Financial Statements
31 December 2007

In accordance with International Financial Reporting Standards

The attached financial statements were approved by the BoD of the Agricultural Bank of Greece on 4 March 2008 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 A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of ATE BANK A.E. (the Bank) which comprise the balance sheet as at 31 December 2007, 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, as 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 or 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 harmonized 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 Bank'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 Financial Statements give a true and fair view, of the financial position of the Bank as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that as adopted by the European Union.

Athens, 4 March 2008

KPMG Certified Auditors AE

Baker Tilly Hellas A.E.

Nick Vouniseas
Certified Auditor Accountant
AM SOEL 18701

Ioannis Kalogeropoulos
Certified Auditor Accountant
AM SOEL 10741

Income statement
For the year ended 31 December 2007
(Amounts in thousands of Euro)

	Note	1/1 - 31/12/2007	1/1 - 31/12/2006
Interest and similar income		974.122	852.014
Interest expense and similar charges		(394.376)	(267.715)
Net interest income	7	**579.746**	**584.299**
Fee and commission income		88.358	82.937
Fee and commission expense		(22.868)	(19.321)
Net fee and commission income	8	**65.490**	**63.616**
Net trading income	9	43.579	14.281
Net gain/(loss) on disposal of non-trading financial instruments	10	82.529	44.313
Dividend income	11	29.196	29.240
Other operating income	12	23.524	25.074
Other income		**178.828**	**112.908**
Operating income		**824.064**	**760.823**
Impairment losses	13	(78.846)	(60.000)
Operating expenses	14	(476.752)	(458.885)
Profit before tax		**268.466**	**241.938**
Income tax expense	15	(57.375)	(80.505)
Profit after tax		**211.091**	**161.433**
Basic and diluted earnings per share (expressed in Euro per share)	16	0,23	0,18

The Financial Statements on pages 1 to 50 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 4 March 2008 and are signed by:

The Governor	The Deputy Governor	The Head of Finance Department
Dimitrios Miliakos	Vasilios Drougkas	Christos Stokas

The accompanying notes (pages from 5 to 50) are an integral part of these financial statements.

Balance sheet
For the year ended 31 December 2007
(Amounts in thousands of Euro)

	Note	31/12/2007	31/12/2006
Assets			
Cash and balances with the Central Bank	**17**	1.180.630	925.536
Loans and advances to banks	**18**	682.021	1.279.414
Trading securities	**19**	518.479	558.406
Derivative financial instruments	**20**	45.788	20.358
Loans and advances to customers	**21**	16.849.837	13.624.532
Available-for-sale securities	**22**	1.183.005	1.236.423
Held-to-maturity securities	**23**	1.177.360	1.268.610
Investments in subsidiaries and associates	**24**	478.742	437.921
Investment property	**25**	169.658	181.001
Property, plant and equipment	**26**	298.529	288.064
Intangible assets	**27**	5.512	5.544
Deferred tax asset	**28**	304.538	362.193
Other assets	**29**	505.120	400.410
Total assets		**23.399.219**	**20.588.412**
Liabilities			
Deposits from banks	**30**	769.327	94.381
Deposits from customers	**31**	20.713.674	18.198.205
Derivative financial instruments	**20**	12.867	49.592
Provision for employee benefits	**32**	9.811	290.232
Other liabilities	**33**	244.882	221.990
Subordinated loans	**34**	199.616	399.515
Total liabilities		**21.950.177**	**19.253.915**
Equity			
Share capital	**35**	651.920	651.920
Share premium		94.231	94.714
Other reserves	**36**	279.914	365.195
Accumulated surplus		422.977	222.668
Total equity		**1.449.042**	**1.334.497**
Total equity and liabilities		**23.399.219**	**20.588.412**

The accompanying notes (pages from 5 to 50) are an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2007
(Amounts in thousands of Euro)

	Share capital	Treasury shares	Share premium	Reserves	Accumulated surplus / (deficit)	Total
Balance at 1/1/2006	**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**
Profit for the period 1/1 - 31/12/2007	0	0	0	0	211.091	211.091
Net gain/(loss) from changes in fair value of available-for-sale securities	0	0	0	49.906	0	49.906
Net (gain)/loss transferred to income statement on disposal of available-for-sale securities	0	0	0	(64.479)	0	(64.479)
Deferred tax on entries recognized directly to equity	0	0	(483)	0	0	(483)
Dividends paid	0	0	0	0	(81.490)	(81.490)
Transfer to reserves	0	0	0	(70.708)	70.708	0
Balance at 31/12/2007	**651.920**	**0**	**94.231**	**279.914**	**422.977**	**1.449.042**

The accompanying notes (pages from 5 to 50) are an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2007
(Amounts in thousands of Euro)

	31/12/2007	31/12/2006
Operating activities		
Profit before tax	268.466	241.938
Adjustment for:		
Depreciation and amortization	27.779	25.761
Impairment losses	78.846	60.000
Changes in provisions	(12.489)	(12.827)
Change in fair value of trading investments	(25.281)	(14.448)
(Gain)/loss on the sale of investments, property and equipment	(141.712)	(58.494)
Changes in operating assets and liabilities		
Net (increase)/decrease in loans and advances to banks	561.838	1.087.532
Net (increase)/decrease in trading securities	74.903	(227.845)
Net (increase)/decrease in loans and advances to customers	(3.315.633)	(948.133)
Net (increase)/decrease in other assets	(71.797)	(33.311)
Net increase/(decrease) in deposits from banks	674.946	(114.242)
Net increase/(decrease) in deposits from customers	2.515.469	396.450
Net increase/(decrease) in other liabilities	(479.698)	4.509
Cash flows from operating activities	**155.637**	**406.890**
Investing activities		
Acquisition of intangible assets, property and equipment	(40.138)	(43.851)
Proceeds from the sale of intangible assets, property and equipment	23.631	25.140
(Purchases)/Proceeds of held to maturity portfolio	91.250	109.377
(Purchases)/Sales of available for sale portfolio	121.374	(84.533)
Dividends received	25.882	25.819
Purchases of subsidiaries	(40.821)	(152.768)
Cash flows from investing activities	**181.178**	**(120.816)**
Financing activities		
Share capital return - Dividends paid	(81.490)	(108.653)
Proceeds/(Purchases) of treasury shares	0	17.051
Cash flows from financing activities	**(81.490)**	**(91.602)**
Effect of exchange rate changes on cash and cash equivalent	(231)	(1.914)
Net increase/(decrease) in cash flows	**255.094**	**192.558**
Cash and cash equivalents at 1 January	925.536	732.978
Cash and cash equivalents at 31 December	**1.180.630**	**925.536**

The accompanying notes (pages from 5 to 50) 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 term of the Board of Directors, elected by the Shareholders' General Meeting on May 23, 2007 ends in 2010 and as at 31 December 2007 consist of:

CHAIRMAN (Executive member)

Dimitrios I. Miliakos

VICE CHAIRMAN (Executive member)

Vasilios T. Drougkas

VICE CHAIRMAN (Executive member)

Panagiotis N. Varagkis

NON-EXECUTIVE MEMBERS

Grigorios T. Konstantinidis

Panagiotis K. Drosos

Ioannis N. Katsaounis

Vasilios S. Mperedimas

Ioannis M. Tsagkarakis

Grigorios I. Alexiadis

NON-EXECUTIVE INDEPENDENT MEMBERS

Sotiris A. Revithis

Nikolaos K. Mpalios

The Bank has a network of 470 branches in Greece and 13 abroad, 12 of which through the acquisition of the Bank in Romania, ATEbank Romania (former MINDBANK), and 1 in Germany. The Bank offers to the clients a wide range of banking activities. The Bank also has 893 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 4 March 2008 and are available on the web address www.atebank.gr.

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 thousands of euro.

2.4 Use of estimation and judgment

The preparation of financial statements according to I.F.R.S. 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

<u>Initial Recognition</u>

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
Furniture and other equipment	5-8	years
Machinery	7-14	years
Vehicles	7-9	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 assessed 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

Some of the new standards, amendments and interpretations issued, which are not effective for the financial period ended as at 31 December 2007, and have not been adopted for the preparation of these financial statements are the following:

IFRS 8 «Operating segments» Effective for annual periods on or after 1.1.2009.

This standard introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the Bank's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Bank's Management in order to assess each segment's performance and to allocate resources to them. Currently the Bank presents segment information in respect of its business segments (note 6).

IFRIC 11 IFRS 2 «Bank and Treasury Shares Transactions» Effective for annual periods on or after 1.3.2007

Requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity instruments to be accounted for as en equity-settled share-based payment transaction, regardless of how the equity instruments are obtained. IFRIC 11 will become mandatory for the Bank's 2008 financial statements, with retrospective application required. It is not expected to have any impact on the Bank's financial statements.

IFRIC 12 «Service Concession Arrangements» Effective for annual periods on or after 1.1.2008

Provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12, which becomes mandatory for the Bank's 2008 financial statements, is not expected to have any effect on the financial statements.

IFRIC 13 «Customer loyalty programs» Effective for annual periods on or after 1.1.2009

Addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programs for their customers. It relates to customer loyalty programs under which the customer can redeem credits for awards such as free or discounted goods or services. It is not expected to have any impact on the Bank's financial statements.

IFRIC 14 – IAS 19 <u>«The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction» Effective for annual periods on or after 1.1.2008</u>

Clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also addresses when a minimum funding requirement might give rise to a liability. IFRIC 14 will become mandatory for the Bank's 2008 financial statements, with retrospective application required. The Bank has not yet determined the potential effect of the interpretation.

<u>Revised IAS 23 «Borrowing Costs» Effective for annual periods on or after 1.1.2009</u>

Revised IAS 23 removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly to attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Bank's 2009 financial statements and will constitute a change in accounting policy for the Bank.

<u>Amendment of IAS 1 «Presentation of financial statements» Effective for annual periods on or after 1.1.2009</u>

The adoption of this standard by the European Union and the Bank will affect the presentation of financial statements.

<u>Amendment of IAS 27 «Consolidated and Separate Financial Statements» and IFRS 3 «Business Combinations» Effective for annual periods on or after 1.7.2009</u>

The main changes from the amended standards refer to changes in ownership interests, non-controlling interests (should absorb the total losses incurred attributable to their interest) and costs incurred by the acquirer during the acquisition (they should be expensed).

The adoption of this standard by the European Union and the Bank will affect the presentation of financial statements.

<u>Amendment of IFRS 2 «Share based payments» Effective for annual periods on or after 1.1.2009</u>

Rules for measuring the grant date fair value of the share-based payments are clarified together with the accounting treatment in the cases that a failure to meet the conditions is arisen.

The Bank is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

<u>Amendment of IAS 32 «Financial instruments: Presentation» Effective for annual periods on or after 1.1.2009</u>

Financial instruments that otherwise meet the definition of financial liability but also contain the right for the holder to put them back to issuer, under specific conditions, are classified as equity.

The Bank is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

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 risk, market risk and operational risk.

Operational activity and profitability of the Bank are directly conjunct with financial risk management.

The risk management framework of the Bank has been determined in compliance with the Bank Of Greece directive 2577/06 and is shortly presented as below:

The Board of Directors has overall responsibility for the establishment of the Bank's risk management framework and has established the Assets and Liabilities Committee (ALCO) and the Risk Management Committee.

The Risk Management Committee is responsible for developing and monitoring the Bank's management policies as set by the Bank Of Greece directive 2577/06.

Within the Bank's Internal Audit system's framework, the Risk Management Department operates as an independent unit, which through the directions of the Risk Management Committee and the Board of Directors, has the responsibility for planning, implementation and overseeing the effectiveness of the risk management system. Risk management controls and procedures are succumbed to the Internal Audit Department regular supervisions and reviews.

The overview and monitoring of Financial instruments risks such as Credit, Liquidity, Currency, Market and Operational are constantly evolved and improved.

Risk management policies and systems are reviewed on annual basis, in order to reflect changes in offering products, market prospects and international conditions.

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. The Bank's overall exposure to credit risk, is influenced mainly results from the approved credit limits and financing of corporate and retail credit, from the Bank's investment and transaction activities, from trading activities in the derivative markets, as well as from the settlement of financial instruments. The level of risk associated with any credit exposure depends on various factors, including the general economic and market conditions prevailing, the debtors' financial condition, the amount, the type, and duration of the exposure, as well as the presence of any collateral/security (guarantees).

For more effective risk management, the development of standard procedures is implemented, which is analyzed according to international practice in the following three steps:

- Assessment and determination of credit risk on an higher level. This procedure is related with the Bank's overall estimation and measurement of exposure to credit risk on all financial instruments, as well as the determination of the accepted level of credit risk undertaken.
- Assessment and measurement of credit risk on the client's assessment and approval level. This procedure concerns the determination of risk in the financing activities on a daily basis, and is performed by the authorized client Departments of the Bank (Branches and Divisions).
- Credit risk monitoring during the contractual financing. This procedure is related with the assurance of proper fulfilling or taking the right measures in case of defaulting on the client's contractual financing obligations.

The Bank sets the undertaken credit risk level by determining acceptable credit risk limits which are approved by decisions of the Bank's related authorized Departments.

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.

For credit risk management, the Bank has applied a credit rating model, which consists of 11 grades, which correspond to the different levels of credit risk, the collateral/security or any other guarantees.

The basic principles of the Bank's credit risk management are:

- Every financing should be approved by the Bank's related authorities (General Loan Meeting, Central Client Department Meeting, Head of Central Client Department, Branch).
- Every financing approval should be made under the evaluation of the customer's creditworthiness and risk assessment.
- The total financing amount approved by the unit, should not exceed the monthly credit risk level set for the unit.
- Every material change in financing such as duration, collateral or general term in the initial contract, should be approved by the Bank's relevant authority level.
- The Central Client Departments apply strictly the financing procedures manual and internal directives, in order to make their approvals. Internal directives report the procedures which should be applied for issues such as credit limits per customer, credit risk limits, customer evaluation based on a criteria total, collateral/security evaluation, etc.

- Counteparty's approval of credit limits and lines of credit management, should be consistent with the Bank's credit risk policies as well as with the regulatory framework requirements.

4.1.1 Credit risk measurement

Loans and advances

Credit risk of loans and advances consists of the following risks:

- Counterparty risk
- Collateral/security risk
- Product risk

Basic factor of the financing approval procedure, constitutes the evaluation of the customer's creditworthiness and the credit risk assessment derived from this financing.

For customers' creditworthiness evaluation, as mentioned above, an 11th-grade credit rating model is applied under the new credit risk management framework of procedures and monitoring the customers' behavior.

The model initially set on 2000, is on line with the Bank's main Information Technology system and is constantly evolved and improved on an annual basis.

There are different methods of scoring the customers' creditworthiness according to the grade in which they are included:

- Agricultural credit Scoring
- Private credit Scoring
- Small and medium sized entities credit Scoring
- Entities credit Scoring

The credit scoring methods constitute evaluation standards of the customers' creditworthiness, which assess information of the customers' initial claim and their behavior thereafter (mixed standards). The Bank, is expected to develop more creditworthiness standards for the retail credit in Group basis, both for application scoring and behavioral scoring.

The credit scoring methods are used for financing assessment which is included in the corporate portfolio of the Bank and are segregated according to the type and the size of the firm.

According to the scoring method applied, the customer's scoring is combined with the probability of defaulting on his contractual obligations and the expected loss of the non performing loan is calculated.

The calculation of the expected loss is presented on a real time on-line system and is based on the estimation of the probability of defaulting on the customer's contractual obligations, on collateral/security, on duration and on other transaction characteristics.

Other credit risk products

For the credit risk estimation of other financial products (besides loans and advances), mainly, external ratings from international rating agencies are used. According to the product type, other factors such as the country risk, the existence of any collateral/security, the transaction characteristics, are taken into account.

4.1.2 Credit risk monitoring and management

a) Limits

The Bank has applied credit limits in order to manage and control its credit risk exposure and concentration.

Specifically, monthly credit limits per financing approval unit have been set, and their monitoring is applied on a real time on-line system through the internal credit rating model. The overall credit risk limit is a result of the combined calculation of the counterparty's creditworthiness and the existence and quality of collateral/security which reduce the undertaken credit risk level.

Credit risk limits are revaluated on an annual or more often basis and the amount balances along with the customers' behavior are closely monitored by the Bank's account officers.

In order to manage and control the credit risk derived from financing in the corporate, agricultural and private sector, personal guarantee limits according to the counterparties' creditworthiness have been applied.

Apart from that, credit limits according to the counterparties' credit lines ratings, against exposure to financial institutions or countries, have been applied.

Additionally, the credit risk of the Bank, is controlled through the implementation of limits on daily positions on financial instruments.

b) Risk mitigation techniques

The Bank, in order to minimize the overall credit risk undertaken, requires collateral/security, specifically when the counterparty's creditworthiness is not well, or when it is estimated that the financing or credit limit amount exceeds the personal guarantee limit every time set.

Specific directions and orders concerning acceptable collateral/security have been issued and applied, and their valuation is carefully calculated at the time of approval but also with constant revaluations according to the type of collateral/security. The value which is accounted and calculated in order to minimize the level of risk assumed, is reduced by a specific ratio (haircut), which differs according to the type of collateral/security and is applied in order to offset the value impairment risk in case of mandatory liquidation of the Bank's claims as well as any probable litigation fees.

Collateral/security undertaken include the following main categories:

1. Mortgages on real estate property

2. Pledged
    - Deposits
    - Cheques
    - Stocks
    - Bonds or other financial instruments
    - Mutual fund shares

3. Bank letters of guarantee

4. Assignments of claims against quality certifications

4.1.3. Stress test

Stress tests scenarios are used for the calculation of changes in the estimated loss and capital adequacy of the Bank in case of extreme financial / market conditions, for better risk management purposes.

The Bank according to the Bank of Greece Directives systematically runs credit risk stress testing exercises. Moreover, credit risk stress testing exercises for extreme financial / market conditions have been run, the results of which have been taken into account for the calculation of the final amount of allowance for uncolectibility.

4.1.4. Allowance for uncolectibility policies

The Bank applies allowance for uncolectibility policies which aim to the estimation of an adequate amount of allowance which offset the expected loss of uncolectibility. The internal grade credit rating model is used for the estimation of allowance for uncolectibility. Allowance for uncolectibility overall exceeds the minimum regulatory required, as set by the Bank of Greece Decree 2442/99. Apart from the above, the Bank when required, estimates collectively provisions against risks which are not specifically determined.

The tables below present the Bank's maximum exposure to credit risk as at 31.12.2007 and 31.12.2006 concerning loans and advances to customers, loans and advances to banks and investment securities, without the calculation of any collateral/security or other guarantees and according to their credit scoring. The credit lines are based on their carrying amount.

a) Loans and advances to customers

(Amounts in thousand Euro)

		31/12/2007		31/12/2006	
Grade		**Loans and advances to customers**	**Allowance for uncollectibility**	**Loans and advances to customers**	**Allowance for uncollectibility**
Neither past nor impaired					
A1-A3	**Acceptable risk**	3.409.294	0	2.468.337	0
B1-B3	**Low-fair-risk**	3.903.594	0	3.304.150	0
Γ1-Γ2	**Mid-fair risk**	2.073.657	0	1.591.398	0
Δ1	**High-fair risk**	1.328.399	0	1.113.748	0
E1	**Watch list**	380.813	0	300.936	0
Z1	**Impaired**	19.428	0	8.962	0
Total		**11.115.185**	**0**	**8.787.530**	**0**
Individually impaired					
A1-A3	**Acceptable risk**	970.785	(7.679)	754.520	(2.917)
B1-B3	**Low-fair-risk**	1.251.891	(27.319)	1.052.406	(21.112)
Γ1-Γ2	**Mid-fair risk**	1.351.789	(103.428)	1.138.007	(69.913)
Δ1	**High-fair risk**	738.472	(33.929)	671.396	(141.034)
E1	**Watch list**	795.842	(160.694)	789.381	(227.674)
Z1	**Impaired**	629.033	(589.088)	964.552	(838.206)
Total		**5.737.812**	**(922.137)**	**5.370.262**	**(1.300.856)**
Past due but not impaired					
A1-A3	**Acceptable risk**	89.673	0	84.593	0
B1-B3	**Low-fair-risk**	152.152	0	119.765	0
Γ1-Γ2	**Mid-fair risk**	197.616	0	141.720	0
Δ1	**High-fair risk**	189.297	0	125.506	0
E1	**Watch list**	186.517	0	182.505	0
Z1	**Impaired**	103.722	0	113.507	0
Total		**918.977**	**0**	**767.596**	**0**
Past due comprises					
30-90 days		305.425	0	216.558	0
90-180 days		85.334	0	74.078	0
180 days+		528.218	0	476.960	0
Total		**918.977**	**0**	**767.596**	**0**
Renegotiations		1.375.768	0	1.527.713	0
Total		**17.771.974**	**(922.137)**	**14.925.388**	**(1.300.856)**

b) Loans and advances to banks

(Amounts in thousand Euro)

Grade		31/12/2007 Loans and advances to banks	31/12/2007 Allowance for uncollectibility	31/12/2006 Loans and advances to banks	31/12/2006 Allowance for uncollectibility
Neither past nor impaired					
A1-A3	**Acceptable risk**	682.021	0	1.279.414	0
B1-B3	**Low-fair-risk**	0	0	0	0
Γ1-Γ2	**Mid-fair risk**	0	0	0	0
Δ1	**High-fair risk**	0	0	0	0
E1	**Watch list**	0	0	0	0
Z1	**Impaired**	0	0	0	0
Total		**682.021**	**0**	**1.279.414**	**0**

c) Investment securities

(Amounts in thousand Euro)

Grade		31/12/2007 Investment securities	31/12/2007 Allowance for impairment	31/12/2006 Investment securities	31/12/2006 Allowance for impairment
Neither past nor impaired					
A1-A3	**Acceptable risk**	1.541.559	0	1.672.236	0
B1-B3	**Low-fair-risk**	8.805	0	10.050	0
Γ1-Γ2	**Mid-fair risk**	11.475	0	14.900	0
Δ1	**High-fair risk**	5.815	0	6.816	0
E1	**Watch list**	0	0	0	0
Z1	**Impaired**	0	0	0	0
Total		**1.567.654**	**0**	**1.704.002**	**0**

Impairment of loans and advances to banks and customers and investment securities
Impaired loans and investment securities are those for which the Bank considers that the counterparty will not be able to meet interest and capital repayment of his contractual obligations.

Past due but not impaired
Loans and investment securities of which interest and capital repayment are past due, while the Bank asserts based on the existed collateral/security and the time due, that there is no need for an allowance for uncolectibility record.

Renegotiations
This category includes loans the terms of which have been renegotiated due to the counterparty’s financial adverse and remain to this category whether they are thereafter performed or not.

Allowance for uncollectibility
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

Allowance for uncolectibility consist of the allowance for loans and advances which are assessed on an individual basis as material, and of the allowance for loans and advances which are included in categories with similar credit risk characteristics and are collectively assessed.

Write offs

The Bank writes off a loan or an investment security when it is asserted as uncollectible or due to the counterparty's adjective financial adverse in fulfilling his contractual obligations, or when the collateral/security liquidation amount is not adequate for the repayment of his contractual remaining obligation. The bank continues the monitoring of its write-offs for the case of potential recovery.

The Bank undertakes collateral/security or and guarantees against its customers' credit risk, reducing the overall credit risk and assuring the on time repayment of its claims. The fair value of collateral/security and guarantees is revaluated regularly. The accepted collateral/security and the respective fair value per category is presented in the table below:

(Amounts in thousand Euro)

	31/12/2007		**31/12/2006**	
	Loans and advances to customers	**Loans and advances to banks**	**Loans and advances to customers**	**Loans and advances to banks**
Against neither past due nor impaired				
1. Property	7.801.340	0	6.615.908	0
2. Cheques-Cash	131.448	0	135.115	0
3. Debt securities-Equity	20.207	0	49.908	0
4.Other	914.394	0	649.627	0
5. Sovereign guarantees	6.567.208	0	7.313.708	0
6. Machinery	73.998	0	157.937	0
Total	15.508.595	0	14.922.203	0
Against individually impaired				
1. Property	1.472.832	0	1.216.355	0
2. Cheques-Cash	135.893	0	107.365	0
3. Debt securities-Equity	138.088	0	69.665	0
4.Other	307.607	0	317.247	0
5. Sovereign guarantees	223.396	0	562.033	0
6. Machinery	64.085	0	88.381	0
Total	2.341.901	0	2.361.046	0
Against past due but not impaired				
1. Property	1.127.676	0	902.540	0
2. Cheques-Cash	5.384	0	5.548	0
3. Debt securities-Equity	43.866	0	11.013	0
4.Other	78.305	0	90.288	0
5. Sovereign guarantees	195.418	0	1.108.454	0
6. Machinery	17.764	0	19.966	0
Total	1.468.413	0	2.137.809	0
Total	**19.318.909**	**0**	**19.421.058**	**0**

The Bank monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

(Amounts in thousand Euro)

	Loans and advances to customers		**Loans and advances to banks**		**Available-for-sale securities**		**Held-to-maturity securities**	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Concentration by sector								
- Corporate	3.458.446	2.626.361	0	0	175.661	205.159	0	0
- Sovereign	5.182.598	3.964.726	0	0	91.408	100.701	1.177.360	1.268.610
- Bank	127.375	141.624	682.021	1.279.414	123.225	129.532	0	0
- Retail	8.081.418	6.891.821	0	0	0	0	0	0
	16.849.837	**13.624.532**	**682.021**	**1.279.414**	**390.294**	**435.392**	**1.177.360**	**1.268.610**
Concentration by location								
- Greece	16.832.176	13.624.532	322.460	226.261	113.251	128.107	1.177.360	1.268.610
- Europe	17.661	0	342.599	873.865	229.524	254.277	0	0
- America	0	0	9.991	66.495	0	0	0	0
- Other	0	0	6.971	112.793	47.519	53.008	0	0
	16.849.837	**13.624.532**	**682.021**	**1.279.414**	**390.294**	**435.392**	**1.177.360**	**1.268.610**

The concentration risk per geographical sector for loans and advances to customers and banks, is based on the region to which the Bank operates and it is highly correlated to the counterparty's registry office, while for investment securities according to the issuers registered office.

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 99% in order to carry out value at risk valuation (using the Monte Carlo method) for the daily time horizon.

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 2007 was EUR 2,934 million (2006: EUR 1,638 million) and of which EUR 0,022 million (2006: EUR 0,006 million) related to interest rate risk, EUR 2,453 million (2006: EUR 1,221 million) for market risk and EUR 2,238 million (2006: EUR 1,494 million) for foreign exchange risk. Due to the structure of the trading portfolio as of 31 December 2007 and the level of diversification a reduction of the value-at-risk of EUR 1,779 million (2006: EUR 1,083 million) has been accomplished.

The Bank also applies a program based on backtesting to test the value at risk analysis, by comparing daily the actual change in the value of the portfolio due to the changes in market prices with the respective value- at- risk figure. In 2007 4 cases occurred where the actual change in the value of the portfolio was larger than the Value-at-Risk estimate, while in 2006 2 instances have been observed.

The above are summarized as follows:

(Amounts in thousand Euro)

	At 31 December	Average	Maximum	Minimum
2007				
Foreign currency risk	2.238	761	2.781	72
Interest rate risk	22	14	58	2
Other price risk	2.453	2.282	3.267	1.447
Covariance	(1.779)	(816)	(3.662)	(86)
	2.934	**2.241**	**2.444**	**1.435**
2006				
Foreign currency risk	1.494	1.915	5.267	1.273
Interest rate risk	6	39	112	6
Other price risk	1.221	1.463	2.805	967
Covariance	(1.083)	(139)	(4.053)	(633)
	1.638	**3.278**	**4.131**	**1.613**

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 Bank calculates and monitors the liquidity ratio “Liquid Assets / Total Liabilities”. Liquid assets include cash and cash equivalent as well as investment grade debt securities for which there is an active and liquid market and those loans and advance to banks that their maturity is within next month. Total liabilities include deposits from banks and customers as well as other liabilities with maturity within a year.

The Bank maintains a portfolio of non-trading securities that may be used for liquidity purposes according to 532/2006 of the Bank of Greece directive. Exertion of this ability would increase the above ratio up to 20 bp at the reference date.

Details of the reported Bank ratio of net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

	31/12/2007	31/12/2006
At 31 December	11,20%	14,92%
Average for the period	15,24%	17,63%
Maximum for the period	20,91%	22,88%
Minimum for the period	11,20%	14,92%

The table below shows the undiscounted cash flows on the Bank’s financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. Those assets and liabilities lacking actual maturities (e.g. open accounts) or definitive repricing intervals (e.g. sight deposits or saving accounts) are assigned to the time band up to one month. The expected cash flows on these instruments may vary significantly from this analysis. The gross nominal inflow / (outflow) disclosed in the table below is the contractual, undiscounted cash flow on the financial liability or commitment. 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 to be settled on a net basis.

(Amounts in thousand Euro)

31/12/2007

	Carrying amount	Gross nominal (inflow) / outflow	Less than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	More than 1 year
Non-derivative liabilities							
Deposits from banks	769.327	780.080	776.427	3.653	0	0	0
Deposits from customers	20.713.674	20.855.050	17.186.245	1.827.516	1.072.959	766.015	2.315
Debt securities issued	0	0	0	0	0	0	0
Subordinated liabilities	199.616	220.742	0	2.704	2.684	5.376	209.978
	21.682.617	**21.855.872**	**17.962.672**	**1.833.873**	**1.075.643**	**771.391**	**212.293**
Derivative liabilities							
Trading:outflow	12.867	86.301	82.301	0	0	0	4.000
Trading:inflow	(45.788)	(97.089)	(82.157)	(840)	(723)	(730)	(12.639)
Risk management:outflow	0	208.293	5.060	11.724	6.870	20.421	164.218
Risk management:inflow	0	(248.188)	(6.019)	(14.744)	(8.763)	(24.579)	(194.083)
	(32.921)	**(50.683)**	**(815)**	**(3.860)**	**(2.616)**	**(4.888)**	**(38.504)**
Unrecognised loan commitments							
	21.649.696	**21.805.189**	**17.961.857**	**1.830.013**	**1.073.027**	**766.503**	**173.789**

31/12/2006

	Carrying amount	Gross nominal (inflow) / outflow	Less than 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	More than 1 year
Non-derivative liabilities							
Deposits from banks	94.381	94.828	94.828	0	0	0	0
Deposits from customers	18.198.205	18.309.294	15.454.198	1.164.763	884.444	801.203	4.686
Subordinated liabilities	399.515	438.662	0	4.778	4.778	210.053	219.053
	18.692.101	**18.842.784**	**15.549.026**	**1.169.541**	**889.222**	**1.011.256**	**223.739**
Derivative liabilities							
Trading:outflow	49.592	45.988	34.033	2.890	921	0	8.144
Trading:inflow	(20.358)	(52.036)	(34.462)	(4.252)	(1.355)	0	(11.967)
Risk management:outflow	0	223.822	5.960	19.362	17.350	9.055	172.095
Risk management:inflow	0	(246.574)	(5.786)	(20.312)	(18.769)	(9.795)	(191.912)
	29.234	**(28.800)**	**(255)**	**(2.312)**	**(1.853)**	**(740)**	**(23.640)**
Αχρησιμοποίητα Πιστωτικά Όρια πελατών							
	18.721.335	**18.813.984**	**15.548.771**	**1.167.229**	**887.369**	**1.010.516**	**200.099**

The following table provides an analysis of the Bank's assets and liabilities into relevant maturity groupings based on the remaining periods to repayment:

Assets	Up to 1 month	1 - 3months	3- 12 months	1 - 5 years	Over 5 years	Total
Cash and balances with Central Bank	1.180.630	0	0	0	0	1.180.630
Loans and advances to banks	604.582	77.439	0	0	0	682.021
Trading securities	105.324	0	1.545	128.136	283.474	518.479
Derivative financial instruments	45.788	0	0	0	0	45.788
Loans and advances to customers	288.076	491.197	2.447.523	6.214.824	7.408.217	16.849.837
Available-for-sale securities	792.711	472	9.976	82.235	297.611	1.183.005
Held-to-maturity securities	0	0	1.047.542	11.110	118.708	1.177.360
Investments in associates	0	0	0	0	478.742	478.742
Investment property	0	0	0	0	169.658	169.658
Property, plant and equipment	0	0	0	0	298.529	298.529
Intangible assets	0	0	0	0	5.512	5.512
Deferred tax asset	0	0	0	0	304.538	304.538
Other assets	21.863	44.401	434.133	569	4.154	505.120
Total assets	**3.038.974**	**613.509**	**3.940.719**	**6.436.874**	**9.369.143**	**23.399.219**
Liabilities						
Deposits from banks	764.018	3.611	0	0	1.698	769.327
Deposits from customers	17.141.775	1.797.728	1.771.856	2.315	0	20.713.674
Derivative financial instruments	12.867	0	0	0	0	12.867
Provision for employee benefits	0	0	0	0	9.811	9.811
Other liabilities	58.801	31.452	108.910	0	45.719	244.882
Subordinated loans	0	0	0	0	199.616	199.616
Total liabilities	**17.977.461**	**1.832.791**	**1.880.766**	**2.315**	**256.844**	**21.950.177**
Net liquidity gap	**(14.938.487)**	**(1.219.282)**	**2.059.953**	**6.434.559**	**9.112.299**	**1.449.042**
At 31 December 2006						
Total assets	3.129.904	851.267	2.634.257	5.125.141	8.847.843	20.588.412
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**

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 2007. 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 2007

Assets	**EUR**	**USD**	**GBP**	**OTHER**	**Total**
Cash and balances with Central Bank	1.175.784	2.568	866	1.412	1.180.630
Loans and advances to banks	474.679	83.056	36.297	87.989	682.021
Trading securities	505.268	13.211	0	0	518.479
Derivative financial instruments	45.788	0	0	0	45.788
Loans and advances to customers	16.724.059	66.991	0	58.787	16.849.837
Available-for-sale securities	1.149.553	33.452	0	0	1.183.005
Held-to-maturity securities	1.177.360	0	0	0	1.177.360
Investments in associates	478.742	0	0	0	478.742
Investment property	169.658	0	0	0	169.658
Property, plant and equipment	298.529	0	0	0	298.529
Intangible assets	5.512	0	0	0	5.512
Deferred tax asset	304.538	0	0	0	304.538
Other assets	505.080	0	4	36	505.120
Total assets	**23.014.550**	**199.278**	**37.167**	**148.224**	**23.399.219**
Liabilities					
Deposits from banks	765.294	746	0	3.287	769.327
Deposits from customers	20.424.132	183.526	18.809	87.207	20.713.674
Derivative financial instruments	12.867	0	0	0	12.867
Provision for employee benefits	9.811	0	0	0	9.811
Other liabilities	241.031	3.850	0	1	244.882
Subordinated loans	199.616	0	0	0	199.616
Total liabilities	**21.652.751**	**188.122**	**18.809**	**90.495**	**21.950.177**
Net on balance sheet position	**1.361.799**	**11.156**	**18.358**	**57.729**	**1.449.042**
Net off balance sheet position	**1.769.286**	**0**	**0**	**27.486**	**1.796.772**
At 31 December 2006					
Total assets	20.153.374	252.492	37.050	145.496	20.588.412
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**

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 Bank applies an interest rate risk management policy that relies on simple maturity and repricing schedules (Interest Rate Gap Analysis).

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. Those assets and liabilities lacking actual maturities (e.g. open overdraft accounts) or definitive repricing intervals (e.g. sight depostits or saving accounts) are assigned to the time band up to one month (amounts are expressed in thousands of Euro):

At 31 December 2007

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	1.180.630	0	0	0	0	0	1.180.630
Loans and advances to banks	604.582	77.439	0	0	0	0	682.021
Trading securities	14	0	1.771	128.136	283.248	105.310	518.479
Derivative financial instruments	45.788	0	0	0	0	0	45.788
Loans and advances to customers	10.697.146	640.307	1.780.205	2.536.499	1.195.680	0	16.849.837
Available-for-sale securities	27.640	224.064	128.647	10	9.933	792.711	1.183.005
Held-to-maturity securities	32.287	0	1.133.963	11.110	0	0	1.177.360
Investments in associates	0	0	0	0	0	478.742	478.742
Investment property	0	0	0	0	0	169.658	169.658
Property, plant and equipment	0	0	0	0	0	298.529	298.529
Intangible assets	0	0	0	0	0	5.512	5.512
Deferred tax asset	0	0	0	0	0	304.538	304.538
Other assets	0	0	0	0	0	505.120	505.120
Total assets	**12.588.087**	**941.810**	**3.044.586**	**2.675.755**	**1.488.861**	**2.660.120**	**23.399.219**
Liabilities							
Deposits from banks	764.018	3.611	0	0	0	1.698	769.327
Deposits from customers	17.141.775	1.797.728	1.771.856	2.315	0	0	20.713.674
Derivative financial instruments	12.867	0	0	0	0	0	12.867
Provision for employee benefits	0	0	0	0	0	9.811	9.811
Other liabilities	0	0	45.719	0	0	199.163	244.882
Subordinated loans	0	199.616	0	0	0	0	199.616
Total liabilities	**17.918.660**	**2.000.955**	**1.817.575**	**2.315**	**0**	**210.672**	**21.950.177**
Total interest sensitivity gap	**(5.330.573)**	**(1.059.145)**	**1.227.011**	**2.673.440**	**1.488.861**	**2.449.448**	**1.449.042**
At 31 December 2006							
Total assets	9.326.716	918.291	2.149.277	2.197.744	3.413.219	2.583.165	20.588.412
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**

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all yield curves worldwide and a 50 bp rise or fall in the greater than one year portion of all yield curves.

(Amounts in thousand Euro)

	100 bp parallel increase	100 bp parallel decrease	50 bp increase after 1 year	50 bp decrease after 1 year
2007				
At 31 December	(247.856)	237.806	(150.418)	150.575
Average for the period	(201.548)	193.375	(122.314)	122.442
Maximum for the period	(247.856)	237.806	(150.418)	150.575
Minimum for the period	(165.318)	158.614	(100.327)	100.432
	(862.578)	**827.601**	**(523.477)**	**524.024**
2006				
At 31 December	(192.599)	178.532	(155.510)	107.531
Average for the period	(148.368)	137.531	(119.796)	82.836
Maximum for the period	(192.599)	178.532	(155.510)	107.531
Minimum for the period	(95.495)	88.520	(77.106)	53.316
	(629.061)	**583.115**	**(507.922)**	**351.214**

4.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Bank's standards for the management of operational risk include:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with Bank's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Bank.

4.7 Fair values of financial assets and liabilities

The following table summarizes the fair values and the carrying amounts of those financial assets and liabilities that are not presented on the Bank's balance sheet at their fair value.

(Amounts in thousand Euro)

31/12/2007	Trading	Designated at fair value	Held-to-maturity	Loans and receivables	Available - for-sale	Other amortized cost	Total carrying value	Fair value
Cash and balances with Central Bank	0	0	0	0	0	1.180.630	**1.180.630**	1.180.630
Loans and advances to banks	0	0	0	682.021	0	0	**682.021**	756.503
Trading securities	518.479	0	0	0	0	0	**518.479**	518.479
Derivative financial instruments	45.788	0	0	0	0	0	**45.788**	45.788
Loans and advances to customers	0	1.396.727	0	0	0	15.453.110	**16.849.837**	18.742.858
Available-for-sale securities	0	0	0	0	1.183.005	0	**1.183.005**	1.183.005
Held-to-maturity securities	0	0	1.177.360	0	0	0	**1.177.360**	1.136.120
	564.267	**1.396.727**	**1.177.360**	**682.021**	**1.183.005**	**16.633.740**	**21.637.120**	**23.563.383**
Deposits from banks	0	0	0	0	0	769.327	**769.327**	768.961
Deposits from customers	0	0	0	0	0	20.713.674	**20.713.674**	20.770.785
Derivative financial instruments	12.867	0	0	0	0	0	**12.867**	12.867
Subordinated loans	0	0	0	0	0	199.616	**199.616**	203.693
	12.867	**0**	**0**	**0**	**0**	**21.682.617**	**21.695.484**	**21.756.306**

31/12/2006

	Trading	Designated at fair value	Held-to-maturity	Loans and receivables	Available - for-sale	Other amortized cost	Total carrying value	Fair value
Cash and balances with Central Bank	0	0	0	0	0	925.536	**925.536**	925.536
Loans and advances to banks	0	0	0	1.279.414	0	0	**1.279.414**	1.375.018
Trading securities	588.406	0	0	0	0	0	**588.406**	558.406
Derivative financial instruments	20.358	0	0	0	0	0	**20.358**	20.358
Loans and advances to customers	0	1.497.197	0	0	0	12.127.335	**13.624.532**	15.289.634
Available-for-sale securities	0	0	0	0	1.236.423	0	**1.236.423**	1.236.423
Held-to-maturity securities	0	0	1.268.610	0	0	0	**1.268.610**	1.243.015
	608.764	**1.497.197**	**1.268.610**	**1.279.414**	**1.236.423**	**13.052.871**	**18.943.279**	**20.648.390**
Deposits from banks	0	0	0	0	0	94.381	**94.381**	92.657
Deposits from customers	0	0	0	0	0	18.198.205	**18.198.205**	18.238.357
Derivative financial instruments	49.592	0	0	0	0	0	**49.592**	49.592
Subordinated loans	0	0	0	0	0	399.515	**399.515**	406.927
	49.592	**0**	**0**	**0**	**0**	**18.692.101**	**18.741.693**	**18.787.533**

- The fair value of loans and advances to banks and due to banks is based on discounting cash flows using money market rates for debts with similar remaining maturity.
- The fair value of loans and advances to customers is estimated by discounting expected future cash flows using suitable interest rates for instruments with similar maturity.
- The fair value for held to maturity portfolio is estimated using market prices.
- The fair value of due to customers is based on discounted cash flows using appropriate money market rates for instruments with similar maturity.

4.8 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 2007 and 2006 respectively.

Tier 1 Capital	**31/12/2007**	**31/12/2006**
Total equity	1.449.042	1.334.497
Less: Intangible assets	(5.512)	(5.544)
Less: Proposed dividends	(90.000)	(81.490)
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(280.818)	(76.160)
	1.072.712	**1.171.303**
Tier 2 Capital		
Supplementary capital	199.616	399.515
Adjustment and deductions according to Bank of Greece directive 2563/2005 & 2587/2007	(246.821)	(321.694)
	(47.205)	**77.821**
Regulatory capital	**1.025.507**	**1.249.124**
Risk-weighted assets	**12.054.674**	**10.740.054**
Capital adequacy ratio	**8,51%**	**11,63%**

The capital ratio for the Bank, is estimated to 8,51% which is higher than the regulatory limit of 8% set by the Bank of Greece directive. The capital ratio for the Bank as of 31.12.2006 raised to 11,52% regarding the estimation of 11,63%.

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) **31/12/2007**

	Retail banking	Small and medium enterprises	Corporate sector	Public sector	Treasury	Total
Net interest income	343.607	43.525	72.987	89.649	29.978	579.746
Net fee and commission income	17.158	4.059	14.078	30.850	(655)	65.490
Dividend income	0	0	0	0	29.196	29.196
Net trading income	0	0	0	0	126.108	126.108
Other operating income	2.097	1.395	1.610	4.264	14.158	23.524
Total operating income	**362.862**	**48.979**	**88.675**	**124.763**	**198.785**	**824.064**
Operating expenses	(278.900)	(38.951)	(46.054)	(57.445)	(55.402)	(476.752)
Impairment losses	(38.052)	(5.373)	(30.575)	0	(4.846)	(78.846)
Profit before tax	**45.910**	**4.655**	**12.046**	**67.318**	**138.537**	**268.466**
Income tax expense						(57.375)
Profit after tax						**211.091**

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**

7. NET INTEREST INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Interest and similar income:		
Loans and advances to customers	828.328	698.851
Loans to banks	75.609	81.000
Debt instruments	70.185	72.163
	974.122	**852.014**
Interest expense and similar charges:		
Customer deposits	(359.351)	(246.087)
Bank deposits	(11.200)	(3.079)
Subordinated loans	(21.039)	(16.173)
Financial leasing (Lessor)	(2.786)	(2.376)
	(394.376)	**(267.715)**
Net interest income	**579.746**	**584.299**

8. NET FEE AND COMMISSION INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Fee and commission income		
Loans and advances to customers	22.990	21.592
Custody services	4.106	4.570
Import-exports	1.052	1.055
Letters of guarantee	5.350	6.469
Money transfers	13.824	14.164
Other	41.036	35.087
	88.358	**82.937**
Fee and commission expenses		
Contribution to Savings Guarantee Fund	(10.801)	(10.064)
Other	(12.067)	(9.257)
	(22.868)	**(19.321)**
Net fee and commission income	**65.490**	**63.616**

9. NET TRADING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Trading Portfolio		
Gain minus Losses		
Derivative financial instruments	10.045	(2.797)
Foreign exchange differences	(5.488)	(5.308)
Sales		
Equity instruments	9.534	8.173
Debt instruments	639	(235)
Other	3.568	0
Revaluation		
Equity instruments	62	6.334
Debt instruments	11.975	10.374
Derivative financial instruments	13.244	(2.260)
	43.579	**14.281**

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

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Financial assets available for sale		
From sale		
Equity instruments	71.332	42.208
Debt instruments	0	70
Other	11.197	2.035
	82.529	**44.313**

Amount of approximately EUR 71,1 million of the period 1/1 – 31/12/2007 (1/1 – 31/12/2006: 41,8 million), 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 - 31/12/2007	**1/1 - 31/12/2006**
Trading securities	3.314	3.421
Available for sale securities	22.519	21.145
Subsidiaries	3.363	4.674
	29.196	**29.240**

12. OTHER OPERATING INCOME

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Gain from the sale of fixed assets	10.362	9.040
Income from investment property	2.988	2.713
Income from sequential activities	4.708	7.919
Telecommunication fees	405	2.848
Other	5.061	2.554
	23.524	**25.074**

13. IMPAIRMENT LOSSES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Loans and advances to customers	(77.000)	(60.000)
Other	(1.846)	0
	(78.846)	**(60.000)**

14. OPERATING EXPENSES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Staff costs (Note 14a)	(339.159)	(337.812)
Third party fees	(24.755)	(20.616)
Advertising and promotion expenses	(21.537)	(16.621)
Telecommunication expenses	(10.159)	(8.566)
Insurance fees	(1.648)	(1.809)
Repairs and maintenance	(10.254)	(9.446)
Travel	(7.507)	(6.359)
Stationery	(2.598)	(2.115)
Utility services	(3.091)	(2.907)
Depreciation	(25.012)	(22.655)
Amortization of intangible assets	(2.767)	(3.106)
Operating lease rentals	(11.624)	(10.703)
Other taxes	(3.671)	(5.567)
Other	(12.970)	(10.603)
	(476.752)	**(458.885)**

14a. Staff cost

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Wages and salaries	(198.279)	(180.879)
Social security costs	(107.348)	(97.906)
Defined benefit plan costs (note 32)	(1.420)	(31.729)
Other staff costs	(32.112)	(27.298)
	(339.159)	**(337.812)**

NUMBER OF EMPLOYEES

The number of persons employed by the Bank during the year was:	6.368	6.157

15. INCOME TAX EXPENSE

(Amounts in thousand Euro)

	1/1 - 31/12/2007	1/1 - 31/12/2006
Current tax	0	(18.751)
Tax differences for the year 2006	(203)	0
Deferred tax	(57.172)	(22.846)
Autotelic Reserve Taxation (Clause 10 Law 3513/2006)	0	(8.918)
Profit distribution tax (year 2005)	0	(29.990)
	(57.375)	**(80.505)**

The income tax of the period was calculated on the basis of the current tax rate of 25%. The income tax rate that was used for 2006 was 29%.

The dividend distribution of EUR 0,07 per share, for 2005, resulted in an additional income tax charge of approximately EUR 30 million which was recorded in the income statement of 2006. This amount constitutes non recurring expense.

In the previous fiscal year, 2006, 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 28.

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

	1/1 - 31/12/2007	1/1 - 31/12/2006
Profit before tax	268.466	241.938
Income tax at 25% (2006: 29%)	(67.117)	(70.162)
Tax exempt revenues (corresponding tax)	67.724	52.861
Non-deductible expenses (corresponding tax)	(762)	(1.289)
Additional tax on property	(48)	(161)
Autotelic Reserve Taxation (Clause 10 Law 3513/2006)	0	(8.918)
Profit distribution tax (year 2005)	0	(29.990)
Effect of deferred tax on income statement	(57.172)	(22.846)
Tax	**(57.375)**	**(80.505)**
Effective rate	21,3%	33,20%

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, 2006 and 2007.

For the years 2005 up to 2007, the relative provision has been accounted according to IFRS.

16. BASIC AND DILUTED EARNINGS PER SHARE

	1/1 - 31/12/2007	1/1 - 31/12/2006
Earnings after tax (in thousands of euro)	211.091	161.433
Weighted average of number of shares in issue	905.444.444	904.427.861
Basic and diluted earnings per share (expressed in euro per share)	**0,23**	**0,18**

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. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Cash in hand	445.135	410.342
Balances with Central Bank	732.729	514.691
Mandatory deposits at Central Bank	2.766	503
	1.180.630	**925.536**

18. LOANS AND ADVANCES TO BANKS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Current accounts	63.954	96.073
Other placements	618.067	1.183.341
	682.021	**1.279.414**

19. TRADING SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Greek government bonds	2.086	581
Corporate Loans	411.083	450.824
Equity securities	105.310	107.001
	518.479	**558.406**

20. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts in thousand Euro)	2007			2006		
	Nominal value	Asset	Liability	Nominal value	Asset	Liability
Foreign exchange derivatives						
Swaps	26.122	0	156	36.797	479	0
Options	1.364	32	0	0	0	0
Interest rate derivatives						
Swaps	1.912.143	45.756	12.711	1.670.000	19.879	0
O.T.C. interest rate options	0	0	0	840.000	0	49.952
	1.939.629	**45.788**	**12.867**	**2.546.797**	**20.358**	**49.952**

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.

21. LOANS AND ADVANCES TO CUSTOMERS

(Amounts in thousand Euro)

21.1	**31/12/2007**	**31/12/2006**
Credit cards	308.298	272.516
Consumer loans	735.181	505.957
Mortgages	5.079.044	4.032.871
Loans to private individuals	**6.122.523**	**4.811.344**
Loans to the agricultural sector	2.181.576	2.306.963
Corporate loans	3.462.327	2.993.346
Small and medium sized firms	822.440	837.801
Loans to corporate entities	**6.466.343**	**6.138.110**
Loans to the public sector	5.183.108	3.975.934
	17.771.974	**14.925.388**
Less: allowance for uncollectibility	(922.137)	(1.300.856)
	16.849.837	**13.624.532**

21.2 Allowance for uncollectibility

Movement in the allowance for uncollectibility	**2007**	**2006**
Balance at 1 January	**1.300.856**	**1.610.395**
Provision for impairment	77.000	60.000
Loans written-off	(455.719)	(369.539)
Balance at 31 December	**922.137**	**1.300.856**

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.

22. AVAILABLE-FOR-SALE SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Debt securities:		
Greek Government bonds	91.408	104.040
Other issuers	298.886	331.352
	390.294	435.392
Equity securities:		
Listed	711.812	717.322
Unlisted	7.956	8.388
Equity fund	48.906	53.045
	768.674	778.755
Mutual fund units	24.037	22.276
	1.183.005	**1.236.423**

All available-for-sale securities are carried at fair value, except, for the unlisted equity securities of EUR 7.956 thousand (31/12/2006: 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 thousand Euro)

	2007	2006
At 1 January	**1.236.423**	**1.082.153**
Additions	35.679	175.547
Disposals	(138.856)	(113.746)
Impairment	(147)	0
Gains from changes in fair value	49.906	92.469
31 December	**1.183.005**	**1.236.423**

Analysis of additions and reductions follows:

(Amounts in thousand Euro)

	Additions	Disposals
Greek Government bonds	6	0
Equity Fund	2.882	1.589
Corporate bonds	2.575	21.340
Listed securities	30.216	115.642
Unlisted securities	0	285
	35.679	**138.856**

23. HELD TO MATURITY SECURITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Greek Government bonds	1.177.360	1.268.610
	1.177.360	**1.268.610**

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 31/12/2007 is EUR 1.136.120 thousand (31/12/2006: EUR 1.243.015 thousand).

24. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	% Participation	31/12/2007	31/12/2006
ATE LEASING	99,41%	170.318	170.318
ATE-Cards	98,00%	1.882	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	47.408
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	510
ATExcelixi	95,00%	285	0
MINDBANK	87,21%	71.485	48.701
AIK BANKA	20,83%	116.629	94.957
		1.177.804	**1.136.983**
Less: Provision for impairment		**(699.062)**	**(699.062)**
		478.742	**437.921**

Participation on subsidiaries and affiliated companies is recorded at cost value less any impairment that has been incurred. Further information about movement of investments in subsidiaries and associates is provided in Note 39.

25. INVESTMENT PROPERTY

(Amounts in thousand Euro)

	Land	Buildings	Total
At 1 January 2006			
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**
2007			
Opening net book value	130.855	50.146	181.001
Additions	1.584	2.431	4.015
Disposals	(7.363)	(6.175)	(13.538)
Depreciation charge	0	(4.474)	(4.474)
Depreciation of disposals	0	2.612	2.612
Transfer	0	42	42
Net book value	**125.076**	**44.582**	**169.658**
31 December 2007			
Cost	125.076	74.078	199.154
Accumulated Depreciation	0	(29.496)	(29.496)
Net book value	**125.076**	**44.582**	**169.658**

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 2007 was EUR 96.694 thousands (31/12/2006: EUR 103.808 thousand).

26. PROPERTY, PLANT AND EQUIPMENT

(Amounts in thousand Euro)

	Land	Buildings	Furniture and Equipment	Leasehold Improvements	Under Construction	Total
At 1 January 2006						
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**
2007						
Opening net book value	109.700	131.733	27.048	9.488	10.095	288.064
Additions	1.261	8.473	11.548	3.146	8.962	33.390
Disposals	(744)	(2.224)	(6.199)	(9)	0	(9.176)
Depreciation charge	0	(8.061)	(9.514)	(2.963)	0	(20.538)
Depreciation of disposals	0	876	5.946	9	0	6.831
Transfer	0	1.276	0	1.657	(2.975)	(42)
Net book value	**110.217**	**132.073**	**28.829**	**11.328**	**16.082**	**298.529**
31 December 2007						
Cost	110.217	180.332	92.361	23.201	16.082	422.193
Accumulated Depreciation	0	(48.259)	(63.532)	(11.873)	0	(123.664)
Net book value	**110.217**	**132.073**	**28.829**	**11.328**	**16.082**	**298.529**

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.

27. INTAGIBLE ASSETS

(Amounts in thousand Euro)

	2007	2006
Cost - Software	20.719	17.984
Accumulated amortization	(15.207)	(12.440)
Net book value	**5.512**	**5.544**

28. DEFERRED TAX ASSET

(Amounts in thousands of Euro)

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(Amounts in thousands of Euro)

	31/12/2007	31/12/2006
Deferred tax asset:		
Intangible assets	1.000	1.619
Provision for impairment losses on customer loans	278.904	288.937
Derivative financial instruments	0	0
Employee benefits	2.873	72.978
Other items	5.658	8.068
Tax losses carry forward	27.203	0
	315.638	**371.602**
Deferred tax liability:		
Property, plant and equipment	5.681	4.564
Derivative financial instruments	3.419	109
Provision for contingent liabilities	2.000	4.736
	11.100	**9.409**
Net deferred tax asset	**304.538**	**362.193**

Movement in temporary differences during the year

(Amounts in thousand Euro)

	Balance 1 January 2007	Recognized in income	Recognized in equity	Balance 31 December 2007
Intangible assets	1.619	(136)	(483)	1.000
Provision for impairment losses on customer loans	288.937	(10.033)	0	278.904
Employee benefits	72.978	(70.105)	0	2.873
Other items	8.068	(2.410)	0	5.658
Tax losses carry forward	0	27.203	0	27.203
Property, plant and equipment	(4.564)	(1.117)	0	(5.681)
Derivative financial instruments	(109)	(3.310)	0	(3.419)
Provisions for contingent liabilities	(4.736)	2.736	0	(2.000)
	362.193	**(57.172)**	**(483)**	**304.538**

29. OTHER ASSETS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Prepaid expenses	1.840	473
Tax advances and other tax receivables	19.660	25.466
Accrued interest and commissions **(29a)**	109.370	74.611
Other receivables from public sector	114.732	95.689
Cheques and notes receivables	28.788	30.003
Receivables from pension fund	79.275	72.017
Customers	25.349	30.906
Other	126.106	71.245
	505.120	**400.410**

Other assets include interim dividend of Euro 45 million approximately, that is € 0,05 per share, paid during December of 2007, according to the Board of Directors decision as of 21/11/2007. The amount of interim dividend is recorded as claim since it has not yet been approved by the General Shareholders Meeting.

29a. Accrued interest and commissions

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Accrued interest from Public sector	4.276	7.101
Accrued interest from Private sector	2.464	3.932
Accrued interest from loans	100.906	59.242
Accrued interest from money market	764	1.782
Public sector commissions	587	1.584
Other	373	970
	109.370	**74.611**

30. DEPOSITS FROM BANKS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Term deposits	767.619	92.505
Due to Central Bank	1.337	1.198
Other borrowings	371	678
	769.327	**94.381**

31. DEPOSITS FROM CUSTOMERS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Retail customers:		
Current accounts	201.866	165.326
Saving accounts	11.736.435	11.565.124
Term deposits	5.926.875	4.460.645
	17.865.176	**16.191.095**
Private sector entities:		
Current accounts	867.950	742.765
Term deposits	257.196	234.196
	1.125.146	**976.961**
Public sector entities		
Current accounts	1.521.237	917.666
Term deposits	202.115	112.483
	1.723.352	**1.030.149**
	20.713.674	**18.198.205**

At 31 December 2007 the term deposits includes repo deposits amounted to EUR 75.212 thousand (31/12/2006: EUR 112.627 thousand). The majority of the repurchase agreements expire within one month of the balance sheet date and the total interest expense on repurchase agreements for the year ended 31 December 2007 was EUR 3.945 thousand (2006: EUR 4.653 thousand).

32. PROVISION FOR PENSION LIABILITIES

(a) Defined contribution plans

- Main Pension Plan

According to law 3522/22.12.2006, effective 1st 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

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 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 make10 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.

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

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Present value of unfunded obligations	0	280.000
Present value of funded obligations	19.480	18.095
Fair value of plan assets	(9.965)	(8.439)
Unrecognized actuarial gains and losses	296	576
Recognized liability for defined benefit obligations	**9.811**	**290.232**

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

Net liability for defined benefit obligations at 1 January	290.232	290.773
Expense recognized in the income statement	1.420	31.729
Contribution paid to ETAT	(280.000)	0
Contributions received	(1.841)	(32.270)
Net liability for defined benefit obligations at 31 December	**9.811**	**290.232**

Expense recognized in the income statement	31/12/2007	31/12/2006
Current service cost	1.034	31.509
Interest on obligation	724	566
Expected return on plan assets	(338)	(283)
Net actuarial (gain)/loss recognized in year	0	(63)
	1.420	**31.729**

The principal actuarial assumptions at the balance sheet date are:

	2007		2006	
ACTUARIAL STUDY	**Non Funded**	**Funded**	**Non Funded**	**Funded**
Discount rate	_	**4,80%**	_	**4,00%**
Future salary increases	_	**4,52%**	_	**4,22%**
Future pension increases	_	_	_	_
Expected return on plan assets	_	**4,80%**	_	**4,00%**

33. OTHER LIABILITIES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Prepaid expenses and deferred income	96.767	74.497
Creditors and suppliers	12.744	10.435
Fees and payroll payable	43	43
Tax and duties payable (except income tax)	19.927	17.936
Income tax payable	0	18.750
Due to public sector	43.121	31.107
Finance lease payable	45.719	47.123
Other	26.561	22.099
	244.882	**221.990**

34. SUBORDINATED LOANS

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Subordinated loan due 2012	0	199.797
Subordinated loan due 2014	199.616	199.718
	199.616	**399.515**

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 was redeemed according to the option of the Bank at December 2007.
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.

35. 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.

During the year, no change in the share capital of the Bank is made.

36. RESERVES

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Statutory reserve	45.950	39.216
Tax free reserves	61.115	61.684
Extraordinary reserve	0	76.873
Revaluation reserve available-for-sale investments	172.033	186.606
Other reserves	816	816
	279.914	**365.195**

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. The extraordinary reserves transferred to accumulated surplus.

37. DIVIDEND PER SHARE

The Board of Directors decided to propose to the annual Shareholders' Meeting the dividend distribution of Euro 0,10 per share which includes an interim dividend of Euro 0,05 per share, paid during December of 2007 according to the decision Of Board of Directors as of 21/11/2007. (2006: Euro 0,09 per share).

38. 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)

	31/12/2007	**31/12/2006**
Letters of guarantee	415.727	435.152
Letters of credit	1.519	4.657
	417.246	**439.809**

(c) Assets pledged

Assets are pledged with the Central Bank as guarantee for client Repos deposits. Their nominal value amounts to EUR 900.000 thousand as of 31 December 2007 and EUR 500.000 thousand as of 31 December 2006.

39. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

(Amounts in thousand Euro)

	1/1 - 31/12/2007	**1/1 - 31/12/2006**
Subsidiaries		
Opening balance	290.319	241.108
Additions	23.069	49.211
Capital returns	(3.920)	0
Closing balance	**309.468**	**290.319**
Associates		
Opening balance	147.602	44.045
Additions	21.672	103.557
Closing balance	**169.274**	**147.602**
	478.742	**437.921**

39.1 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 ATExcelixi. The participation of the Bank with total cost of EUR 285 thousand is 95%.

c) During the first semester of 2007, ATECARDS proceeded to share capital return, through which the Bank received Euro 3,9 million.

39.2 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%.

As of 31/12/2007, the total participation of ATEbank to AIK BANKA's share capital raises to 20,83%.

40. 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 are:

a) With BoD Members and members of the key management personnel, and close members of the family and financial dependant of the above

(Amounts in thousand Euro)

	31/12/2007	31/12/2006
Loans and advances	568	465
Deposits	895	591

Key Management Personnel Fees	31/12/2007	31/12/2006
Fees	(676)	(583)
Other	(172)	(170)

b) With its subsidiaries and associates

(Amounts in thousand Euro)

ASSETS	**31/12/2007**	**31/12/2006**
Loans and advances to customers	643.504	570.772
Other assets	2.337	7.648
Total assets	**645.841**	**578.420**

LIABILITIES		
Deposits from customers	(141.987)	(157.956)
Other liabilities	(52.193)	(47.344)
Subordinated loans	(4.475)	(4.542)
Total liabilities	**(198.655)**	**(209.842)**

INCOME STATEMENT	**31/12/2007**	**31/12/2006**
Income		
Interest and similar income	15.631	23.359
Fee and commission income	5.211	6.989
Dividends received	3.337	4.674
Operating income	2.486	3.686
Total income	**26.665**	**38.708**
Expenses		
Interest and similar expenses	(8.227)	(6.662)
Fee and commission expense	(11.700)	(8.812)
Operating expenses	(22.079)	(18.742)
Total expenses	**(42.006)**	**(34.216)**

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.)

41. SUBSEQUENT EVENTS

The Bank as at 4/2/2008 disposed its participation (75%) to ETANAL S.A. for the amount of Euro 360 thousand.

The Bank also, is in the process of sale of its current parcel of shares to RODOPI S.A.

The Shareholders' General Meeting of its subsidiary ATEbank ROMANIA, held at 22/2/2008 decided the Share Capital increase by relinquishment of existing shareholders. The Share Capital increase will be paid in full by the International Finance Corporation, which consists the investing division of the World Bank. Upon completion of the procedure the ATEbank's interests will be formed at 74,13% (from 87,21%).

There are no other significant issues occurred after the balance sheet date that require reporting.