activities</b>	<b>(83.861)</b>	<b>170.852</b>
<b>Investing activities</b>		
Acquisition of intangible assets, property and equipment	(23.070)	(18.184)
Proceeds from the sale of intangible assets, property and equipment	17.735	14.346
(Purchases)/Proceeds of held to maturity portfolio	35.513	109.399
(Purchases)/Sales of available for sale portfolio	120.940	(122.558)
Dividends received	23.119	22.194
Purchases of subsidiaries	(40.821)	(40.645)
<b>Cash flows from investing activities</b>	<b>133.416</b>	<b>(35.448)</b>
<b>Financing activities</b>		
Share capital return - Dividends paid	(81.490)	(108.653)
Proceeds/(Purchases) of treasury shares	0	17.051
<b>Cash flows from financing activities</b>	<b>(81.490)</b>	<b>(91.602)</b>
Effect of exchange rate changes on cash and cash equivalent	(244)	(1.170)
<b>Net increase/(decrease) in cash flows</b>	<b>(32.179)</b>	<b>42.632</b>
Cash and cash equivalents at 1 January	925.536	732.978
<b>Cash and cash equivalents at 30 September</b>	<b>893.357</b>	<b>775.610</b>

The accompanying notes (pages from 5 to 17) are an integral part of these interim financial statements.

## **1. INFORMATION ABOUT THE BANK**

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. From 2005 the bank uses the brand name "ATEbank". 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 469 branches in Greece and 13 abroad, 12 of which through the acquisition of the Bank in Romania ATEbank Romania and 1 in Germany which offer to the clients a wide range of banking activities. The Bank also has 877 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).

The Bank's functional currency is euro. Except as indicated, these financial statements are presented in thousands of euro.

## **2. STATEMENT OF COMPLIANCE**

The interim financial statements as of 30 September 2007 have been prepared in accordance with the International Financial Reporting Standards (I.F.R.S.) as adopted by the European Union applicable to Interim Financial Reporting (IAS 34). They do not include all the information required for full annual Financial Statements, and should be read in conjunction with the Financial Statements of the Bank as at and for the year ended 31 December 2006.

ATEbank also prepares consolidated financial statements in consistency to the above mentioned accounting standards.

The financial statements in stand alone and consolidated basis were approved by the Board of Directors on 21 November 2007 and are available on the web address [www.atebank.gr](http://www.atebank.gr)

## **3. PRINCIPAL ACCOUNTING POLICIES**

The accounting policies which have been applied by the bank in the preparation of the interim financial statements as of 30 September 2007, are the same as those presented in the published financial statements as of 31 December 2006.

The Bank adopted the International Financial Reporting Standard (I.F.R.S. 7) which refers to financial instruments disclosures, effective from 1 January 2007. The adoption of I.F.R.S. 7 is estimated to affect the financial instruments disclosures of the annual financial statements as at 31 December 2007.

The Bank also adopted the International Accounting Standard (I.A.S. 1), effective from 1 January 2007, which refers to further disclosures about the bank's capital management. The adoption of I.A.S. 1 is estimated to affect the disclosures of the annual financial statements as at 31 December 2007.

## **4. ESTIMATION**

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

During the current period there were no changes in the management estimation.

## 5 CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

The Bank's objectives when managing capital, are:

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

Capital adequacy and the use of regulatory capital are monitored by the Bank's authorized departments, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as adopted 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 directives by the Bank of Greece (2563/05 & 2587/07), 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 estimation of credit, market and other risks associated with–each asset and counter party, 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 period ended 30 September 2007.

<b>Tier 1 Capital</b>	<b>30/9/2007</b>
Total equity	1.393.413
Less: Intangible assets	(4.260)
Less: Proposed dividends	(49.184)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(278.515)
	<b>1.061.454</b>
<b>Tier 2 Capital</b>	
Supplementary capital	399.591
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(274.915)
	<b>124.676</b>
<b>Regulatory capital</b>	<b>1.186.130</b>
<b>Risk-weighted assets</b>	<b>11.818.509</b>
<b>Capital adequacy ratio</b>	<b>10,04%</b>

The capital ratio for the Bank as of 30/9/2007, is estimated to rise to 10,04% which is much higher than the regulatory limit of 8% set by the Bank of Greece directive.



## 6. SEGMENT REPORTING

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

(Amounts in thousand Euro)

30/09/2007

	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	260.128	31.309	57.013	66.715	22.242	437.407
Net fee and commission income	11.117	2.544	9.773	18.122	(31)	41.525
Dividend income	0	0	0	0	25.903	25.903
Net trading income	0	0	0	0	121.950	121.950
Other operating income	1.685	1.121	1.294	3.426	11.373	18.899
<b>Total operating income</b>	<b>272.930</b>	<b>34.974</b>	<b>68.080</b>	<b>88.263</b>	<b>181.437</b>	<b>645.684</b>
Operating expenses	(196.515)	(27.441)	(32.450)	(40.478)	(39.039)	(335.923)
Impairment losses	(29.505)	(3.865)	(23.630)	0	(4.846)	(61.846)
<b>Profit before tax</b>	<b>46.910</b>	<b>3.668</b>	<b>12.000</b>	<b>47.785</b>	<b>137.552</b>	<b>247.915</b>
Income tax expense						(54.444)
<b>Profit after tax</b>						<b>193.471</b>

(Amounts in thousand Euro)

30/09/2006

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

## 7. NET INTEREST INCOME

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
<b>Interest and similar income:</b>		
Loans and advances to customers	606.102	498.709
Loans to banks	60.869	61.524
Debt instruments	53.478	54.360
	<b>720.449</b>	<b>614.593</b>

**Interest expense and similar charges:**

Customer deposits	(255.692)	(175.773)
Bank deposits	(10.028)	(2.692)
Subordinated loans	(15.282)	(11.613)
Financial leasing (Lessor)	(2.040)	(1.651)
	<b>(283.042)</b>	<b>(191.729)</b>
<b>Net interest income</b>	<b>437.407</b>	<b>422.864</b>

**8. NET FEE AND COMMISSION INCOME**

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
<b>Fee and commission income</b>		
Loans and advances to customers	16.971	14.206
Custody services	3.167	1.855
Import-exports	793	780
Letters of guarantee	4.087	5.063
Money transfers	10.574	10.374
Other	22.811	22.556
	<b>58.403</b>	<b>54.834</b>
<b>Fee and commission expenses</b>		
Contribution to Savings Guarantee Fund	(8.101)	(7.548)
Other	(8.777)	(6.901)
	<b>(16.878)</b>	<b>(14.449)</b>
<b>Net fee and commission income</b>	<b>41.525</b>	<b>40.385</b>

**9. NET TRADING INCOME**

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
<b>Trading Portfolio</b>		
<b>Gain minus Losses</b>		
Derivative financial instruments	7.894	(3.940)
<b>Foreign exchange differences</b>	<b>(2.962)</b>	<b>(3.091)</b>
<b>Sales</b>		
Equity instruments	5.555	4.139
Debt instruments	3.343	(57)
<b>Revaluation</b>		
Equity instruments	3.996	(170)
Debt instruments	4.784	(2.927)
Derivative financial instruments	18.822	(151)
	<b>41.432</b>	<b>(6.197)</b>

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

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
<b>Financial assets available for sale</b>		
<b>From sale</b>		
Equity instruments	71.094	19.869
Debt instruments	0	70
Other	9.424	2.035
	<b>80.518</b>	<b>21.974</b>

Amount of approximately EUR 71,1 million of the period 1/1 – 30/9/2007, (30/9/2006: EUR 19,8 million), was derived from the disposal of part of the available for sale securities of listed firms in the Athens Stock Exchange.

## 11. DIVIDEND INCOME

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
Trading securities	2.784	2.358
Available for sale securities	19.799	17.536
Subsidiaries	3.320	4.673
	<b>25.903</b>	<b>24.567</b>

## 12. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
Gain from the sale of fixed assets	8.400	5.107
Income from investment property	2.079	1.892
Income from sequential activities	4.336	7.004
Telecommunication fees	2.369	846
Other	1.715	3.316
	<b>18.899</b>	<b>18.165</b>

## 13. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
Loans and advances to customers	(60.000)	(45.000)
Other	(1.846)	0
	<b>(61.846)</b>	<b>(45.000)</b>

#### 14. OPERATING EXPENSES

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
Staff costs	(246.216)	(239.778)
Third party fees	(14.026)	(12.572)
Advertising and promotion expenses	(12.273)	(8.563)
Telecommunication expenses	(6.075)	(5.467)
Insurance fees	(572)	(1.568)
Repairs and maintenance	(6.043)	(5.957)
Travel	(4.705)	(3.742)
Stationery	(1.901)	(1.604)
Utility services	(1.956)	(1.877)
Depreciation	(18.918)	(16.913)
Amortization of intangible assets	(1.999)	(1.481)
Operating lease rentals	(8.622)	(7.925)
Other taxes	(3.043)	(4.508)
Other	(9.574)	(5.847)
	<b>(335.923)</b>	<b>(317.802)</b>

The number of persons employed by the Bank at 30/9/2007 was 6.491 (30/9/2006: 6.163).

#### 15. INCOME TAX EXPENSE

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/1 - 30/9/2006
Current tax	0	(14.275)
Tax differences for the year 2006	(202)	0
Deferred tax	(54.242)	(13.900)
Profit distribution tax (year 2005)	0	(29.990)
	<b>(54.444)</b>	<b>(58.165)</b>

The income tax of the period was calculated on the basis of the current tax rate of 25% (2006: 29%).

Current tax is zero due to the tax loss arisen from the recognition of EUR 280 million contribution paid to E.T.A.T. concerning the accession of ATEbank's employees to the above mentioned Employee Fund (Note 21).

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. 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 from 2005 to 2007, the relative provision has been accounted according to IFRS.

Further information about deferred income tax is provided in Note 19.

## 16. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 30/9/2007	1/1 - 30/9/2006
Earnings after tax (in thousands of euro)	190.094	100.791
Weighted average of number of shares in issue	905.444.444	904.427.861
<b>Basic and diluted earnings per share (expressed in euro per share)</b>	<b>0,21</b>	<b>0,11</b>

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.

## 17. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

17.1	30/09/2007	31/12/2006
Credit cards	282.680	272.516
Consumer loans	652.632	505.957
Mortgages	4.771.667	4.032.871
<b>Loans to private individuals</b>	<b>5.706.979</b>	<b>4.811.344</b>
Loans to the agricultural sector	2.361.750	2.306.963
Corporate loans	3.357.304	2.993.346
Small and medium sized firms	804.826	837.801
<b>Loans to corporate entities</b>	<b>6.523.880</b>	<b>6.138.110</b>
<b>Loans to the public sector</b>	<b>3.261.008</b>	<b>3.975.934</b>
	<b>15.491.867</b>	<b>14.925.388</b>
Less: allowance for uncollectibility	(1.155.864)	(1.300.856)
	<b>14.336.003</b>	<b>13.624.532</b>

## 17.2 ALLOWANCE FOR UNCOLLECTIBILITY

Movement in the allowance for uncollectibility	2007	2006
<b>Balance at 1 January</b>	<b>1.300.856</b>	<b>1.610.395</b>
Provision for impairment	60.000	45.000
Loans written-off	(204.992)	(182.467)
<b>Balance at 30 September</b>	<b>1.155.864</b>	<b>1.472.928</b>
<b>Balance at 1 October</b>		<b>1.472.928</b>
Provision for impairment		15.000
Loans written-off		(187.072)
<b>Balance at 31 December</b>		<b>1.300.856</b>

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.

## 18. AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	30/09/2007	31/12/2006
<b>Debt securities:</b>		
Greek Government bonds	93.698	104.040
Other issuers	298.827	331.352
	392.525	435.392
<b>Equity securities:</b>		
Listed	668.120	717.322
Unlisted	7.956	8.388
Equity fund	50.594	53.045
	726.670	778.755
<b>Mutual fund units</b>	24.103	22.276
	<b>1.143.298</b>	<b>1.236.423</b>

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 7.956 thousand, (31/12/2006: EUR 8.388 thousand), which are carried at cost because fair value can not be determined.

## 19. DEFERRED TAX ASSET

Deferred tax assets and liabilities are attributable to the following:

(Amounts in thousand Euro)

	30/09/2007	31/12/2006
<b>Deferred tax asset:</b>		
Intangible assets	1.156	1.619
Provision for impairment losses on customer loans	282.011	288.937
Employee benefits	2.978	72.978
Other items	37.745	8.068
	<b>323.890</b>	<b>371.602</b>
<b>Deferred tax liability:</b>		
Property, plant and equipment	5.250	4.564
Derivative financial instruments	4.815	109
Provision for contingent liabilities	6.236	4.736
	<b>16.301</b>	<b>9.409</b>
<b>Net deferred tax asset</b>	<b>307.589</b>	<b>362.193</b>

## Movement in temporary differences during the period

(Amounts in thousand Euro)

	Balance 1 January 2007	Recognized in income	Recognized in equity	Balance 30 September 2007
Intangible assets	1.619	(101)	(362)	1.156
Provision for impairment losses on customer loans	288.937	(6.926)	0	282.011
Employee benefits	72.978	(70.000)	0	2.978
Other items	8.068	29.677	0	37.745
Property, plant and equipment	(4.564)	(686)	0	(5.250)
Derivative financial instruments	(109)	(4.706)	0	(4.815)
Provisions for contingent liabilities	(4.736)	(1.500)	0	(6.236)
	<b>362.193</b>	<b>(54.242)</b>	<b>(362)</b>	<b>307.589</b>

## 20. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	30/09/2007	31/12/2006
<b>Retail customers:</b>		
Current accounts	146.454	165.326
Saving accounts	11.032.177	11.565.124
Term deposits	5.644.691	4.460.645
	<b>16.823.322</b>	<b>16.191.095</b>
<b>Private sector entities:</b>		
Current accounts	752.409	742.765
Term deposits	223.589	234.196
	<b>975.998</b>	<b>976.961</b>
<b>Public sector entities</b>		
Current accounts	1.264.459	917.666
Term deposits	212.035	112.483
	<b>1.476.494</b>	<b>1.030.149</b>
	<b>19.275.814</b>	<b>18.198.205</b>

Term deposits include repurchase agreements of EUR 100.345 thousand as of 30/9/2007, (31/12/2006: EUR 112.627 thousand).

## 21. 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 1<sup>st</sup> January 2007, the pension segment of the Main Employee Pension Fund of the Bank acceded to the Social Insurance - Common Employee Pension Fund (IKA- ETAM).

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

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

- Medical fund

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

### (b) Defined benefit plans

- Early Retirement Plan

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

As of 1<sup>st</sup> January 2007 the insured employees and pensioners of ATE Bank's Auxiliary Pension Plan (ELEM) must compulsory accede to the Bank Employee Fund (E.T.A.T). The financial burden of E.T.A.T. and E.T.E.A.M. from the accession of the insured employees and pensioners of ATE Bank besides the regular contributions, is covered from a

payment that ATE Bank occurred in the amount of Euro 280 million for which the Bank had already formed a provision according to an actuarial study for that purpose. In addition to this amount, the Bank will make 10 annual, equal payments of Euro 10 million as extraordinary contribution.

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

- Lump Sum granted on retirement

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

## 22. SHARE CAPITAL

At 30 September 2007 the share capital of the Bank was Euro 651.919.999,68 and consisted of 905.444.444 authorized and issued common shares of nominal value of Euro 0,72 per share fully paid.

During the current period no changes in ATEbank's share capital have taken place.

## 23. RESERVES

(Amounts in thousand Euro)

	30/9/2007	31/12/2006
Statutory reserve	45.951	39.216
Tax free reserves	61.115	61.684
Extraordinary reserve	0	76.873
Revaluation reserve available-for-sale investments	133.902	186.606
Other reserves	816	816
	<b>241.784</b>	<b>365.195</b>

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.

## 24. DIVIDEND PER SHARE

The annual shareholders' meeting on 23 May 2007 approved the distribution of dividends for 2006 profits of total amount Euro 81,49 million (that is Euro 0,09 per share).



## 25. 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)

	30/9/2007	31/12/2006
Letters of guarantee	531.486	435.152
Letters of credit	2.464	4.657
	<b>533.950</b>	<b>439.809</b>

### (c) Assets pledged

Assets are pledged with the Central Bank as guarantee for Repos deposits. Their nominal value amounts to EUR 400.000 thousand as of 30 September 2007 and EUR 500.000 thousand as of 31 December 2006.

## 26. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	1/1 - 30/9/2007	1/7 - 31/12/2006	1/1 - 30/9/2006
<b>Subsidiaries</b>			
Opening balance	290.319	281.753	241.108
Additions	23.069	8.566	40.645
Capital returns	(3.920)	0	0
<b>Closing balance</b>	<b>309.468</b>	<b>290.319</b>	<b>281.753</b>
<b>Associates</b>			
Opening balance	147.602	44.045	44.045
Additions	21.672	103.557	0
<b>Closing balance</b>	<b>169.274</b>	<b>147.602</b>	<b>44.045</b>
	<b>478.742</b>	<b>437.921</b>	<b>325.798</b>

### 26.1 SUBSIDIARIES

a) The Bank during the current period acquired additional 18,20% of the share capital of the already acquired since 2006, Romanian Bank MINDBANK, total cost of EUR 22,8 million. After that, the Bank owns 87,21% of the share capital of MINDBANK.

On May of 2007, MINDBANK renamed in ATEbank Romania.

b) The Training Center of the Bank has converted to Societe Anonyme with the brand name ATEExcelixi. The participation of the Bank with total cost of EUR 285 thousand is 95%.

## 26.2 ASSOCIATES

a) The shareholders' meeting of AIK BANKA as of 26/4/2007, approved an increase in the share capital by the issue of 1.327.860 new common shares, nominal value of CSR 1.700 at a price of CSR 6.100.

The Bank, after its participation in the above mentioned increase, acquired 274.325 new common shares, total cost of EUR 20,5 million and raised its percentage in AIK BANKA by 0,12%. After the additional acquisition by the Bank of 13.727 of the undisposed common shares (total cost of EUR 1,1 million), its participation raised by 0,20%.

On 30/9/2007, the total participation of ATEbank to AIK BANKA's share capital raises to 20,83%.

## 27. 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	30/9/2007	31/12/2006
Loans and advances to customers	587.926	570.772
Other assets	2.331	7.648
<b>Total assets</b>	<b>590.257</b>	<b>578.420</b>

LIABILITIES	30/9/2007	31/12/2006
Deposits from customers	124.261	157.956
Other liabilities	60.987	47.344
Subordinated loans	4.502	4.542
<b>Total liabilities</b>	<b>189.750</b>	<b>209.842</b>

INCOME STATEMENT	30/9/2007	30/9/2006
<b>Income</b>		
Interest and similar income	11.908	18.087
Fee and commission income	4.532	3.002
Dividends received	3.320	4.674
Operating income	2.037	3.827
<b>Total income</b>	<b>21.797</b>	<b>29.590</b>

<b>Expenses</b>		
Interest and similar expenses	(6.368)	(4.616)
Fee and commission expense	(8.358)	(6.593)
Operating expenses	(15.416)	(15.324)
<b>Total expenses</b>	<b>(30.142)</b>	<b>(26.533)</b>

Key Management Personnel Fees	30/9/2007	30/9/2006
Fees	(487)	(420)
Transportation	(8)	(7)
Other	(106)	(104)

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.).

## 28. SUBSEQUENT EVENTS

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