



**ANNUAL FINANCIAL REPORT**

**From 1<sup>st</sup> January to 31<sup>st</sup> December 2008**

**(According to Law 3556/2007)**

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## STATEMENT OF THE MEMBERS OF THE BOARD

To the best of our knowledge and belief, it is stated that:

- The Annual Financial Statements of “ATTICA BANK S.A.” and the Group for the year ended on 31 December 2008, have been prepared according to the current accounting standards and present fairly the assets and liabilities, the equity as well as the income statement of the Bank and the entities that are included in the consolidation.
- The annual Director’s report, presents fairly the progress, the performance and the financial position of the Bank as well as the entities that are included in the consolidation, including a description of the main risks and uncertainties that are faced.

Athens, 17 March 2009

### For the Board of Directors

**The Chairman of the Board  
& Chief Executive Officer**

**The Vice Chairman of the  
Board**

**Member of the Board**

**Tryphon E. Kollintzas**  
I.D. No AA 026187

**IOANNIS P. GAMVRILIS**  
I.D. No. Δ 804292

**Athanasios H. Tzakopoulos**  
I.D. No. P 195126

## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of ATTICA BANK S.A.

### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of ATTICA BANK S.A. (“the Bank”) as well as the accompanying consolidated balance sheet of the Bank and its subsidiaries (the Group), which comprise the balance sheet as at December 31, 2008, 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 fair presentation of these Financial Statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud 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 the Greek Auditing Standards, which are based on the 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 from 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 the 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 abovementioned individual and consolidated Financial Statements present fairly, in all material respects, the financial position of the Bank and that of the Group as of December 31, 2008, and the financial performance and the cash flows of the Bank and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union. Without qualifying our opinion, we would like to draw your attention to the note no 32.1 in the individual and consolidated Financial Statements which refers to the matters concerning the application of Law 3371/2005 (Bank Insurance Fund) by the Bank.

### Report on Other Legal Matters

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned Financial Statements, in the context of the requirements of Articles 107 and 37 of Law 2190/1920.

Athens, 17<sup>th</sup> March 2009

The Certified Public Accountant  
Auditor

Athanasia M. Arabatzi  
SOEL Reg. No 12821

The Certified Public Accountant  
Auditor

George N. Deligiannis  
SOEL Reg. No 15791



44, Vas. Konstantinou Str, 116 35 Athens  
SOEL Reg. No 127

**BOARDS OF DIRECTORS' ANNUAL MANAGEMENT REPORT  
(According To Law 3556/2007)**

**INTRODUCTION**

Dear Shareholders,

As in compliance with the requirements of the CL 2190/1920, Article 43<sup>a</sup> par. 3 & 4, Article 107 par. 3 and Article 136 par. 2, as well as in compliance with the requirements of the Law 3556/2007, Articles 4c, 6, 7 & 8 and following the decision of the capital Market Commission 7/448/11.10.2007, Article 2 and the Articles of Incorporation of the Bank, we are submitting to you the Annual Report of the Board of Directors for the closing year of as from 1/1/2008 to 31/12/2008, which comprises the audited individual and consolidated financial statements, the explanatory notes to the financial statements and the Auditor's Report. The current report gives a brief description of information concerning the group and the bank ATTICA BANK S.A., financial information for the purposes of general information of the shareholders and investors on the financial position and results, the total course and the changes arising within the closing corporate year (1/1/2008-31/12/2008), significant events that took place and their impact on the financial statements for the year. The report also describes the main risks and uncertainties that can be faced by the group and the bank in the future and presents the most material transactions carried out between the banks and related parties.

Notwithstanding the unprecedented conditions prevailing in the last months in the domestic as well as in the international market, Attica Bank Group effectively dealt with liquidity problems that characterize the financial system, through both - the policy of deposits followed by the Group, and the successful Bank program of mortgage securitization amounting to € 388 million which was completed in November 2008.

At the same time the policy, followed by the Group, was aimed at capital adequacy intensification and provision of buffer security for shareholders and investors. It is for this reason that within the last quarter of the fiscal year there were made additional provisions and the assets of the Group were assessed for recoverability. In cases, when it was regarded necessary, there were made the required provisions and impairments of the aforementioned assets.

The Group retains strong capital adequacy that has been formed as that of 11,2% and the Core Tier 1 ratio was 8,8%. The above ratios will stand at 13,8% and 11,4% following the finalization of the forthcoming share capital increase by € 100.200.000,00 that was decided upon at the Extraordinary General Meeting as at 8/1/2009 through issuance of preference securities and waiver of old shareholders to the Greek State. The supervisory capital of the Group stands at € 411,3 million.

Lending for the year 2008 raised by 16,65% while the balances of total loans amounted to €3,52 billion. The profitability of the Group was affected by the increase in monetary costs that characterized the fiscal year 2008 as well as by the negative climate dominating in financial markets. Profits before tax stood at €16,8 million owing to stable sources of the Group profitability and leveling of operating costs.

Particular attention was paid to loan portfolio management and its quality maintenance at high levels. It was the reason that gave rise to some organizational changes as far as the structure of the services rendered by the Bank is concerned. There was also shaped the Group policy pertaining to clients' assessment and issuance of approval for new loans given the conditions created by the current economic crisis.

It is certain that the coming three year period will be a hard one for the financial sector. However, Attica Bank Group, enforcing the particular policy that it implements, strengthens its position and at the same time, prepares the required framework for taking advantage of the opportunities that will be presented even under the conditions of economic recession.

The main objectives as far as the forthcoming periods are concerned, are the maintenance of strong capital adequacy, satisfactory liquidity, sound management of portfolio, leveling of operating costs, provision of support to the clients and participation in programs falling within the principles of corporate social responsibility and culture.

Within the first six month period of 2008, starts the operation of the company AtticaBank Properties that was established in December of the previous year.

A matter of particular importance is the participation of the Bank and “Attica Ventures S.A”. in the listing of companies in the Alternative Market of the Stock Exchange following the listing of 2 out of 7 companies operating on ENA. As a result of the above operations, there were received the market maker commissions as well as created goodwill arising from the participation of Attica Ventures that have had a positive impact on the consolidated results.

## **A. FINANCIAL DEVELOPMENT AND PROGRESS OF THE FISCAL YEAR (2008)**

### **Key Indices and Results of the Bank**

Specifically, for the year ended on 31.12.2008, the Key indices and Results of the Bank as well as their changes were formed as follows:

The total Assets of the Bank amounted to €4.519,16 million, increased by 15,74% as compared to the year 2007.

The total loans and advances (loans and corporate bond loans), before provisions, amounted to €3.517,64 million, increased by 16,65% as compared to the year 2007. The table below presents the loans and advances (before provisions):

<i>(In million €)</i>	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>Change %</b>
	<b>(1)</b>	<b>(2)</b>	<b>(1)/(2)</b>
<b>LOANS</b>	<b>3.089,8</b>	<b>2.736,1</b>	<b>12,93%</b>
From which:			
-Consumer loans	327,1	294,0	11,23%
- Credit cards	68,2	72,3	-5,69%
- Mortgages	582,1	481,8	20,82%
<b>CORPORATE BOND LOANS</b>	<b>427,8</b>	<b>279,6</b>	<b>53,00%</b>
<b>TOTAL</b>	<b>3.517,6</b>	<b>3.015,7</b>	<b>16,65%</b>

- In particular, the amount of mortgages reached to €582,1 million presenting an increase of 20,82% as compared to the previous year.

- The amount of deposits amounted to €2.956,55 million increased by 1,26% as compared to previous year.
- Provisions for credit risks amounted to €34,59 million increased by 13,78% as compared to the respective amount of 2007, while the cumulative provisions amounted to €131,82 million and it is estimated that they over cover provisions for doubtful accounts. It is noted that during the current year the Bank, while continuing the portfolio improvement policy, proceeded to loan write offs, amounting to € 17,8 million
- Net interest income amounted to €103,13 million showing an increase of 10,75% as compared to the previous year.
- Net income from commissions reached to €32,12 million decreased by 1,27% as compared to the year 2007.
- Profit/Loss from financial activities present a loss of €1,42 million, while in the year 2007 presented a profit of €7,23 million. The aforementioned loss is a result of the significant decrease of the Athens Stock Exchange General Index during the year 2008 as well as to the non reoccurrence of extraordinary financial income included in the profit and loss statements of the previous year.
- The total income from operating activities amounted to €142,44 million, showing a decrease of 1,25% as compared to 2007.
- Personnel expenses amounted to €56,86 million, increased by 9,94% as compared to 2007. It is noted that this account also includes an amount of €750 thousand, which was disposed to the employees following the distribution of profits of the year 2007, as a reward for their productivity as well as an amount of €148 thousand from the first year of stock option plan to the Bank's executives and staff.
- General operating expenses amounted to €32,02 million increased by 5,55% compared to the previous year. This reduction was the result of Bank's organizational and operational restructure, which has started from the previous years and continued during 2008.
- Profit before taxes, amounted to € 14,04 million compared to € 27,04 million of the previous year decreased by 48,08%. Profit after taxes reached to €10,23 million compared to €20,03 million of 2007, showing a decline of 48,90% compared to the previous year. Profit before taxes and financial activities amounted to €15,46 million compared to €19,81 million of the previous year, decreased by 21,95%.

### **Key Indices and Results on Consolidated Basis**

The evolution of Key Indices and Results of Attica Bank Group during 2008, is as follows:

- The total assets of the Group amounted to € 4.520,27 million, increased by 15,79% compared to the year 2007.
- The consolidated profits, before taxes, amounted to € 16,82 million as against 28,20 million in 2007, while the consolidated profits, after taxes, amounted to € 12,61 million, as against € 20,85 million in 2007, decreased by 40,38% and 39,51% respectively. Profits before taxes and financial activities amounted to €18,15 million as against € 20,93 million in the previous year decreased by 13,31%.



<b>RESULTS ON CONSOLIDATED BASIS</b>			
<i>(In thousand €)</i>	<b>12M 2008</b>	<b>12M 2007</b>	<b>Change %</b>
Net Interest Income	103.466,54	93.389,76	10,79%
Net Fee and Commission Income	35.268,63	35.388,67	-0,34%
Income/(loss) from Financial Activities	(1.331,38)	7.269,94	-118,31%
<b>Operating Income</b>	<b>145.126,31</b>	<b>147.171,81</b>	<b>-1,39%</b>
Personnel Expenses	57.908,77	52.737,42	9,81%
General Operating Expenses	32.899,00	31.077,27	5,86%
<b>Total Operating Expenses</b>	<b>130.354,68</b>	<b>118.967,38</b>	<b>9,57%</b>
<b>Profit Before Provisions and Depreciation</b>	<b>56.362,61</b>	<b>63.357,13</b>	<b>-11,04%</b>
Depreciation	4.957,18	4.752,69	4,30%
<b>Provisions for Credit Risks</b>	<b>34.589,74</b>	<b>30.400,00</b>	<b>13,78%</b>
<b>Profit before Taxes</b>	<b>16.815,69</b>	<b>28.204,43</b>	<b>-40,38%</b>
<b>Profit after Taxes</b>	<b>12.610,33</b>	<b>20.847,70</b>	<b>-39,51%</b>

- The basic earnings per share amounted to € 0,0940, as against € 0,1932 in the year 2007.

The results before and after taxes and minority interest of the companies that compose the Group are presented in the following table:

<b>Company</b>	<b>Profit/(loss) before taxes (in thousand €)</b>		<b>Profit/(loss) after taxes and minority interest (in thousand €)</b>	
	<b>12M 2008</b>	<b>12M 2007</b>	<b>12M 2008</b>	<b>12M 2007</b>
Attica Bank S.A.	14.038,13	27.039,91	10.234,66	20.028,53
Attica Wealth Management Mutual Funds Management S.A.	811,57	794,04	606,36	574,03
Technical and Training Company for Software Support and High Technology S.A.	-8,61	4,89	-9,32	3,67
Attica Ventures S.A.	154,75	173,68	102,60	128,93
Attica Funds Plc.	82,90	77,26	68,29	71,45
Attica Bank Assurance Agency S.A.	612,73	294,20	458,49	220,43
Zaitech Innovation Venture Capital Fund	2.044,06	---	2.044,06	---
Attica Bank Properties S.A.	-90,97	---	-66,40	---

It is to be noted that Zatech Innovation Venture Capital Fund is for the first time included in the consolidated financial statements as at 31/12/2008 since the first quarter of 2008. In the corresponding prior year's financial statements it was classified as an Financial Asset at Fair Value through Profit and Loss. Furthermore in the consolidated financial statements as at 31/12/2008 is included also the company "Attica Bank Properties S.A.", which established on December of the previous year.

### **Basic Financial indices of the Bank and the Group**

In the following table, there are presented basic financial indices that are reported in the analysis of the economic structure, the analysis of the efficiency as well as the analysis of the administrative policy, as arising from the financial information of the period ended on 31.12.2008 with the corresponding comparative indices of the year ended in 2007 on individual as well as on consolidated basis.

In particular, there shall be underlined the high capital adequacy ratio and the high index of provisions to average loans for the fiscal year 2008.

These indices indicate the priority and the importance that the Bank's administration gives to credit risk management, control of the cost and more effective use of capital.

	BANK		GROUP	
	2007	2008	2007	2008
<b>INDICES OF BALANCE-SHEET STRUCTURE</b>				
Due to customers/ Loans and Advances to customers (before provisions)	96,82%	84,05%	96,69%	83,90%
Due to customers / Total Assets	74,78%	65,42%	74,69%	65,29%
Loans and advances to customers (after provisions)/Total Assets	74,36%	74,92%	74,30%	74,90%
Total Equity/Total Assets	8,10%	7,10%	8,14%	7,18%
Total Equity/ Due to customers	10,84%	10,85%	10,90%	10,99%
<b>INDICES OF EFFICIENCY</b>				
Profit before taxes /Average Amount of Equity (RoE)	12,20%	4,36%	12,65%	5,17%
Profit before taxes /Average Amount of Total Assets (RoA)	0,75%	0,32%	0,78%	0,39%
<b>INDICES OF ADMINISTRATIVE POLICY</b>				
Total operating expenses less provisions /Total Assets	2,22%	2,08%	2,26%	2,12%
Operating expenses before provisions/Total operating income	60,18%	65,86%	60,18%	65,99%

Operating expenses before provisions /Average amount of Total Assets	2,41%	2,15%	2,44%	2,20%
Gross operating profit excluding interest/Average amount of Total Assets	1,42%	0,90%	1,48%	0,96%
<b>INDICES OF PORTFOLIO QUALITY</b>				
Provisions for credit risks /Doubtful and past due loans to customers	79,41%	76,18%	79,41%	76,18%
Doubtful and past due loans/ Advances to customers (before provisions)	4,80%	4,92%	4,80%	4,92%
<b>CAPITAL ADEQUACY RATIO</b>	<b>12,60%</b>	<b>11,40%</b>	<b>12,60%</b>	<b>11,20%</b>
<b>SOLVENCY RATIO</b>	<b>13,20%</b>	<b>12,60%</b>	<b>13,20%</b>	<b>12,40%</b>

### **Events that took place during the fiscal year and had a significant effect on the financial statements**

- Dividend reinvestment plan

On 16<sup>th</sup> April 2008 The Ordinary General Assembly of shareholders approved the distribution of dividends amounting to €0,10 per share from the profits of the fiscal year 2007.

On 16<sup>th</sup> May 2008 the Extraordinary General Assembly decided on dividend reinvestment, through discretion of the beneficiaries, for the enhancement of the Bank's equity. This right was exercised by 1.249 shareholders for the acquisition of 3.543.603 new shares at the price of €3,17. Consequently, the Bank's share capital increased by €1.240.261,05 and amounted to €47.483.890,65. An amount of €9.992.960,46 which corresponds to share premium from the issue of new shares was credited to the account "share premium". The total number of shares reached to 135.668.259.

- Stock option to personnel plan

The Ordinary General Assembly of the Bank shareholders held on 16/4/2008 set the stock option plan for shares acquisition by the administrative staff and employees of the Bank and its related companies. The exercise period was defined as that from 1/7 to 31/8 for each year that the plan lasts. For the first year of them plan's implementation, the distribution price of the new shares was settled at € 2,90, thus corresponding to 80% of weighed average price of the Bank's share of the first semester of 2008. Within the frame of the implementation of the aforementioned stock option plan, there were distributed to the executive BoD members of the Bank and employees of the Bank and its related companies the options for the purchase of up to 1.009.385 shares of the Bank at a price of € 2,90 per share. The total of options over the shares for the two years of the plan duration amounts to 2.018.769. In compliance with the aforementioned, up to 31 August 2008, out of 718 beneficiaries of the plan, 210 exercised their portions for the purchase of a total of 379.282 shares (out of the total of 1.009.385 shares pertaining to the first year of the plan duration), at the acquisition price of €2,90 per share. As a result of the above stock option plan exercise, in compliance with as of 01.09.2008 decision of the BoD, the share capital of the Bank increased by € 132.748,70 with the issue of a total of 379.282 new, nominal common shares with voting rights and amounted to € 47.616.639,35, divided into 136.047.541 shares of nominal value of € 0,35 each.

- Securitization of mortgages

In November 2008, the Bank completed the first securitization of mortgages amounting to € 388 million through the issuance of bonds amounting to € 353 million. The issuance of bonds was carried out by a special purpose company headquartered in London that was founded for this particular purpose under the title «Stegasis Mortgage Finance plc.». The objective of the securitization was to reduce the capital cost and, at the same time, positively affect the maintenance of the Bank adequate liquidity levels and the bond was used as a pledge for refinancing by the European Central Bank

## **B. SIGNIFICANT EVENTS**

### **Significant events subsequent to 31<sup>st</sup> December 2008**

- Share capital increase through preferred shares

The Extraordinary General Assembly of the Shareholders held on 8/1/2009 decided the Bank's share capital increase by €100.200.000,00 according to the provisions of law 3723/2008 "On the enhancement of the liquidity of the economy and the management of the consequences of the international financial crisis and other provisions" (art.1 par.1). This amount corresponds to 286.285.714 preferred shares bearing voting rights at the General Meeting of the holders of preferred shares. The nominal value of each share is € 0,35. The issue of the preferred shares will be covered entirely by the Greek State, as provided for by law 3723/2008.

Following the share capital increase the share capital of the Bank will amount to €147.816.639,35 and will be divided into a) 136.047.541 common, registered shares with a nominal value of € 0,35 each and b) 286.285.714 preferred registered shares with a nominal value of € 0,35 each.

- Change of title

Moreover, based on the decision K2-15053 / 2.1.2009 of the Ministry of Development, there is in force the new title of the Bank «ATTICA Bank S.A.». The discrete title of the company remains as follows: «Attica Bank». In its international transactions, the Company uses the title «ATTICA BANK» and the discrete title «ATTICA BANK» or its exact translation into all the languages. As in compliance with the same decision of the Ministry of Development, the Company's term is prolonged by 50 years, i.e. as till 4<sup>th</sup> February, 2075. Both aforementioned changes were realized following the corresponding resolutions of the Extraordinary General Assembly of the Shareholders of the Bank as at 20/11/2008.

## **C. RISKS AND UNCERTAINTIES**

### **Description of the most significant risks and uncertainties**

Risks and uncertainties pertaining to the Bank operations are further affected by the dominating negative economic conditions, which, despite the significant interference of monetary authorities and central governments, have had an adverse effect on real economy slowing down the development rates, increasing doubtful loans and receivables and reducing credit development pertaining both to corporate and individual clients.

As mentioned before, in order to face the existing conditions, the Bank has proceeded to reinforcement of provisions, adoption of stricter lending criteria and implementation of measures contributing to increase in productivity and operating cost maintenance.

It is expected that in the near future instability and negative repercussions will remain in the capital markets. It is quite obvious that the measures taken by the central government in order to «reinforce the liquidity of Greek economy», in combination with a material decrease of interest rates of the ECB have decisively contributed to capital cost decrease while, at the same time, there has been a steady recovery of sound operation of interbank market, an event that eases the liquidity risk that was particularly acute within the fiscal year 2008. In any case, the Bank has taken the necessary measures in order to face any potential liquidity risks in the market.

At the same time, the Bank continues to implement and improve the measures aimed at monitoring of the most significant risks pertaining to its operations

## **Description of the most significant risks**

### **Credit Risk**

Credit risk is the risk that the Bank will suffer losses in case its counterparties are unable to pay amounts in full when due. The risk in question mainly arises from loans, collaterals and cash management.

For the purpose of better management of the credit risk, there is a constant reassessment of the Bank credit policies and monitoring of compliance of the corresponding service departments with the above policies.

Main attention is paid to portfolio quality assessment in the domain of corporate loans as well as in the domain of consumer loans and mortgages. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on quality and quantity criteria, the credit risks involved are evaluated and faced in a timely and efficient way.

As far as consumer loans are concerned, there is implemented the system of customers' creditworthiness evaluation - credit scoring - that covers the credit cards and credit products.

As far as corporate loans are concerned, there are taken into account the external credit evaluations of the ICAP Group S.A. that was recognized by the Bank of Greece following the decision 262/8/26.6.2008. The particular way of assessment classifies the companies into creditworthiness rating categories, thus assisting sound evaluation in view of the undertaken risk.

The Bank gives material priority to development of internal risk evaluation tools based on particular characteristics per type of financial spread. This effort is correlated with the requirements defined in the supervisory frame of capital adequacy calculation for the banks (Basel II).

### **Market Risk**

Market Risk is the risk of losses arising because of adverse changes in the value of financial instruments due to changes in equity prices, interest rates, foreign exchange rates, commodity prices or other market factors.

The Bank has established internal procedures for the negotiation margin pertaining to market risk control. In case of financial acts concerning the products not included in the outstanding procedures of the Bank, there is required the approval of the Assets Liabilities Committee (ALCO).

Transaction portfolio includes investments held for trading. The items in question comprise securities purchased for the purposes of direct profit arising from short term increases/decreases of prices.

The Bank creates relatively small positions in transaction portfolio and therefore, the undertaken market risk is low. As at the closing of the current fiscal year (2008) there is no outstanding position in the Bank's transaction portfolio.

Management of foreign exchange risk, interest rate risk and stock exchange prices risk concerning the items included in transaction portfolio is carried out by the Bank in collaboration with the subsidiary company of the Group "Attica Wealth Management Mutual Funds Management S.A." For the purposes of foreign exchange risk management as well as other market risks management there has been set a limit framework approved by ALCO. The above framework comprises nominal limits (per currency, total, intraday, end-of-day), profit-loss limits and VAR.

Management of foreign exchange risk is common as concerning transaction portfolio and banking portfolio.

Moreover, at regular intervals, the Banks proceeds to analyzing of extreme circumstances scenarios performs sensitivity analysis of the change of portfolio financial value to be applied to various scenarios of interest rates fluctuations. Such an analysis takes into account the interest rate changes as well as whether the portfolio items are listed in developed or developing markets.

### **Interest Rate Risk of Investment Portfolio (Banking Book)**

The Investment portfolio risk arises from readjustment to interest rates of the Bank assets and liabilities.

Measurement of interest rate risk is carried out at least on a monthly basis. Two basic methods used by the Bank for interest rate risk management in the banking book are as follows:

- Interest Rate Gap: the Bank monitors interest rate gaps per time periods and as a total. Assets and liabilities are classified through various periods as in compliance with interest rate readjustments. The interest rate gap per period is the balance between assets and liabilities at a certain period of time.
- Sensitivity analysis of changes in net income arising from interest rate changes: the Bank monitors the interest rate risk through sensitivity analysis of net interest rate income applying various scenarios of interest rate changes.

### **Liquidity Risk**

Liquidity risk is the risk that the Group's earnings, capital and assets will decrease in case the Bank is unable to fully meet payment obligations and potential payment obligations when they fall due because of lack of liquidity.

The objective of the Group through liquidity risk management is to ensure, to the best possible extent, the availability of satisfactory liquidity level so that it could meet its payment obligations, including the due course obligations and those that arise in extreme circumstances without incurring major additional costs.

The Bank gives priority to customers' deposits and tries to maintain them as the major source of finances through the policy it applies. Furthermore, within 2008 the Bank proceeded to the first securitization of mortgages, thus decreasing its dependence on the third parties for liquidity provision.

### **Operational Risk**

An operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The scope of operational risk includes the risks arising from the legal coverage of the Bank issues as well as broader application of regulatory frameworks.

## **D. FUTURE OUTLOOK**

### **Prospects**

Given the current economic crisis as well as the provisions pertaining to the development rates in the country, the basic priorities of the Attica Bank Group for the next year are as follows:

- Loan management portfolio

Following the recent reorganization of the Group services occupied with daily monitoring of loan portfolio as well as preventive measures taken in the cases where the circumstances require such activities, the objective of the Group is to ensure the portfolio quality and keeping the ratios mentioned in loans categories as those delayed at low levels under the average level of the domain companies. The policy followed by the Group during the recent years has been successful and the latest reorganization contributes to providing further protection to the Group regarding the current conditions.

- Operating cost limitation

Emphasis will be placed on retaining the operating cost at the levels of the year 2008. The expansion of the Group's network of branches and operations, which is limited as compared to the prior periods, will contribute to this limitation. The objective for the next year is the improvement of the cost/income ratio.

- Liquidity

Maintenance of sufficient liquidity of the Group following the recent securitization of mortgages amounting to € 388 million. The participation of the Group in the government plan for the Greek economy liquidity will make a decisive contribution to sufficient liquidity maintenance. The amount attributed to the Bank in the frame of this plan comes to € 628,6 million, out of which there has already been received the amount of € 200 million through the special issuance of the bond.

- High capital adequacy ratio

Capital adequacy ratio as well as the Core Tier I ratio are already some of the highest in the Banking sector and the Group's objective is to retain this level. The increase in share capital by € 100.200.000 through waiver of old shareholders to the Greek State will play a decisive role in reaching the aforementioned objective.

## **E. TRANSACTIONS WITH RELATED PARTIES**

All the transactions with related parties have been carried out within the usual frame of the Group's operations on purely commercial basis. The aforementioned transactions based on the division into related parties transactions and transactions with members of the management are as follows pertaining to the period ended on 31.12.2008:

### **1. Receivables**

<b>Company</b>	<b>Bank's Participation as at 31.12.2008</b>	<b>Participation Amount</b>	<b>Income Receivable</b>	<b>Rents</b>
Attica Wealth Management Mutual Funds Management S.A.	2.326.499,58	100,00%		
Attica Ventures S.A.	599.960,00	99,99%		
Technical and Training Company for Software Support and High Technology S.A.	353.153,01	99,99%		
Attica Funds Plc.	18.372,44	99,99%		
Attica Bank Assurance Agency S.A.	99.900,00	99,90%		1.155,78
Attica Bank Properties S.A.	1.060.000,00	100,00%	15.676,30	2.486,40
Zaitech Innovation Venture Capital Fund	7.290.457,03	50,00%		
<b>Total</b>	<b>11.748.342,06</b>		<b>15.676,30</b>	<b>3.642,18</b>

### **2. Payables**

<b>Company</b>	<b>Bank's Participation as at 30.06.2008</b>	<b>Bond Loan</b>	<b>Time Deposits</b>	<b>Sight Deposits</b>	<b>Expenses Payable</b>	<b>Rent Guarantees</b>
Attica Wealth Management Mutual Funds Management S.A.	2.326.499,58		2.668.000,00	836,18		6.609,30
Attica Ventures S.A.	599.960,00		650.000,00	65.647,58	839,23	
Technical and Training Company for Software Support and High Technology S.A.	353.153,01		300.000,00	5.127,36		200,00
Attica Funds PLC	18.372,44	99.540.552,36				
Attica Bank Assurance Agency S.A.	99.900,00		360.000,00	330.103,99		
AtticaBank Properties S.A.	1.060.000,00		750.000,00	153.302,88	1.516,67	
Zaitech Innovation Venture Capital Fund	7.290.457,03					
<b>Total</b>	<b>11.748.342,06</b>	<b>99.540.552,36</b>	<b>4.728.000,00</b>	<b>555.017,99</b>	<b>2.355,90</b>	<b>6.809,30</b>



### 3. Income

Company	Bank's Participation as at 31.12.2008	Rents	Commissions
Attica Wealth Management Mutual Funds Management S.A.	2.326.499,58	43.848,96	4.049,76
Attica Ventures S.A.	599.960,00		
Technical and Training Company for Software Support and High Technology S.A.	353.153,01	1.323,60	
Attica Funds PLC	18.372,44		
Attica Bank Assurance Agency S.A	99.900,00	1.100,00	
AtticaBank Properties S.A.	1.060.000,00	2.400,00	
Zaitech Innovation Venture Capital Fund	7.290.457,03		
<b>Total</b>	<b>11.748.342,06</b>	<b>48.672,56</b>	<b>4.049,76</b>

### 4. Expenses

Company	Bank's Participation as at 31.12.2008	Provision of Services	Bond Loan Interests	Interest Payable on Deposits
Attica Wealth Management Mutual Funds Management S.A.	2.326.499,58	38.612,90		106.309,94
Attica Ventures S.A.	599.960,00			30.198,25
Technical and Training Company for Software Support and High Technology S.A.	353.153,01			12.681,20
Attica Funds PLC	18.372,44		6.289.073,37	
Attica Bank Assurance Agency S.A	99.900,00			18.793,43
AtticaBank Properties S.A.	1.060.000,00	109.275,52		25.503,21
Zaitech Innovation Venture Capital Fund	7.290.457,03			
<b>Total</b>	<b>11.748.342,06</b>	<b>147.888,42</b>	<b>6.289.073,37</b>	<b>193.486,03</b>

### TRANSACTIONS WITH MEMBERS OF THE MANAGEMENT

	BANK	GROUP
Loans	180.068,55	180.068,55
Deposits	1.914.340,60	1.914.340,60
Interest Received	8.120,00	8.120,00
Interest Paid	108.420,32	108.420,32
Wages and Salaries	468.482,97	817.615,57
Directors' fees	139.264,04	216.576,10

## **F. TREASURY SHARES**

As at 31/12/2008, the Bank held 5.700 treasury shares of value of € 0,35 each and the total value of € 10.516, which represent 0,0042% of the total number of shares. The market (stock exchange) value of the aforementioned shares as at 31/12/08 came to € 16.758. The Bank proceeded to the acquisition of those shares within the treasury shares acquisition plan aimed at their distribution to the beneficiaries of the stock option plan following the relevant decision of the Regular General Assembly on 16/04/2008, as it was amended, added and specified following the relevant decisions of the Extraordinary General Meeting of Shareholders as at 20/11/2008, in combination with the as at 26/11/2008 decision of the B.o.D. and in compliance with the provisions of Article 16 of the Law 2190/1920 as they are due.

## **G. EXPLANATORY REPORT ART. 4, par. 7&8, LAW 3556/2007**

The current explanatory report of the Board of Directors (in compliance with Article 4 of the Law 3556/2007), to the Regular General Assembly of the shareholders comprises information outstanding as at 31.12.2008.

### **a. Share capital**

The share capital of the Bank amounts to € 47.616.639,35 and is subdivided into 136.047.541 ordinary shares of nominal value € 0,35 each. All the shares are listed on Athens Stock Exchange. The Bank's shares are ordinary nominal shares with voting rights. Each Bank share incorporates all the rights and obligations defined by the Legislation and the Articles of Incorporation of the Bank that does not contain requirements other than those prescribed by the Legislation. Listing of a new person as a shareholder in the ASE Registry assumes compliance with the Articles of Incorporation of the Bank as well as legal decisions made by the Bank's regulatory bodies. The shareholders liability is defined by the nominal value of shares at their disposal and they participate in the Bank's management and profit distribution as in compliance with the requirements of the Legislation and the Articles of Incorporation of the Bank. Rights and obligations arising from each share are outstanding pertaining to every general or special share successor. Shareholders participate in management, distribution of shares and distribution of the Company's assets in case of its liquidation as in compliance with the number of shares they hold and according to the Legislation and the requirements of the articles of Incorporation. Shareholders exercise their rights pertaining to the Company Management through General Assemblies in compliance with the Legislation.

#### **- Treasury shares**

On 5/12/2008, the Bank began the treasury shares repurchase plan in compliance with the corresponding decision of the Regular General Assembly as at 16/04/2008, which was amended, added and specified following the relevant decisions of the Extraordinary General Meeting of Shareholders as at 20/11/2008, in combination with the as at 26/11/2008 decision of the BoD and in compliance with the provisions of Article 16 of the Law 2190/1920 as they are due.

Based on the aforementioned decisions of the General Assembly, the Bank will by 31.8.2009 acquire up to 1.000.000 treasury shares which correspond to 0,73% of the Bank's current share capital. The upper price limit is fixed at € 4,50 per share and the lower price limit is fixed at € 1,30 per share. As at 31/12/2008, the Bank held 5.700 treasury shares of total acquisition value of € 10.516 and market value of € 16.758 as at 31/12/08. A recent amendment, included in the directive «Securities, Capital Market provisions, tax issues and other provisions» does not allow the banks, participating in the government plan of improvement of economy liquidity to proceed to acquisition of treasury shares during the period they participate in the plan.

**b. Limitations to the Bank's share transfer**

Transfer of the Bank's shares is carried out as prescribed by the Law and there are no limitations stated in its Articles of Incorporation.

**c. Significant direct and indirect participating interests within the definition of the requirements of the PD 51/1992.**

Significant direct participating interests in the share capital of the Bank within the definition of the requirements of Articles 9-11 of the Law 3556/07 as at 31/12/2008 were as follows:

	Shares	Participation %
The Engineers and Public Constructors Pension Fund	57.690.736	42,405%
TT Hellenic Postbank	28.616.236	21,034%
The Loans and Consignments Fund	25.952.063	19,076%

**d. Holders of any kinds of shares providing special control rights**

There are no holders of any kinds of shares providing special control rights.

**e. Limitations to voting right**

There are no limitations to voting right.

**f. Agreements among the shareholders of the Bank**

To the best of the Bank's knowledge, there are no agreements among the shareholders of the Bank that do not fall within the limitations to transfer of shares/exercise of voting rights.

**g. Regulations on appointment and replacement of the members of the Board of Directors and amendments to the Articles of Incorporation.**

There are no regulations on appointment/replacement of BoD members or amendments to the Articles of Incorporation that do not fall with the Law 2190/1920.

**h. Authorization of the Board of Directors or certain members for issuance of new shares or acquisition of treasury shares.**

Concerning the authorization of the BoD for the issuance of new shares and acquisition of treasury shares (Article 16 of the Law 2190/1920): the Resolution of the Ordinary General Meeting held on 16.4.2008 on the introduction of the Stock Options Scheme in accordance with Article 16 of the Law 2190/1920, authorized the BoD of the Bank to proceed to acquisition of treasury shares for the time period of 16 months, as starting from 1/5/08 to 31/8/09, till 1,5% of the shares in circulation at a price range of €1,30 to €4,5 per share. The resolution of the Ordinary Meeting dated 16.4.2008 regarding the approval of the stock options scheme henceforth applies as updated, amended and clarified by the Extraordinary General Meeting as at 20-11-2008.

**i. Material agreement made by the Bank that is effective, amended or ceases in case of the Bank control change following a public offer the results of which, if any, due to its nature, should the agreement be publicized, will incur heavy losses on the Bank.**

There is no agreement that, should it become effective, will amend or ceases in case the company changes control due to a public offer.

**j. Any agreement made by the Bank with the members of the Board of Directors or with the members of the personnel, foreseeing reimbursement in case of resignation or dismissal without sound reason or end of service or employment due to a public offer.**

There are no agreements with the BoD members / personnel members pertaining to reimbursement in case of resignation/dismissal without sound reason due to a public offer.

Athens, 17 March 2009

**The Chairman of the Board  
& Chief Executive Officer**

**Tryphon E. Kollintzas**

I.D. No AA 026187



**CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**31 DECEMBER 2008**

**In accordance with International Financial Reporting Standards**

The Financial Statements of the year ended as at December 31st, 2008 as well as the notes attached, have been approved by the Board of Directors on 17<sup>th</sup> March 2009 and have been posted on the Bank's website as well as on the website of ASE, where they will remain at the disposal of investors for at least five (5) years from the date they were issued and published.

It should be noted that the published summary financial statements information that derive from the financial statements provide general information about the financial position and results of the company, but do not provide a complete view of the financial position, performance and cash flow of the Bank and the Group in accordance with International Financial Reporting Standards.

Athens, 17 March 2009

THE CHAIRMAN OF THE BOARD  
&  
CHIEF EXECUTIVE OFFICER

THE VICE CHAIRMAN  
OF THE BOARD

THE ACCOUNTING  
DEPARTMENT MANAGER

TRYPHON E. KOLLINTZAS

IOANNIS P. GAMVRILIS

CHRISTOS K. MARANTOS

I.D. No AA 026187

I.D. No Δ 804292

I.D. No M 481653  
E.C.G. LICENCE No  
17216/A' CLASS

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**INCOME STATEMENT**

(Amounts in €)

	Note	YEAR ENDED ON	
		31/12/2008	31/12/2007
Interest and similar income	4	270.890.544,30	212.738.048,48
<b>Less : Interest expense and similar charges</b>	<b>5</b>	<b>(167.424.002,61)</b>	<b>(119.348.289,78)</b>
<b>Net interest income</b>		<b>103.466.541,69</b>	<b>93.389.758,70</b>
Fee and commission income	6	36.481.205,71	36.853.335,64
<b>Less: Fee and commission expense</b>	<b>7</b>	<b>(1.212.579,64)</b>	<b>(1.464.663,46)</b>
<b>Net fee and commission income</b>		<b>35.268.626,07</b>	<b>35.388.672,18</b>
Dividend income	8	354.662,44	407.193,22
Profit (loss) from trading portfolio	9	(719.248,88)	4.910.525,71
Profit (loss) from investment portfolio	10	(612.129,82)	2.359.412,24
Other income	11	7.367.854,46	10.716.248,03
<b>Operating income</b>		<b>145.126.305,96</b>	<b>147.171.810,08</b>
Provision for credit risks	19	(34.589.738,64)	(30.400.000,00)
Salaries, wages and personnel expenses	12	(57.908.767,00)	(52.737.415,19)
General operating expenses	12	(32.898.996,64)	(31.077.268,54)
Depreciation	12	(4.957.180,08)	(4.752.694,12)
<b>Total operating expenses</b>		<b>(130.354.682,36)</b>	<b>(118.967.377,85)</b>
Income from investments in associates	23	2.044.064,81	0,00
<b>Profit / (loss) before taxes</b>		<b>16.815.688,41</b>	<b>28.204.432,23</b>
<b>Less: taxes</b>	<b>13</b>	<b>(4.205.358,91)</b>	<b>(7.356.730,13)</b>
<b>Profit / (loss) after taxes</b>		<b>12.610.329,50</b>	<b>20.847.702,10</b>
<u>Distributed to:</u>			
Shareholders of the Bank		12.609.864,55	20.847.472,52
Minority shareholders		464,95	229,58
Profit / (loss) after taxes per share – basic (in €)	14	0,0940	0,1932
Profit / (loss) after taxes per share – diluted (in €)	14	0,0930	0,1932

**BALANCE SHEET**

(Amounts reported in €)

	Note	31/12/2008	(READJUSTED AMOUNTS) 31/12/2007
<b>ASSETS</b>			
Cash and balances with Central Bank	15	120.744.161,34	164.829.241,55
Due from other financial institutions	16	627.124.553,33	559.855.003,33
Financial assets at fair value through Profit and Loss	17	0,00	22.021.097,96
Derivative financial instruments - assets	18	312.842,91	35.775,70
Loans and advances to customers (after provisions)	19	3.385.814.637,81	2.900.606.479,56
Financial assets available for sale	20	114.798.655,23	67.246.826,86
Investments held to maturity	21	11.957.862,55	21.961.206,23
Investments in subsidiaries	22	0,00	60.000,00
Investments in associates	23	9.334.521,84	0,00
Property, plant and equipment	25	42.449.048,35	34.518.972,04
Investment property	26	28.767.714,82	21.091.014,34
Intangible assets	24	12.627.594,07	7.828.644,71
Deferred tax assets	31	21.658.908,55	15.830.963,47
Other assets	27	144.678.390,83	87.865.786,77
<b>Total assets</b>		<b>4.520.268.891,63</b>	<b>3.903.751.012,52</b>
<b>EQUITY</b>			
Share capital	35	47.616.639,35	46.243.629,60
Share premium	35	249.610.876,79	238.538.533,95
Less: treasury shares	35	(10.516,00)	0,00
Accumulated profit/loss	35	25.173.844,41	30.933.796,16
Reserves	36	1.966.536,80	2.034.726,47
<b>Net equity of the company's shareholders</b>		<b>324.357.381,35</b>	<b>317.750.686,18</b>
Minority interest		782,32	548,47
<b>Total Equity</b>		<b>324.358.163,67</b>	<b>317.751.234,65</b>
<b>LIABILITIES</b>			
Due to other financial institutions	28	1.068.225.341,49	447.832.766,02
Due to customers	29	2.951.270.064,43	2.915.849.884,19
Derivative financial instruments - liabilities	18	30.265,75	73.776,87
Issued bonds	30	99.962.623,00	149.566.062,00
Provisions for retirement benefits	32	17.812.685,44	27.306.673,65
Other provisions for risks and liens	33	6.631.007,69	6.498.156,13
Deferred tax liabilities	31	4.031.686,03	2.348.659,00
Other liabilities	34	47.947.054,13	36.523.800,01
<b>Total liabilities</b>		<b>4.195.910.727,96</b>	<b>3.585.999.777,87</b>
<b>Total liabilities and equity</b>		<b>4.520.268.891,63</b>	<b>3.903.751.012,52</b>

Note: Certain items of the Consolidated Balance Sheet of the year 2007 have been readjusted in order to be comparable to those of the closing year. Further analysis is provided in notes 2.30 and 44.2 of the consolidated financial statements.

ATTICA BANK S.A.  
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2008

<b>STATEMENT OF CHANGES IN EQUITY</b>							
<b>(Amounts reported in €)</b>							
	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share premium</b>	<b>Reserves</b>	<b>Accumulated Profit/Loss</b>	<b>Minority Interest</b>	<b>Total Equity</b>
<b>Balance as at 01/01/2007</b>	<b>28.902.268,50</b>		<b>108.248.134,98</b>	<b>6.466.584,09</b>	<b>10.114.550,72</b>	<b>424,10</b>	<b>153.731.962,38</b>
Profit / (loss) for the year after tax					20.847.472,53	229,58	20.847.702,10
Share capital increase	17.341.361,10		131.298.876,90				148.640.238,00
Share capital increase expenses			(1.358.477,93)				(1.358.477,93)
Employees stock option			350.000,00				350.000,00
Investment portfolio -Available for sales securities				(4.485.056,47)			(4.485.056,47)
Statutory reserve formation				28.227,08	(28.227,08)		0,00
Tax attributable to differences recognized directly to equity				24.970,27			24.970,27
Minority dividends paid						(133,90)	(133,90)
Other temporary differences				1,50		28,69	30,19
<b>Balance as at 31/12/2007</b>	<b>46.243.629,60</b>		<b>238.538.533,95</b>	<b>2.034.726,47</b>	<b>30.933.796,16</b>	<b>548,47</b>	<b>317.751.234,65</b>
Profit / (loss) for the year after tax					12.609.864,55	464,95	12.610.329,50
Share capital increase through dividend reinvestment	1.240.261,05		9.992.960,46				11.233.221,51
Share capital decrease						(21,49)	(21,49)
Stock option plan	132.748,70		967.169,10				1.099.917,80
Share capital increase expenses			(35.706,70)		(10.600,00)		(46.306,70)
Stock option plan payroll expenses			147.919,98				147.919,98
(Purchases)/ sales of treasury shares		(10.516,00)					(10.516,00)
Investment portfolio -Available for sale securities				(14.616.182,85)			(14.616.182,85)
Tax attributable to differences recognized directly to equity from available for sale reserve				4.736.664,58			4.736.664,58
Statutory reserve formation				1.047.843,88	(1.047.843,88)		0,00
Reserves from after tax profit of securities' sales in 2007				4.098.906,83	(4.098.906,83)		0,00
Revaluation of property, plant and equipment				5.830.722,36			5.830.722,36
Tax attributable to differences recognized directly to equity from revaluation of property, plant and equipment				(1.166.144,47)			(1.166.144,47)
Dividends paid					(13.212.465,60)	(209,60)	(13.212.675,20)
<b>Balance as at 31/12/2008</b>	<b>47.616.639,35</b>	<b>(10.516,00)</b>	<b>249.610.876,79</b>	<b>1.966.536,80</b>	<b>25.173.844,41</b>	<b>782,32</b>	<b>324.358.163,66</b>

CASH FLOW STATEMENT	YEAR ENDED ON		
			(READJUSTED AMOUNTS)
(Amounts reported in €)	Note	31/12/2008	31/12/2007
<b>Cash flows from operating activities</b>			
Interest and similar income		266.766.098,11	209.312.423,70
Interest paid		(159.532.790,70)	(114.724.880,94)
Dividends received		354.662,44	407.193,22
Commission received		36.367.941,13	36.715.779,93
Commission paid		(1.212.579,64)	(1.464.663,46)
Profit (loss) from financial trading		141.354,50	4.295.582,01
Other income		9.103.662,71	3.668.945,65
Cash payments to employees and suppliers		(99.648.831,87)	(90.437.871,02)
Tax paid		(3.974.893,80)	(1.051.917,51)
<b>Cash flows from operating activities before modifications in accounts related to operating activities</b>		<b>48.364.622,88</b>	<b>46.720.591,58</b>
<b>Changes in operating assets and liabilities</b>			
Net (increase) / decrease in trading securities		12.580.630,93	2.329.721,27
Net (increase) / decrease in due from other institutions		0,00	0,00
Net (increase) / decrease in loans		(519.797.896,89)	(614.579.300,30)
Net (increase) / decrease in other assets		(62.049.725,99)	(32.175.152,23)
Net (increase) / decrease in due to other financial institutions		620.392.575,47	150.756.749,80
Net (increase) / decrease in due to customers		35.420.180,24	494.095.378,32
Net (increase) / decrease in other liabilities		3.230.499,65	3.888.275,89
<b>Total changes in operating assets and liabilities</b>		<b>89.776.263,41</b>	<b>4.315.672,75</b>
<b>Net cash flow from operating activities</b>		<b>138.140.886,29</b>	<b>51.036.264,33</b>
<b>Cash flows from investment activities</b>			
Purchases of intangible assets		(6.754.674,15)	(2.332.362,11)
Purchases of property, plant and equipment		(5.100.809,24)	(4.250.657,11)
Maturity of held to maturity investment securities		10.000.000,00	5.000.000,00
Purchases of Available for Sale securities		(73.100.456,77)	(8.259.284,89)
Disposals of available for sale securities		13.511.701,21	31.260.217,92
Investments in subsidiaries		(2.625.001,11)	0,00
<b>Net cash flow from investment activities</b>		<b>(64.069.240,06)</b>	<b>21.417.913,81</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares or other securities		12.333.139,31	148.640.238,00
Share capital increase expenses		(46.306,70)	(1.358.477,93)
Purchase of treasury shares		(10.516,00)	0,00
Payment of amounts due from credit securities		(50.000.000,00)	0,00
Dividends paid		(13.223.493,05)	(133,90)
<b>Net cash flow from financing activities</b>		<b>(50.947.176,44)</b>	<b>147.281.626,17</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>23.124.469,79</b>	<b>219.735.804,32</b>
Cash and cash equivalents at the beginning of the year		724.684.244,88	504.948.440,56
Plus Cash and cash equivalents of first time consolidated company		60.000,00	0,00
<b>Cash and cash equivalents at the end of the year</b>	<b>37</b>	<b>747.868.714,67</b>	<b>724.684.244,88</b>

Note: Certain items of the Consolidated Cash Flow of the year 2007 have been readjusted in order to be comparable to those of the closing year. Further analysis is provided in notes 2.30 and 44.1 of the consolidated financial statements.

## 1. GENERAL INFORMATION

The Group of Attica Bank, "the Group", mainly operates in the financial sector, providing a wide range of financial and banking services to individuals and companies.

The Group has 1.217 employees and operates in Greece.

The parent company of the Group is Attica Bank, the "Bank". Attica Bank S.A. is a societe anonyme. The Registration Number of the Company is 6067/06/B/86/06. The Bank is listed on the Athens Stock Exchange (ASE). The address of the Bank's registered office is 23, Omirou Street in the prefecture of Athens (Postal Code 106-72). The same prefecture is also competent for the other Group companies.

The aforementioned financial statements have been approved for issue by the Board of Directors on 17 March 2009, and are subject to approval of the annual Ordinary General Meeting of Shareholders.

The members of the Boards of Directors of the companies of the Group are referred in the individual Financial Statements of the companies. In the same financial statements are also mentioned the statutory auditors that have been elected to conduct the audit of the financial statements for the year 2008, as also their website addresses

The financial statements of «Attica Bank S.A.» are included in the consolidated financial statements of 31.12.2008 prepared by TT Hellenic Postbank S.A with the equity method. As at 31/12/2008, TT Hellenic Postbank S.A. participated in the share capital of Attica Bank S.A. with the participating interest of 21,034%.

## 2. PRINCIPAL ACCOUNTING POLICIES

### ***(2.1) Basis of Presentation of the Financial Statements***

The annual Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which have been adopted by the European Union, and those Standards and Interpretations approved by the International Accountin Standards Board.

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale investment securities, financial assets and liabilities held at fair value through profit and loss, all derivative contracts as well as the property, plant and equipment (land and buildings) and investment property that are measured at fair value. The amounts reported in the financial statements are presented in Euro.

The preparation of Financial Statements in conformity with International Financial Reporting Standards (IFRS), requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent receivables and liabilities at the date of preparation of Financial Statements and the reported amounts of revenues and expenses during the reporting period. For further analysis please refer to note 2.33.

### ***(2.2) Adoption of new standards, amendments and interpretations with value date as of 1 January 2008:***

(a) IFRIC 11, "Group and treasury share transactions":

IFRIC 11 provides guidance on IFRS 2 application in three cases: i) share-based payment arrangements involving an entity's own equity instruments, ii) share-based payment arrangements involving equity instruments of the parent and iii) a subsidiary granting rights to equity instruments of its parent to its employees. An entity shall apply this Interpretation for annual periods beginning on or after 1 March 2008. The application of the Interpretation is not expected to have significant impact on the Financial Statements of the Group.

(b) IFRIC 12, "Service concession arrangements" (effective for annual periods beginning on or after 1 January 2008):

This interpretation has no application to the Group's activities.

(c) IFIRC 14: " IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008):

This interpretation has no application to Group's activities.

d) Amendment of International Accounting Standard 39 and International Financial Reporting Standard 7

On 13 October 2008, the International Accounting Standard Board issued an amendment to IAS 39 and IFRS 7 "Financial Instruments: Disclosures", which has been adopted by European Union. The amendment permits, under circumstances, the reclassification of certain financial assets to different categories from the ones they have been classified on the initial recognition. The aforementioned option can be applied from the 1st of July 2008.

The Group has implemented the amendments of IAS 39 και IFRS 7. For further analysis concerning their effect please refer to note 20 of the Individual Financial Statements.

**(2.3) Consolidation**

The consolidated financial statements include the financial statements of the Bank and its subsidiaries and hereafter referred to as 'Group'. The financial statements of the subsidiaries have been prepared according to the parent company's balance sheet date.

Subsidiaries are entities, over which the Bank holds either directly or indirectly more than 50% of the voting power or has significant influence and control of the business decisions taken.

All subsidiaries are consolidated according to the method of full consolidation. Subsidiaries are included in the consolidated financial statements from the date that control commences until that control ceases. Intercompany transactions and balances are eliminated from the consolidated financial statements.

**(2.4) Associates**

Associates are those entities over which the Group holds 20% to 50% of the voting power and has significant influence but not control. Investments in associates are accounted for by the equity method of accounting. According to this method investments in associates are initially recognized at cost.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

**(2.5) Foreign currency translation**

The functional currency is Euro (€).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, are translated into the functional currency using the exchange rates prevailing at the balance sheet closing date. Translation differences are recognized in the income statement.

Translation differences arising from the translation of non-monetary assets are a component of the change in their fair value. Differences arising from the translation of non-monetary assets, such as securities held at fair value through profit or loss, are recognized in the income statement. Differences arising from the translation of non-monetary assets, such as an available-for-sale financial asset, are recognized in equity until the sale of this non-monetary asset.

**(2.6) Investments in financial assets**

The Group classifies its investments in financial assets as held-to-maturity, available-for-sale or assets in fair value through profit or loss. Classification is decided at initial recognition.

Initially, all investments are recognized on trade date and measured at cost, being the fair value of consideration given. Transaction costs are capitalized, if they are available-for-sale and held-to-maturity investments, whereas they are recorded directly to the income statement if they are financial assets at fair value through profit or loss.

*Financial assets at fair value through profit or loss:* This category has two subcategories: financial assets held for trading and financial assets designated at fair value through profit or loss at inception. Trading securities are acquired principally for the purpose of generating short-term profit and include securities such as shares, bonds, and mutual fund units. After initial recognition, financial assets designated at fair value through profit or loss are stated at fair value. Gains or losses arising from changes in the fair value of these investments are recognized in the income statement.

*Held-to-maturity investment securities:* Investments with fixed maturities and fixed or determinable payments, which the Group has, the positive intention and ability to hold to maturity. These investments are carried at amortized cost using the effective interest rate method. The amortized cost is calculated by taking into account the acquisition cost and any premium or discount on acquisition date less any provision for impairment.

*Available-for-sale investment securities:* are those intended to be held for an indefinite period of time, to maturity or sold in response to needs for liquidity or to gain from the changes in interest rates or foreign currency exchange rates. After initial recognition, the investments classified as available-for-sale are carried at fair value. Gains and losses arising from changes in fair value of these investments are recognized directly in equity, until sold or collected or impaired at which time they are transferred to the income statement.

If impairment exists, the cumulative loss that is transferred from equity and is recognized in profit or loss consists of the difference between book value (less any capital repayments and amortization) and fair value, less any impairment loss previously recognized.

Impairment losses recognized in profit or loss concerning investment in equity instrument classified as available for sale are not reversed through profit or loss. Losses recognized in the financial statements of previous years resulting from impairment of equity instruments are reversed through profit or loss, if the increase (reversal of impairment loss) is related to events taking place after the recognition of impairment in the income statement.

#### Management's Assumptions

##### Fair value estimation

Investments that are quoted in active markets are valued at fair value, which is determined according to the current bid prices at balance sheet date. Non listed investments are valued at estimated fair value which is determined by using valuation techniques, adjusted so to take into consideration the distinctiveness of these securities and is also compared with current prices of other similar companies which are quoted in active markets.

All regular purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. The term "regular" purchases and sales of financial assets requires the delivery of a financial asset to be realized within the time period specified by either the responsible committee or is established by the existing practice.

#### **(2.7) Sale and Purchase agreements (Repos)**

Securities sold subject to a linked repurchase agreement (Repos) are disclosed in the financial statements as available-for-sale investments, while the respective liability is disclosed, depending on the counter party, as amounts due to credit institutions, to customers or other deposits. Securities purchased under agreements to resell (Reverse Repos) are recorded in the financial statements as due from credit institutions. The difference between sale and repurchase price is recorded in the income statement and is accrued over the term of the agreement using the effective interest rate method.

#### **(2.8) Property, plant and equipment**

Property, plant and equipment include land, buildings, leasehold improvements, furniture and other equipment and vehicles, held by the Group either for operational purposes or for administrative purposes. The acquisition cost includes expenses directly pertaining to acquisition of property, plant and equipment. Land and buildings are carried at fair value and residual values, based on valuations by independent valuers, regularly, and the difference arising from the valuation is credited to equity under revaluation reserve. The leasehold improvements, furniture and other equipment as well as vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenses are included in the assets value and on case bases are recognized as an individual asset only if it is probable that future economic benefits will flow to the Group and the aforementioned expenses can be reliably estimated.

Other restoration and maintenance expenses are recorded on the income statement during the year they were incurred.

*Depreciation:* Land is not depreciated. Depreciation on other property, plant and equipment assets is calculated using the straight-line method over their estimated useful lives, which is reviewed annually, as follows:

Buildings	30-50 years
Hardware	4-5 years
Furniture and other equipment	6-7 years
Vehicles	6-9 years

“Third party leasehold improvements” are depreciated over either the useful life of the improvement or the duration of the lease whichever is the shortest.

*Impairment:* The Group reviews annually its property, plant and equipment for impairment. If there are indications of impairment the carrying value of the property, plant and equipment is reduced to its recoverable amount and the respective decrease is recognized as an expense in the income statement. However, impairment should be charged directly against any related revaluation reserve to the extent that the impairment does not exceed the amount held in the revaluation reserve in respect of that same asset. Gains or losses arising from assets impairment are recorded in the income statement and defined as from the difference between the disposal price and the depreciated value of the asset.

### **(2.9) Investment Property**

Investment property acquired through foreclosure for the settlement of uncollected receivables from loans and advances are initially measured at cost, which includes transaction costs. After initial recognition, investment property is carried at fair value. The difference between the fair value and cost of acquisition is recorded in profit and loss.

### **(2.10) Intangible Assets**

Intangible assets include computer software. Computer software which is acquired and can be clearly identified is capitalized at the cost of acquisition. The expenses that improve or broaden the performance of the software beyond the initial technical characteristics are incorporated in the acquisition cost of intangible assets. There is also added to the acquisition cost of intangible assets any direct cost required for its creation, development and sound operation. Such direct cost items are:

- The fees of the employees when directly connected to the particular intangible asset in case they can be reliably estimated
- The fees of free lancers connected to the creation and development of intangible assets
- Administration expenses that are directly connected and can be reliably estimated at the stage of creating and developing of intangible assets.

Subsequently, intangible assets are carried at cost less any accumulated amortization and any impairment losses. Computer software is amortized in compliance with its useful life that cannot exceed 10 years. Group management, on an annual basis, examines the fair value of intangible assets so as to conclude whether there exists an indication of impairment or whether the useful life should be amended. In the case when the carrying value of an intangible asset exceeds its recoverable value, a corresponding impairment is charged to the income statement.

### **(2.11) Goodwill**

Goodwill represents the excess of the cost of the acquisition over the fair value of the share of the entity's equity at the date of acquisition.

At each balance sheet date, on annual basis, the carrying amount of goodwill is reviewed by the Group management for evidence of impairment. In case that the recoverable value is lower than the carrying amount, then the goodwill is reduced to its recoverable amount



**(2.12) Cash and cash equivalents**

Cash and cash equivalents include monetary assets with less than three months to maturity.

**(2.13) Loans and advances**

Loans and advances are recorded on the disbursement date at cost, which is the fair value of the capital, including the direct expenses and income, which relate to the loan. Subsequent to initial recognition, loans and advances are carried at amortized cost using the effective interest rate method.

**(2.14) Provisions for credit risks**

Loans and advances to customers are carried on the balance sheet after deducting provisions for losses.

The recoverability of loans and advances is reviewed on an individual basis for those loans, which the Group considers as significant. The evaluation takes into account the financial position, credit standing, past repayment pattern, the transaction behaviour, the credit worthiness of guarantors and the realizable value of collaterals.

Loans and advances which are not considered significant as well as the ones which are considered significant but there are no impairment indications are grouped on the basis of similar credit risk characteristics, such as consumer loans, mortgage loans, credit card loans etc. The Group examines on a collective basis the possible provision for loan losses. During the evaluation of each category the factors which are taken into account are the amount of non-performing or doubtful loans, the aging of overdue loans, the collectibility since they were categorized as doubtful, the existing financial status, the market conditions and historical losses.

When a loan is considered as doubtful, its carrying amount is reduced to its estimated recoverable amount, which is the present value of estimated future cash flows, including the amounts to be recovered from collaterals and guarantees held, discounted with the effective interest rate of the loan.

The differences in the recoverable amounts and the period that they are expected to be collected are compared with previous calculations and when a difference arises it is recorded to the income statement. The reverse of the provision for loan losses occurs only in the case that the credit standing of the customer has improved to an extent that the capital and interest will be collected according to the terms of the loan agreement.

No interest is accounted for on loans overdue from 3 to 6 months with regard to existence or non-existence of collaterals. In this case interest is presented in off-balance sheet accounts.

Loans and other advances are written off against the related provision, when it is considered uncollectible.

**(2.15) Leases**

**The Group is the lessee**

**Operating Leases**

The Group has entered into operating lease contracts where risks and rewards of ownership of the assets are retained by the lessor. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

**Finance Leases**

The Group may enter into finance lease contracts where risks and rewards of ownership of the leased assets have been assumed by the Group.

At inception finance leases are carried at the lower between the fair value of the lease payments and the present value of the minimum lease payments. Subsequently, the leased land and buildings are revalued at fair value.

The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the Group will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life.

Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income

statement. There is no participation of the Group in finance leases as a lessee in the financial statements of both 2008 and 2007.

### **The Group is the lessor**

The Group operates as a lessor and the classification of the lease is based on the extent to which risks and rewards of ownership of the leased assets belong to the lessor or the lessee. A lease is classified as a finance lease if it transfers substantially all risks and rewards of ownership. A lease is classified as an operating lease in case it does not transfer all risks and rewards of ownership.

*Finance Leases:* In its Balance Sheet, the Group records all the held assets that are under finance lease as assets whose value is equal to that of net lease investment.

Lease payments are carried as capital paying off (repayment) and as financial income.

The record and allocation of financial income is based on a model that reflects a stable periodical performance of the net investment over the outstanding part of the finance lease.

*Operating Leases:* The leases of this category in which then Group participates pertain to investment property of the Group.

Lease payment income less cost of services are charged to the income on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

### **(2.16) Derivative financial instruments and hedging**

Derivative financial instruments include forward foreign exchange contracts, interest rate swaps, foreign exchange swaps and other derivative financial instruments.

*Derivatives for trading purposes:* Derivatives that do not qualify for hedging purposes are considered as entered into for trading purposes. Initially, derivatives are recognized in the balance sheet at fair value (which is essentially the transaction cost) on the date on which the contract is entered into. Subsequently they are remeasured at fair value. Fair values are obtained from quoted market prices, 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.

A derivative may be a component of a financial instrument. The combined financial instrument includes both a derivative and a host contract and is known as embedded derivative. An embedded derivative should be separated from the host contract and accounted for as a derivative if all of the following conditions are met: a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and c) the hybrid (combined) instrument is not measured at fair value with changes in fair value reported in the income statement.

Changes in the fair value of derivatives are reported in the income statement.

*Hedging:* For the purposes of hedge accounting, hedging is designated as a fair value hedge, when the exposure to changes in the fair value of a recognized asset or liability is hedged or as cash flow hedge when the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability is hedged. For the derivatives that are used for hedging purposes the Group applies hedge accounting which includes a description of the hedged item, of the hedging instrument, the nature of the risk being hedged and the enterprise's risk management strategy. Furthermore, it documents whether or not the hedging is effective at inception and throughout the life of the hedge. That is whether or not fair value changes derived from the hedged exposure are offset by the changes of the hedging instrument and are within a range of 80% to 125%.

In fair value hedge transactions which meet the criteria for hedge accounting, gains or losses which are due to the valuation of the hedging instrument to fair value are recorded in the income statement. The hedged item is valued at fair value and the gains or losses are recorded in the income statement.

Changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges and that prove to be highly effective in relation to the hedged risk, are recognized in the hedge reserve in equity. Otherwise, gains and losses which refer to the ineffective portion of the hedge are recorded in the income statement.

When the criteria for hedge accounting are no longer met, due to the hedging being no longer effective or due to the fact that the hedged exposure has been derecognised, then the related accumulated gains or losses recognized in the Group's equity are transferred to the income statement.

**(2.17) Offsetting of assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal right to set off the recognized amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

**(2.18) Interest income and expense**

For all financial assets and liabilities, interest income and expense are recognized in the income statement using the effective interest rate method.

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

When a financial asset or a group of financial assets has been written down as a result of an impairment loss, interest income is recognized using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

**(2.19) Fee and commission income**

Fees and commissions are recognized in the income statement in the period that 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.

**(2.20) Provisions**

The Group recognizes a provision for contingent liabilities and risks when:

- there is a present legal or constructive obligation as a result of past events,
- a reliable estimate of the amount of the obligation can be made and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

**(2.21) Income tax**

Deferred income tax is calculated based on the temporary differences arising between the carrying amount of assets and liabilities included in the financial statements and their amounts as measured for tax purposes, according to tax law.

Deferred income tax is determined using tax rates that have been enacted or enacted at a date subsequent to that of the balance sheet.

The Group recognizes deferred tax assets when it is probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized.

Deferred income tax is also recognized in cases that temporary differences arise from investments in subsidiaries and associates, except when the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Income tax payable on profits, based on the applicable tax law is recognized as an expense in the income statement of the year. Tax losses available for carry forward for offsetting are recognized as an asset when it is probable that future taxable profits will be available and they will exceed the accumulated tax losses.

Deferred tax asset or liability arising from the re-measurement of fair value of available for sale securities and cash flow hedges, which are charged or credited directly to equity, is also charged directly to equity.

### **(2.22) Employee benefits**

The Group participates in various retirement benefit plans for its employees. Those include both defined benefit and defined contribution plans.

For defined contribution plans the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that the obligation of the Group is to define an amount of pension benefit that an employee will receive at retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses which can be derived from adjustments according to past experience, as well as changes in actuarial assumptions, are debited or credited to the income statement in compliance with the average remaining working life of the employees.

### **(2.23) Derecognition of a financial instrument from the Financial Statements**

A financial instrument is derecognized from the Group financial instruments when the Group loses control of the contractual rights that comprise the financial instrument. The Group loses such control if it realizes the rights to benefits specified in the contract, the rights expire, or the enterprise surrenders those rights.

### **(2.24) Segment reporting**

A Business segment is the primary type of information. A Business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is the secondary type of information. A geographical segment is engaged in providing services about the Group's activities within a particular economic environment that are subject to risks and returns that are different from those of segments of operating in other economic environments.

### **(2.25) Treasury shares**

Treasury shares held by the Group are carried at cost and they are deducted from equity until they are cancelled. Where such shares are subsequently sold or reissued, the gain or loss from the sale is not recorded in the income statement but directly recognized in equity.

### **(2.26) Borrowing costs**

Borrowing cost, according to IAS 23, is recognized as an expense in the income statement of the year in which it incurred.

### **(2.27) Related party transactions**

Related parties are entities, which the Group holds either directly or indirectly more than 50% of the share capital or has significant influence in making financial and operating decisions. Also, related parties are considered to be the members of the Group's management, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating policies.

All the transactions between the Group and its related parties are conducted under the same financial terms as transactions with non related parties at the same time.

**(2.28) Earnings per share**

Basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to ordinary Bank's shareholders by the weighted average number of ordinary shares outstanding during the year.

The diluted earnings per share ratio is computed using the same method as for basic EPS, the determinants are adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue ordinary shares were converted or exercised into ordinary shares.

**(2.29) Custody services**

The Group offers custody services to individuals and companies for their assets. These assets do not belong to the Group. The gains or losses arising from them and from the investment of them are not represented in the financial statements of the Group. Commissions which are collected from custody services are recognized in the income statement.

**(2.30) Reclassification of items**

The financial statements for the year ended as at 31/12/2007 have been readjusted for the purposes of being comparable to those of the closing year 31/12/2008. In particular, the readjustments are as follows:

The financial statements as at 31/12/2007 have been readjusted by an amount of € 11.855.212,82 that decreased the category of «Due from other financial institutions» and the category «Other liabilities» correspondingly. The above amount corresponds to cash available of the Attica Bank managed by a subsidiary company Attica Wealth Management Mutual Fund Management S.A. for the purposes of investments on Athens Stock Exchange and on behalf of the Bank.

The readjusted and published consolidated Balance Sheet as at 31/12/2007 as well as consolidated Cash Flows Statements as at 31/12/2007 are presented in Note 44 to the consolidated financial statements as at 31<sup>st</sup> December 2008.

The Mutual Corporate Funds formed by the Bank together with the New Economy Fund, that are administrated by the Bank's subsidiary ATTICA VENTURES S.A. in the comparative year ended as at 31/12/2007 was classified into the category of «Investments at Fair Value Through Profit and Loss». In the closing year, they were reclassified into the category «investments in associates» and included in the consolidated financial statements under Equity method. The reason behind the above reclassification is presented in the disclosure «Interest in Associates» of the individual financial statements as at 31/12/2008.

It is to be noted that in certain disclosures, pertaining to the comparative year ended as at 31/12/2007, the analysis presented in the current financial statements is different as compared to the corresponding publication as at 31/12/2007, in the way that more item lines have been added. The disclosures in question are as follows: «interest and similar income», «fee and commission income», «fee and commission expenses», «other income», «general operating expenses», «other assets» and «due to other financial institutions».

Correspondingly, pertaining to the chapter «Risk management», more analytical lines were added for the year 2007 concerning disclosures of liquidity risk, foreign exchange risk as well as interest rate risk.

**(2.31) Reporting segments**

The Group has recognized the following reporting segments:

**Retail Banking**

The segment comprises the total of private individuals as well as professionals. Via the network of the Group's branches and the central services, the Group provides its clients with the whole range of traditional services as well as the specialized investment services and products.

**Corporate Banking**

The segment comprises all the credit services offered to enterprises and corporations. The Group provides the clients that belong to the above category with a wide range of products and services related to consulting, financial and investment nature of business as well as transactions.

Capital management / Treasury

The segment comprises the Group's capital management, intermediary at mutual funds disposal, the Group's securities management as well as treasury services and private individual securities management.

The other income that comprises real estate property management as well as loans to employees, interest from reduced assurance loans etc, has been allocated proportionally to the three aforementioned segments.

**(2.32) New standards, amendments and interpretations issued but not yet effective**

Up to the date of the approval of the financial statements certain new Standards, Interpretations and Revised Standards have been published and approved by the European Union, but they do not apply to these financial statements.

(a) IFRS 8, "Operating segments" (effective from 1 January 2009):

IFRS 8 replaces IAS 14 "Segment Reporting". The new IFRS requires a "management approach" to the Group's presentation of financial information under segment reporting. Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement. Furthermore, the standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed. Its implementation is not expected to affect the presentation of the Group's operations by business segment.

(b) IFRIC 13, "Customer Loyalty Programmes (effective for annual accounting periods beginning on or after 1 July 2008):

IFRIC 13 is applied on customer loyalty programmes. This interpretation is applicable to credit card customer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Group's financial position.

(c) IAS 23: (Revised 2007) "Borrowing Costs" (effective from 1 January 2009):

The revised IAS 23 removes the option of immediately expensing borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The adoption of the revised IAS will have no significant impact on the Group's financial statements.

(d) IAS 1: "Presentation of Financial Statements" – revised 2007 (effective from 1 January 2009):

The fundamental change in IAS 1 is concerned with the segregation of the presentation of owner changes in equity in those which are due to transactions with owners and because of their capacity as owners ( e.g. dividends, capital increase), from those which are due to other changes in equity (e.g. reserves). The revision of the Standard produces changes in both the terminology and the presentation of financial statements. However, the new terms do not affect the rules of recognition, measurements and disclosure of equity transactions and all other events which are required by other standards. The adoption of the revised standard is expected to transform the structure and description in the presentation of financial statements without, however, causing any alternations to the financial position of an entity.

(e) IFRS 2: "Share-based Payment" – Amendment 2008: Vesting Conditions and Cancellations (effective from 1 January 2009):

This amendment clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the grant date fair value. The Group is currently assessing the implications from the adoption of the aforementioned amendment.

(f) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from 1 January 2009):

These amendments address the classifications of some puttable financial instruments as well as instruments or their components that impose to the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation. The above mentioned amendments are not applicable at present for Group activities.

Moreover, the following standards, amendments and interpretations have been issued and are subject to endorsement by the European Union.

(g) IFRS 3: "Business Combinations" – Revised 2008 and subsequent amendments in IAS 27, 28 and 31 (effective the first annual reporting period beginning on or after 1 July 2009):

The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transaction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1st, 2009, while no consolidation adjustments are required for the period before the revised standard will become effective. Thus, the adoption of the revised standards will have no significant impact on the Group's financial statements.

(h) I.F.R.I.C. 15: «Agreements for the Construction of Real Estate»

An entity shall apply I.F.R.I.C. 15 "Agreements for the Construction of Real Estate" for annual periods beginning on or after 1 January 2009. This Interpretation applies to the accounting for revenue which refer to the real estates' disposal.

This interpretation does not apply to the Group's activities.

(i) I.F.R.I.C. 16 Hedges of a Net Investment in a Foreign Operation

An entity shall apply I.F.R.I.C. 16 for annual periods beginning on or after 1 October 2008. This Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with I.A.S. 39. The objective of I.F.R.I.C. 16 is to provide guidance concerning the nature of the hedged risk and the amount of the hedged item for which a hedging relationship may be designated, where in a group the hedging instrument can be held and what amounts should be reclassified from equity to profit or loss as reclassification adjustments on disposal of the foreign operation. This interpretation does not apply to Group activities.

(j) I.F.R.I.C. 17 «Distribution of non-cash assets to owners »

Effective for annual periods beginning on or after 1/7/2009. This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners. The Group is in the process of evaluating the potential effects of this interpretation.

(k) I.F.R.I.C. 18 «Transfer of assets from customers»

Effective for annual periods beginning on or after 1.7.2009. This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above. This interpretation does not apply to Group activities.

(l) I.A.S. 39. Financial instruments: Recognition and Measurement

Eligible Hedged Items Amendment to I.A.S. 39. Amendment to I.A.S. 39 clarifies accounting hedges issues and, in particular, inflation and one-sided risk of a hedged item.

An entity shall apply those amendments to I.A.S. 39 for annual periods beginning on or after 1 July 2009. The adoption of the revised standards will have no significant impact on the Group's financial statements.

**(2.33) Significant accounting judgment, estimates and assumptions.**

Use of available information and application of objective judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates, while the differences may be material to the Financial Statements.

Basic judgments made by the Group management that have the most significant effect on the amounts recognized in the financial statements mainly pertain to:

- **Classification of investments**

Under the investment acquisition, the management classifies its investments as held-to-maturity, held-for-sale, at fair value through profit or loss or available-for-sale. As far as held-to-maturity investments are concerned, the management examines whether they meet the criteria of IAS 39 and, in particular, the extent to which the Group has the positive intention and ability to hold them to maturity. The Group classifies investments as held-for-sale in case they have been acquired mainly for the purposes of generating short term profit. Classification of investments into assets at fair value through profit and loss depends on the way the management monitors the performance of the aforementioned investments. When investments are not classified as held-for-sale but their fair values are available and can be reliably estimated and changes in fair values are included in profit or loss of the management accounts, they are classified at assets at fair value through profit and loss. All the other investments are classified as held-for-sale.

- **Estimate of impairment of grants and other receivables**

In order to measure the impairment of grants, the group carries out an impairment test on every date of financial statements preparation. It is examined whether there are reliable indications of potential losses to the client receivables portfolio as well as to other receivables and the provision for impairment of receivables is made (More detailed analysis in Note 2.14).

- **Income taxes**

The Group is subject to income taxes by various tax authorities. Significant estimates are required in order to define provisions for income taxes. There are a lot of transactions and calculations for which the exact computation of income tax is uncertain in the regular course of the Group's operations. The Group recognizes liabilities for expected tax inspection issues based on the estimates of the amount of additional taxes that can be potentially imposed. When the final result pertaining to estimated taxes differs from the amount initially recognized in the financial statements, the differences affect the income tax and the provisions for deferred taxation of the period in which the aforementioned amounts are finalized.

- **Contingent events**

In the course of its regular operations, the Group gets involved in litigations and reimbursements. The management estimates that no litigation will have a material impact on the Group's financial position as at 31 December 2008. However, definition of contingent liabilities pertaining to litigations and receivables is a complex process including judgments concerning the potential repercussions and interpretations of laws regulations. Changes in judgments or interpretations can lead to an increase or a decreased in contingent liabilities of the Group in the future.

- **Useful life of depreciated assets**

Every year, the group examines the useful life of depreciated assets. As at 31<sup>st</sup> December 2008, the Group estimates that the useful lives represent the expected usefulness of its assets. The amortized balances are analyzed in Notes 24 and 25.



### 3. SEGMENT REPORTING

(Amounts reported in €)	Retail Banking	Corporate Banking	Treasury	Total
<b>From 1 January to 31 December 2008</b>				
Net Income				
- interest	(7.614.216,49)	125.326.409,29	(14.245.651,11)	103.466.541,69
- commission	4.788.670,04	28.498.130,27	1.981.825,76	35.268.626,07
- trading financial transactions and other income	3.128.104,49	4.238.493,26	(975.459,55)	6.391.138,20
- results transferred among segments	38.952.462,32	(48.719.914,15)	9.767.451,83	0,00
<b>Net Total Income</b>	<b>39.255.020,36</b>	<b>109.343.118,67</b>	<b>(3.471.833,07)</b>	<b>145.126.305,96</b>
Income from investments in associates	0,00	0,00	2.044.064,81	<b>2.044.064,81</b>
<b>Profit before taxes</b>	<b>3.865.330,98</b>	<b>18.720.114,57</b>	<b>(5.769.757,14)</b>	<b>16.815.688,41</b>
Taxes				(4.205.358,91)
<b>Profit after taxes</b>				<b>12.610.329,50</b>
<u>Other segment items</u>				
Provisions for credit risks	(9.768.905,16)	(24.820.833,48)	0,00	(34.589.738,64)
Depreciation	(1.343.871,12)	(3.417.719,47)	(195.589,49)	(4.957.180,08)
Total Assets on 31.12.2008	1.193.527.797,21	3.041.849.856,17	284.891.238,25	<b>4.520.268.891,63</b>
Total Liabilities on 31.12.2008	(2.877.979.478,02)	(1.215.860.307,26)	(102.070.942,68)	<b>(4.195.910.727,96)</b>
<b>From 1 January to 31 December 2007</b>				
Net Income				
- interest	1.899.316,52	89.581.925,42	1.908.516,76	93.389.758,70
- commission	4.108.007,89	29.057.074,42	2.223.589,87	35.388.672,18
- trading financial transactions and other income	3.802.889,62	6.904.464,91	7.686.024,67	18.393.379,20
- results transferred among segments	32.309.103,21	(34.972.521,10)	2.663.417,89	0,00
<b>Net Total Income</b>	<b>42.119.317,24</b>	<b>90.570.943,65</b>	<b>14.481.549,19</b>	<b>147.171.810,08</b>
<b>Profit before taxes</b>	<b>8.482.968,75</b>	<b>16.920.416,54</b>	<b>2.801.046,94</b>	<b>28.204.432,23</b>
Taxes				(7.356.730,13)
<b>Profit after taxes</b>				<b>20.847.702,10</b>
<u>Other segment items</u>				
Provisions for credit risks	(9.276.208,71)	(21.123.791,29)	0,00	(30.400.000,00)
Depreciation	(1.404.616,47)	(3.200.609,21)	(147.468,44)	(4.752.694,12)
Total Assets on 31.12.2007	1.122.673.382,26	2.556.612.891,55	224.464.738,71	<b>3.903.751.012,52</b>
Total Liabilities on 31.12.2007	2.040.530.383,41	1.395.903.332,46	149.566.062,00	<b>3.585.999.777,87</b>

#### 4. INTEREST AND SIMILAR INCOME

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
From loans and advances to customers (apart from finance leases)	213.696.055,68	169.029.241,60
Credit Institutions	12.640.752,50	17.620.228,40
From securities held at fair value through profit or loss and trading securities	59.359,07	241.060,61
From available for sale securities	4.093.483,99	2.491.896,90
From held to maturity securities	654.729,77	960.598,90
Interest from corporate bond loan	23.027.861,14	10.966.244,70
From finance Lease (Lessor)	12.597.277,23	8.103.078,32
Interest deposit accounts	416.662,31	364.500,35
Interest from factoring	3.559.993,10	2.703.213,78
Other	144.369,51	257.984,92
<b>Interest and Similar Income</b>	<b>270.890.544,30</b>	<b>212.738.048,48</b>

The analysis of interest and similar income of the prior year have been readjusted in order to be comparable to those of the closing year.

#### 5. INTEREST EXPENSE AND SIMILAR CHARGES

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Customers deposits	(135.195.862,45)	(98.986.438,47)
Repos	(3.025,93)	(244.464,67)
To credit institutions	(23.859.242,99)	(11.732.741,72)
Bond loan	(8.351.014,44)	(8.384.644,92)
Other	(14.856,80)	0,00
<b>Interest expense and similar charges</b>	<b>(167.424.002,61)</b>	<b>(119.348.289,78)</b>

The bond loan interests include the amount of € 6.720.416,31 pertaining to the bond loan of reduced reinsurance Tier II, that has been issued by the Bank's subsidiary whose registered office is in the United Kingdom. The remaining amount of € 2.080.598,13 pertains to the bond loan of the Law 3156/2003 issued by the company «ATTICA VENTURES S.A.» that has been absorbed by the Bank through the bond holder Emporiki Bank. This loan has been fully repaid in August 2008. As a consequence, the abovementioned expenditure relates to the period from the beginning of year 2008 until August 2008. The corresponding amounts for the year 2007 come to € 5.614.714,51 for the first loan and € 2.769.930,41 for the second loan, including of course the whole year.

#### 6. FEE AND COMMISSION INCOME

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Loans and advances to customers	5.682.530,80	5.606.187,97
Credit cards	1.636.365,79	1.483.988,18
Custody services	100.153,78	74.552,78
Import-export	2.483.311,46	2.657.860,40
Letters of guarantee	5.504.901,65	5.486.739,42
Money transfers	12.217.619,59	11.840.677,46
Foreign exchange transactions	167.528,53	157.334,45
Factoring	532.343,35	568.451,98
Telephone-Telegraph-Swift	31.161,73	27.711,72
Mutual Funds	1.581.375,90	1.739.526,58
Securities	811.019,91	853.470,69
From stock exchange transactions	134.987,13	321.164,24
Commissions movement of deposit accounts	1.738.833,61	1.937.328,70
Community Programs management commissions	1.403.485,50	2.326.608,10
Commissions from finance leases	457.883,04	238.874,46
Other commissions	1.997.703,94	1.532.858,51
<b>Commission Income</b>	<b>36.481.205,71</b>	<b>36.853.335,64</b>

The analysis of fee and commission income of the prior year have been readjusted in order to be comparable to those of the fiscal year.

#### 7. FEE AND COMMISSION EXPENSE

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Loans	(1.067.955,11)	(1.068.634,50)
Acquisition cost of trading stocks	(23.192,97)	(137.024,00)
Commissions paid for portfolio management	(28.098,80)	(12.455,93)
Mutual funds	(0,00)	(4.815,34)
Other	(93.332,76)	(241.733,69)
<b>Commission expenses</b>	<b>(1.212.579,64)</b>	<b>(1.464.663,46)</b>

The analysis of fee and commission expense of the prior year have been readjusted in order to be comparable to those of the closing year.

#### 8. DIVIDEND INCOME

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
From securities held at fair value through profit or loss / trading securities	153.935,88	381.216,87
From available for sale securities	85.398,21	0,00
From investment in Subsidiary (ATTICA BANK ASSURANCE AGENCY S.A.)	209,60	0,00
Other	115.118,75	25.976,35
<b>Dividend Income</b>	<b>354.662,44</b>	<b>407.193,22</b>

#### 9. PROFIT (LOSS) FROM TRADING PORTFOLIO

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>TRADING PORTFOLIO</b>		
<b>Profit less loss</b>		
Derivative Financial instruments	101.741,17	(58.010,92)
<b>Foreign exchanges differences</b>		
From foreign currency	1.284.890,51	1.615.056,61
<b>From sales</b>		
Shares	(1.014.421,91)	2.574.604,12
Securities	8.507,80	132.025,95
<b>From valuation</b>		
Shares	(1.094.159,48)	(200.156,74)
<b>Net profit from trading portfolio transactions</b>	<b>(713.441,91)</b>	<b>4.063.519,02</b>

#### HELD AT FAIR VALUE THROUGH PROFIT OR LOSS AT INITIAL RECOGNITION

**Profit less loss**

Derivative Financial instruments	0,00	33.712,50
<b>Foreign exchanges differences</b>		
From foreign currency	5.487,37	0,00
<b>From sales</b>		
Securities	(102.842,34)	0,00
Mutual funds	89.342,81	0,00
<b>From valuation</b>		
Securities	0,00	813.294,19
Mutual funds	2.205,19	0,00
<b>Profit or loss from securities held at fair value through profit or loss at initial recognition</b>	<b>(5.806,97)</b>	<b>847.006,69</b>
<b>PROFIT FROM TRADING PORTFOLIO</b>	<b>(719.248,88)</b>	<b>4.910.525,71</b>

## 10. PROFIT (LOSS) FROM INVESTMENT PORTFOLIO

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>FINANCIAL ASSETS AVAILABLE FOR SALE</b>		
<b>Profit less loss</b>		
<b>From sales</b>		
Shares	18.538,91	0,00
Bonds	0,00	1.729.169,14
Mutual fund shares	272.273,92	213.151,36
Other	0,00	417.091,74
<b>Profit on disposal of available for sale securities</b>	<b>290.812,83</b>	<b>2.359.412,24</b>
Loss from bond impairment	(902.942,65)	0,00
<b>PROFIT (LOSS) FROM INVESTMENT PORTFOLIO</b>	<b>(612.129,82)</b>	<b>2.359.412,24</b>

In the year 2008 the Bank formed an allowance for impairment of the value of “Available for Sale” bonds which according to Management’s estimations amounted to € 902.942,65.

## 11. OTHER OPERATING INCOME

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Adjudged court expenses	2.692.869,90	1.064.530,70
Subsidization of training and community programs	240.000,00	180.569,79
Amortized receivables collected	283.625,63	357.051,11
Rent of buildings	489.344,83	220.568,83
Receipt of communication fees	469.245,22	557.616,42
Investment property fair value	1.741.739,12	7.047.302,38
Other	1.451.029,76	1.288.608,80
<b>Other operating income</b>	<b>7.367.854,46</b>	<b>10.716.248,03</b>

The analysis of other operating income of the prior year have been readjusted in order to be comparable to those of the closing year.

## 12. OPERATING EXPENSES

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Salaries and wages	(41.378.214,32)	(37.448.025,25)
Social security contributions	(10.532.540,59)	(9.762.777,90)
Retirement benefits for employees early retirement	(11.738,00)	0,00
Other charges	(4.853.702,58)	(4.426.955,74)
Other provisions for retirement benefits obligations	(1.132.571,51)	(1.099.656,30)
<b>Salaries</b>	<b>(57.908.767,00)</b>	<b>(52.737.415,19)</b>

Third party fees and expenses	(3.484.748,94)	(2.951.364,84)
Advertising and promotion expenses	(3.483.090,68)	(3.319.084,37)
Telecommunication expenses	(2.673.487,14)	(2.400.288,86)
Insurance premium fees	(726.870,48)	(744.710,67)
Repair and maintenance	(1.341.745,45)	(1.509.078,83)
Traveling expenses	(1.006.146,73)	(906.645,03)
Printing and stationery	(653.953,55)	(576.719,85)
Utility services	(1.171.111,98)	(1.015.188,26)
Rentals	(6.918.866,52)	(5.778.094,64)
Loss from sale of property, plant and equipment	(87.474,97)	0,00
Taxes other than income tax	(38.271,51)	(269.177,94)
Subscriptions – Memberships	(266.514,80)	(284.319,32)
Legal and out of court expenses	(2.439.769,13)	(2.489.578,79)
Expenses visa	(1.682.461,41)	(1.318.890,60)
Provisions for other risks	(507.164,94)	(305.158,82)
Donations– grants	(301.529,71)	(702.101,68)
Teiresias systems expenses	(576.230,41)	(610.984,03)
Cleaning staff expenses	(636.448,69)	(608.237,59)
Building security expenses	(541.928,91)	(473.633,91)
Other	(4.361.180,69)	(4.814.010,51)
<b>Operating Expenses</b>	<b>(32.898.996,64)</b>	<b>(31.077.268,54)</b>
Depreciation of property, plant and equipment	(3.001.455,29)	(2.957.763,83)
Amortization of intangible assets	(1.955.724,79)	(1.794.930,29)
<b>Depreciation</b>	<b>(4.957.180,08)</b>	<b>(4.752.694,12)</b>
<b>Total Operating Expenses</b>	<b>(95.764.943,72)</b>	<b>(88.567.377,85)</b>

#### NUMBER OF EMPLOYEES

The average number of employees is: 1.157 1.128

The analysis of operating expenses of the prior year have been readjusted in order to be comparable to those of the closing year.

#### 13. TAXES

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Current income tax	(2.212.369,38)	(3.370.401,09)
Deferred income tax	(1.992.989,53)	(3.986.329,03)
<b>Total</b>	<b>(4.205.358,91)</b>	<b>(7.356.730,13)</b>

The reconciliation between the tax arising based on the tax rate in effect and the tax expense recognized in the income statement for the year is set off as follows:

Profit/loss before tax	16.815.688,41	28.204.432,23
Tax rate	25%	25%
Income tax	(4.203.922,10)	(7.051.108,06)
Income not subject to tax	411.206,94	2.211.087,38
Expenses not deductible for tax purposes	(1.228.691,16)	(1.287.133,71)
Other adjustments	3.541.275,55	3.075.688,08
Extra taxation of reserves	(569.571,74)	0,00
Other taxes	(162.666,87)	(318.934,78)
<b>Total</b>	<b>(2.212.369,38)</b>	<b>(3.370.401,09)</b>

<b>Deferred tax</b>		
Depreciation of assets	196.316,03	(258.685,46)
Provisions for impairment of loans and advances to customers		(2.002.250,00)
Provisions for contingent liabilities	41.401,35	(276.250,00)
Reserves for offsetting	2.604.144,66	
Other temporary differences	(938.369,72)	463.899,27
Tax income for offsetting	(1.473.280,78)	0,00
Employee retirement benefits	(2.423.201,07)	(1.913.042,84)
<b>Total deferred income tax</b>	<b>(1.992.989,53)</b>	<b>(3.986.329,03)</b>

The year ended has been charged with a tax amount of € 569,6 thousand which corresponds to the taxation of reserves from tax-free or specially taxed income. Correspondingly, the prior year was charged with an amount of € 1,16 million from the taxation of reserves deriving from the same source.

#### 14. PROFIT AFTER TAXES PER SHARE – BASIC (IN €)

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Profit after taxes	12.609.864,55	20.847.472,52
Weighted average number of shares	134.204.454	107.901.802
<b>Profit after taxes per share – basic (in €)</b>	<b>0,0940</b>	<b>0,1932</b>

Profit after taxes per share has been computed in accordance with weighted average number of shares of the total shares arising from the number of shares in circulation at the beginning of the year with the addition of the shares that were issued in the duration of the year, weighted on time rate.

At the beginning of the year, there were 132.124.656 shares in circulation. Later on and after the Extraordinary General Assembly of the shareholders on 16.05.2008 decided on the increase of the Bank's share capital up to the amount of € 1.712.726,75 through the issue of up to 4.893.505 new shares, reinvesting the dividends distributed from the profits of the year 2007 at the discretion of the beneficiaries of the dividend, there were issued 3.543.603 new common nominal shares with voting rights.

Following the 16/04/2008 Ordinary General Assembly of the Bank's shareholders concerning the two-year stock option plan for shares acquisition by the administrative staff and employees of the Bank and its related companies, 379.282 new, nominal, common shares with voting rights were issued as 210 (out of 718) beneficiaries of the plan exercised their rights.

After the above, the number of shares in which the Bank's share capital is divided as at 31/12/2008 amounts to 136.047.541.

<b>Diluted earnings per share</b>	<b>1/1 - 31/12/2008</b>	<b>1/1 - 31/12/2007</b>
Profit/Loss after taxes attributable to the shareholders of the Bank	12.609.864,55	20.847.472,52
Weighted average number of shares for the year	134.204.454	107.901.802
Adjustment for share options for the year	1.333.541	-
Weighted average number of shares for diluted earnings per share for the year	135.537.995	107.901.802
<b>Diluted earnings per share (in €)</b>	<b>0,0930</b>	<b>0,1932</b>

The calculation of diluted earnings per share takes under consideration all categories of potentially dilutive instruments. The category of potentially dilutive instruments that concerns the Bank, refers to the stock option plan for shares acquisition by the administrative staff and employees of the Bank and its related companies, which has been set by the Ordinary General Assembly of the Bank's shareholders as at 16/4/2008.

## 15. CASH AND BALANCES WITH CENTRAL BANK

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Cash in hand	28.839.865,73	26.611.843,32
Cheques receivable	56.551.104,91	94.082.274,28
Balances with Central Bank (except for mandatory deposits)	35.353.190,70	42.935.123,95
Mandatory deposits at Central Bank	0,00	1.200.000,00
<b>Cash and balances with Central Bank</b>	<b>120.744.161,34</b>	<b>164.829.241,55</b>

## 16. DUE FROM OTHER FINANCIAL INSTITUTIONS

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Domestic financial institutions	1.360.034,74	1.222.237,99
Foreign financial institutions	1.541.160,82	1.770.438,82
<b>Current Deposits with financial institutions</b>	<b>2.901.195,56</b>	<b>2.992.676,81</b>
Domestic financial institutions	602.344.446,66	520.520.247,29
Foreign financial institutions	21.724.409,45	35.323.687,25
<b>Time Deposits with financial institutions</b>	<b>624.068.856,10</b>	<b>555.843.934,54</b>
Domestic financial institutions	0,00	1.000.000,00
Foreign financial institutions	0,00	0,00
<b>Time Deposits other than with financial institutions</b>	<b>0,00</b>	<b>1.000.000,00</b>
Other claims from financial institutions	154.501,67	18.391,98
<b>Other claims</b>	<b>154.501,67</b>	<b>18.391,98</b>
<b>Due from other financial institutions</b>	<b>627.124.553,33</b>	<b>559.855.003,33</b>

The analysis of due from other financial institutions have been readjusted in order to be comparable to those of the closing year.

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

### 17.1 SECURITIES AT FAIR VALUE THROUGH PROFIT AND LOSS AT INITIAL RECOGNITION

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Corporate Listed Bonds –Domestic	0,00	1.263.431,96
Corporate Non Listed bonds – Foreign	0,00	10.817.500,00
<b>Securities at fair value through profit and loss at initial recognition</b>	<b>0,00</b>	<b>12.080.931,96</b>

The are no bonds in the portfolio at fair value through profit and loss as at 31/12/2008, as they have either been sold or have matured during 2008.

## 17.2 INVESTMENTS AT FAIT VALUE THROUGH PROFIT AND LOSS

(Amounts reported in €)

CLASSIFIED BY MARKET AND CATEGORY	31/12/2008 Fair Value	31/12/2007 Fair Value
<b>TRADING PORTFOLIO</b>		
Listed equities - Domestic	0,00	5.182.283,49
Listed equities - Foreign	0,00	92.426,59
Mutual Corporate Funds	0,00	4.665.455,92
<b>Trading Securities portfolio</b>	<b>0,00</b>	<b>9.940.166,00</b>
<b>Financial assets at fair value through profit and loss</b>	<b>0,00</b>	<b>22.021.097,96</b>

As far as the closing year is concerned, the Venture Capital Fund are presented in the category «Investments in Associates» (Note 23). There are not presented the shares in the trading portfolio, since the balance of their fair value as at 30/06/2008 was reclassified in the “Available for Sale” portfolio (see Note 20).

## 18. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts reported in €)

31/12/2008		ASSETS	LIABILITIES
CLASSIFICATION PER TYPE OF INVESTMENT	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	473.878.814,50	312.842,91	0,00
Forwards	2.562.314,54	0,00	(30.265,75)
<b>Derivative financial instruments for trading</b>	<b>476.441.129,04</b>	<b>312.842,91</b>	<b>(30.265,75)</b>
<b>31/12/2007</b>			
CLASSIFICATION PER TYPE OF INVESTMENT	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	3.464.252,10	0,00	(73.776,87)
Forwards	17.676.517,34	35.775,70	0,00
<b>Derivative financial instruments for trading</b>	<b>21.140.769,44</b>	<b>35.775,70</b>	<b>(73.776,87)</b>

The above Derivative Financial Instruments are not listed in an active stock exchange market. Furthermore, the nominal value of swaps for the year 2008 includes interest rate exchange agreements between the bank and UBS, of € 387 million total nominal value, within the frame of securitization of mortgages with Stegasis Mortgage Finance plc.



## 19. LOANS AND ADVANCES TO CUSTOMERS (AFTER PROVISIONS)

### 19.1 LOANS AND ADVANCES TO CUSTOMERS (AFTER PROVISIONS)

(Amounts reported in €)

19.1 DESCRIPTION	31/12/2008	31/12/2007
Credit cards	68.149.808,16	72.261.441,45
Consumer loans	327.053.468,74	294.028.655,52
Mortgages	582.097.235,35	481.779.181,49
Other	16.157.498,47	72.123.735,56
<b>Loans to private individuals</b>	<b>993.458.010,72</b>	<b>920.193.014,02</b>
Agricultural sector	30.466.936,68	21.359.526,47
Merchantry	788.666.802,25	685.759.477,02
Industrial sector	378.642.780,61	357.744.434,47
Small industry	118.972.123,36	116.289.556,59
Tourism	82.337.729,32	66.078.819,36
Shipping	24.481.607,77	10.316.508,50
Construction sector	488.392.518,97	383.075.469,53
Other	381.380.542,88	302.059.544,20
<b>Loans to corporate entities</b>	<b>2.293.341.041,84</b>	<b>1.942.683.336,14</b>
<b>Public sector</b>	<b>2.215.641,62</b>	<b>3.246.801,88</b>
<b>Net investment in finance lease</b>	<b>228.621.352,92</b>	<b>149.534.266,82</b>
<b>Loans and advances to customers (before provisions)</b>	<b>3.517.636.047,10</b>	<b>3.015.657.418,86</b>
<b>Provisions for impairment of loan losses</b>	<b>(131.821.409,29)</b>	<b>(115.050.939,30)</b>
<b>Loans and advances to customers (after provisions)</b>	<b>3.385.814.637,81</b>	<b>2.900.606.479,56</b>

All the categories of loans and advances are carried at amortized cost, which does not significantly differ from their fair value.

In November 2008, the Bank completed the first securitization of mortgages amounting to € 388 million through the issuance of bonds amounting to € 353 million. The issuance of bonds was carried out by a special purpose company headquartered in London that was founded for this particular purpose under the title «Stegasis Mortgage Finance plc.». The objective of the securitization was to reduce the capital cost and, at the same time, positively affect the maintenance of the Bank adequate liquidity levels and the bond was used as a pledge for refinancing by the European Central Bank.

## 19.2 FINANCE LEASE ASSETS (LESSOR)

(Amounts reported in €)

CLASSIFICATION PER CATEGORY				
Description	31/12/2008		31/12/2007	
	Contract Volume		Contract Volume	
Land	42.484.394,39		17.687.569,74	
Buildings	106.209.949,97		56.206.116,68	
Machinery	34.659.338,11		34.808.674,88	
Transport equipment	18.533.913,26		21.585.683,21	
Technological equipment	6.100.003,31		7.615.291,58	

(Amounts reported in €)

NET INVESTMENT IN FINANCE LEASE						
31/12/2008			31/12/2008			
Duration	Gross investment (Future lease payments)	Unearned financial revenue	Duration	Gross investment (Future lease payments)	Unearned financial revenue	Duration
Up to 1 year	33.695.016,80	(5.772.174,95)	27.922.841,85	34.521.783,46	(8.865.162,93)	<b>25.656.620,53</b>
From 1 to 5 years	87.767.201,23	(15.035.090,92)	72.732.110,31	80.707.601,74	(21.831.181,08)	<b>58.876.420,66</b>
Over 5 years	154.419.455,17	(26.453.054,41)	127.966.400,76	96.336.790,46	(31.335.564,84)	<b>65.001.225,62</b>
<b>Σύνολο</b>	<b>275.881.673,20</b>	<b>(47.260.320,28)</b>	<b>228.621.352,92</b>	<b>211.566.175,67</b>	<b>(62.031.908,85)</b>	<b>149.534.266,82</b>

Making use of provision given by the Law 3483/2006, the Bank extended its operations in the sector of finance lease investments. For this purpose, it formed a special Department whose objective was approbation, management and monitoring of the aforementioned category investments. In the frame of this policy and in order to create scaled economies, in the duration of the prior year, the Bank has absorbed its Subsidiary entity ATTIKI LEASING S.A. The absorption was carried out in compliance with the requirements of Law 2166/1993.

### 19.3 PROVISIONS FOR LOAN IMPAIRMENT TO CUSTOMERS

(Amounts reported in €)

	Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgages	Total
<b>a) Loans to private individuals</b>					
<b>Balance as at January 1<sup>st</sup>, 2007</b>	<b>14.503.050,53</b>	<b>25.466.238,27</b>	<b>15.245.389,24</b>	<b>5.954.019,22</b>	<b>61.168.697,26</b>
Provision for loan impairment	2.530.740,86	3.529.261,78	3.717.389,43	2.646.093,86	12.423.485,93
Write-offs	(2.821.395,97)	(12.170.380,96)	(1.595.477,09)	(438.966,40)	(17.026.220,42)
<b>Balance as at December 31<sup>st</sup>, 2007</b>	<b>14.212.395,42</b>	<b>16.825.119,09</b>	<b>17.367.301,58</b>	<b>8.161.146,68</b>	<b>56.565.962,77</b>
<b>Balance as at January 1<sup>st</sup> 2008</b>	<b>14.212.395,42</b>	<b>16.825.119,09</b>	<b>17.367.301,58</b>	<b>8.161.146,68</b>	<b>56.565.962,77</b>
Provision for loan impairment	2.000.073,79	1.806.635,32	4.490.440,91	4.622.982,36	12.920.132,38
Write-offs	(710.307,07)	(1.466.301,26)	(1.026.930,29)	0,00	(3.203.538,62)
<b>Balance as at December 31<sup>st</sup>, 2008</b>	<b>15.502.162,14</b>	<b>17.165.453,15</b>	<b>20.830.812,20</b>	<b>12.784.129,04</b>	<b>66.282.556,53</b>
<b>b) Corporate loans</b>					
<b>Balance as at January 1<sup>st</sup>, 2007</b>					<b>53.875.106,30</b>
Provision for loan impairment					17.976.514,07
Write-offs					(13.366.643,84)
<b>Balance as at December 31<sup>st</sup>, 2007</b>					<b>58.484.976,53</b>
<b>Balance as at January 1<sup>st</sup> 2008</b>					<b>58.484.976,53</b>
Provision for loan impairment					21.669.606,26
Write-offs					(14.615.730,03)
<b>Balance as at December 31<sup>st</sup>, 2008</b>					<b>65.538.852,76</b>

The Group has already placed in application a system for measuring the credit risk, which takes into account all the factors that may affect the regular repayment of the loan and therefore assures the correct presentation of the size of their impairment through the set up of a respective provision. This provision is the difference between the carrying amount of the claim and the loan amount awaited to be collected.

## 20. FINANCIAL ASSETS AVAILABLE FOR SALE

(Amounts reported in €)

CLASSIFICATION BY TYPE AND MARKET	31/12/2008 Fair Value	31/12/2007 Fair Value
Government Bonds-Domestic	64.406.000,00	18.638.000,00
<b>Government Bonds</b>	<b>64.406.000,00</b>	<b>18.638.000,00</b>
Corporate Listed –Domestic	0,00	111.432,00
Corporate Listed –Foreign	18.477.500,00	17.158.975,00
<b>Corporate Listed Bonds</b>	<b>18.477.500,00</b>	<b>17.270.407,00</b>
Corporate Non Listed –Domestic	803.612,67	480.000,00
Corporate Non Listed –Foreign	738.076,37	787.310,50
<b>Corporate Non Listed Bonds</b>	<b>1.541.689,04</b>	<b>1.267.310,50</b>
<b>Bonds</b>	<b>84.425.189,04</b>	<b>37.175.717,50</b>
Listed shares-Domestic	2.781.081,20	636.898,96
Listed shares- Foreign	13.074,27	0,00
Non Listed shares-Domestic	296.724,62	298.558,17
<b>Shares</b>	<b>3.090.880,09</b>	<b>935.457,13</b>
Mutual fund shares - Domestic	4.384.397,58	3.307.037,08
Mutual fund shares - Foreign	22.898.188,52	25.828.615,15
<b>Mutual fund shares</b>	<b>27.282.586,10</b>	<b>29.135.652,23</b>
<b>Financial assets available for sale</b>	<b>114.798.655,23</b>	<b>67.246.826,86</b>

In compliance with the amendments to IAS 39 issued following the decision of the International Accounting Standards Board (IASB) as at 13<sup>th</sup> October 2008, the Bank transferred from «Trading Portfolio Securities» to «Available for Sale Securities» of the Investing Portfolio the shares, listed on Athens Stock Exchange amounting to € 3,6 million, since, since, due to specific conditions existing in the financial market during this period, it is estimated that the prices of ASE listed companies do not represent the real value of the above companies. It is the Bank's intention to hold these shares and not to proceed to their disposal in the nearest future. The measurement of the shares in question for the period from 1/7/2008 to 31/12/2008 inclusively stood at a loss of € 1,34 million that was recorded in the reserves «Available for sale portfolio» as in compliance with the aforementioned decision. The segment of the loss arising from the measurement of the aforementioned shares pertaining to the period from 1/1 to 30/6/2008 amounting to € 1,02 million has been included in profit and loss from trading portfolio the closing year.

(Amounts reported in €)

Change in Financial assets available for sale	
<b>Balance as at January 1<sup>st</sup>, 2007</b>	<b>96.927.947,95</b>
Additions	8.259.284,89
Sales/decreases/maturity	(35.823.057,40)
Premium / discount	110.912,03
Adjustment at fair value carried directly to reserves	(2.228.260,61)
<b>Balance as at December 31<sup>st</sup>, 2007</b>	<b>67.246.826,86</b>
<b>Balance as at January 1<sup>st</sup>, 2008</b>	<b>67.246.826,86</b>
Additions	73.100.456,77
Sales/decreases/maturity	(14.123.831,03)
Foreign exchange differences	(9.380,25)
Premium / discount	(800.085,91)
Adjustment at fair value carried directly to reserves	(14.616.182,85)
Transfers	4.000.851,64
<b>Balance as at December 31<sup>st</sup>, 2008</b>	<b>114.798.655,23</b>

## 21. INVESTMENTS HELD TO MATURITY

(Amounts reported in €)

<b>CLASSIFICATION BY TYPE AND MARKET</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Government Bonds- Domestic	0,00	10.006.521,85
<b>Government Bonds</b>	<b>0,00</b>	<b>10.006.521,85</b>
Corporate Listed Bonds- Foreign	11.957.862,55	11.954.684,38
<b>Corporate Listed Bonds</b>	<b>11.957.862,55</b>	<b>11.954.684,38</b>
<b>Bonds</b>	<b>11.957.862,55</b>	<b>21.961.206,23</b>
<b>Investments held to maturity</b>	<b>11.957.862,55</b>	<b>21.961.206,23</b>

Held to maturity investment securities are carried at amortized cost. Their fair value as at 31/12/2008 amounts to € 9.615 thousand and as at 31/12/2007 amounts to € 19.879 thousand.

(Amounts reported in €)

<b>Change in investments held to maturity portfolio</b>	
<b>Balance as at January 1<sup>st</sup>, 2007</b>	<b>26.972.283,82</b>
Additions	-
Sales/decreases/maturity	(5.000.000,00)
Premium / discount	(11.077,59)
Adjustment at fair value carried directly to reserves	-
<b>Balance as at December 31<sup>st</sup>, 2007</b>	<b>21.961.206,23</b>
<b>Balance as at January 1<sup>st</sup>, 2008</b>	<b>21.961.206,23</b>
Additions	-
Sales/decreases/maturity	(10.000.000,00)
Premium / discount	(3.343,68)
Adjustment at fair value carried directly to reserves	-
<b>Balance as at December 31<sup>st</sup>, 2008</b>	<b>11.957.862,55</b>

**22. INVESTMENT IN SUBSIDIARIES**

In December 2007, there was established the company «AtticaBank Properties S.A.». The company was established for the purposes of the Bank's property management as well for broader activities in the domain of property management. The participating interest of the Bank in its share capital as at 31/12/2008 amounts to € 1.060.000,00. The company was first included in the consolidated financial statements under full consolidation method in the closing year. Within the corresponding closing year, it was not included in the consolidated financial statements since the sizes of the newly established company had no material effect on them.

The following table presents the number of shares of the company, the participation percentage in it, its equity (% participation of the Bank) and the acquisition value of the shares held only for the comparable year ended as at 31/12/2007, for which the company, as a newly established, was not included in the consolidation.

Company	Country of incorporation	Number of shares	% Participation	31/12/2007		
				Equity (% participation of the Bank)	Acquisition value	Book value
1. AtticaBank Properties S.A.	Greece	600	100,00%	60.000,00	60.000,00	60.000,00
<b>Investments in subsidiaries</b>					<b>60.000,00</b>	<b>60.000,00</b>

### 23. INVESTMENTS IN ASSOCIATES

31/12/2008		
<b>Special participation</b>	<b>Country of incorporation</b>	<b>% Participation</b>
Zaitech Innovation Venture Capital Fund	Greece	50,00%

Zaitech Innovation Venture Capital Fund was recognized as investment in associates according to IAS 27 during the period ended on 31/12/2008 and it was consolidated for the first time using Equity method as at 31/3/2008. In the corresponding prior year it was classified as financial assets at fair value through profit and loss.

The reason for this reclassification was due to the fact that the Bank as the main shareholder of Zaitech Innovation Venture Capital Fund exercises dominant influence on the investing committee of the Venture Capital that has the exclusive responsibility for the investments made as well as their liquidation.

This dominant influence is the result of an agreement between the Bank that is the trustee and its subsidiary Attica Ventures S.A., that has the management of the Capital Fund and the shareholders of the Fund, Attica Bank and the New Economy Development Fund (TANEO). It is to be noted that within the previous year the mutual fund measurement had no effect on the consolidated income statement.

The participating interest of the Bank as at 31/12/2008 in Zaitech Innovation Venture Capital Fund amounted to € 7.290.457,03, while the percentage of earnings in the income statement from the consolidation under equity method for the aforementioned mutual fund amounted to € 2.044.064,81.

#### 24. INTANGIBLE ASSETS

<b>(Amounts reported in €)</b>	
<b>DESCRIPTION</b>	<b>Software</b>
<b>Opening balance</b>	
Cost	14.044.532,59
Accumulated Depreciation and Impairment	(6.753.040,59)
<b>Net Book Value 01/01/2007</b>	<b>7.291.492,00</b>
<b>Plus:</b>	
Acquisitions	2.332.362,11
Sales	(2.623,28)
<b>Less:</b>	
Depreciation charge for the year	(1.794.930,29)
Impairment charge for the year	2.344,17
<b>Net Book Value 31/12/2007</b>	<b>7.828.644,71</b>
<b>Plus:</b>	
Acquisitions	6.754.674,15
Impairment/Sales	(35.388,57)
<b>Less:</b>	
Depreciation charge for the year	(1.955.724,79)
Impairment/sales charge for the year	35.388,57
<b>Net Book Value 31/12/2008</b>	<b>12.627.594,07</b>
<b>Plus:</b>	
Cost	23.093.557,00
Accumulated Depreciation and Impairment	(10.465.962,93)
<b>Net Book Value 31/12/2008</b>	<b>12.627.594,07</b>



**25. PROPERTY, PLANT AND EQUIPMENT**

(Amounts reported in €)

DESCRIPTION	Land	Buildings	Motor Vehicles	Furniture and other Equipment	Leasehold improvement on third party	Under Construction	Total
<b>Opening net book amount</b>							
Cost	9.672.564,17	13.624.134,25	109.657,74	22.488.175,57	11.201.470,70	125.566,21	<b>57.221.568,64</b>
Accumulated Depreciation and Impairment	(59.418,56)	(734.934,01)	(92.041,52)	(16.070.658,58)	(7.294.382,72)	-	<b>(24.251.435,39)</b>
<b>Opening Net Book Value 01/01/2007</b>	<b>9.613.145,61</b>	<b>12.889.200,24</b>	<b>17.616,22</b>	<b>6.417.516,99</b>	<b>3.907.087,98</b>	<b>125.566,21</b>	<b>32.970.133,25</b>
<b>Plus:</b>							
Acquisitions/ Revaluations	-	79.166,17	-	2.306.133,89	1.949.049,65	-	<b>4.334.349,71</b>
Sales	-	-	-	(2.318.141,50)	-	-	<b>(2.318.141,50)</b>
<b>Less:</b>							
Depreciation charge	-	(262.683,48)	(9.847,37)	(1.822.700,55)	(862.532,43)	-	<b>(2.957.763,83)</b>
Impairment Charge	-	-	-	2.312.845,77	-	-	<b>2.312.845,77</b>
Other	-	261.241,24	-	-	-	(83.692,60)	<b>177.548,64</b>
<b>Net Book Value 31/12/2007</b>	<b>9.613.145,61</b>	<b>12.966.924,17</b>	<b>7.768,85</b>	<b>6.895.654,60</b>	<b>4.993.605,20</b>	<b>41.873,61</b>	<b>34.518.972,04</b>
Cost	9.672.564,17	13.703.300,42	109.657,74	22.476.167,96	13.150.520,35	41.873,61	<b>59.154.084,25</b>
Accumulated Depreciation and Impairment	(59.418,56)	(736.376,25)	(101.888,89)	(15.580.513,36)	(8.156.915,15)	-	<b>(24.635.112,21)</b>
<b>Net Book Value 31/12/2007</b>	<b>9.613.145,61</b>	<b>12.966.924,17</b>	<b>7.768,85</b>	<b>6.895.654,60</b>	<b>4.993.605,20</b>	<b>41.873,61</b>	<b>34.518.972,04</b>
<b>Plus:</b>							
Acquisitions	-	425.905,97	-	2.398.418,39	2.157.278,34	121.380,00	<b>5.102.982,69</b>
Impairment/Sales	-	(9.996,06)	(87.228,17)	(320.242,73)	(209.446,02)	-	<b>(626.912,98)</b>
Revaluations	4.161.854,39	1.863.551,39	-	-	-	-	<b>6.025.405,78</b>
<b>Less:</b>							
Depreciation charge	-	(258.182,02)	(5.045,81)	(2.139.204,75)	(599.022,71)	-	<b>(3.001.455,29)</b>
Impairment/sales charge	-	9.996,06	85.054,71	320.242,74	209.446,02	-	<b>624.739,53</b>
Adjustment of depreciation due to revaluation	-	(194.683,42)	-	-	-	-	<b>(194.683,42)</b>
<b>Net Book Value 31/12/2008</b>	<b>13.775.000,00</b>	<b>14.803.516,09</b>	<b>549,58</b>	<b>7.154.868,25</b>	<b>6.551.860,83</b>	<b>163.253,61</b>	<b>42.449.048,35</b>
Cost	13.834.418,56	15.982.761,72	22.429,57	24.554.343,62	15.098.352,67	163.253,61	<b>69.655.559,74</b>
Accumulated Depreciation and Impairment	(59.418,56)	(1.179.245,63)	(21.879,99)	(17.399.475,37)	(8.546.491,84)	-	<b>(27.206.511,39)</b>
<b>Net Book Value 31/12/2008</b>	<b>13.775.000,00</b>	<b>14.803.516,09</b>	<b>549,58</b>	<b>7.154.868,25</b>	<b>6.551.860,83</b>	<b>163.253,61</b>	<b>42.449.048,35</b>

Property, plant and equipment (land and buildings) has been revaluated. The valuation was performed at fair value by an independent valuer. For further analysis please refer to note 36 that refers to reserves.

## 26. INVESTMENT PROPERTY

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>21.091.014,34</b>	<b>7.049.697,61</b>
Additions	5.934.961,36	6.994.014,35
Revaluation at fair value	1.741.739,12	7.047.302,38
<b>Closing balance</b>	<b>28.767.714,82</b>	<b>21.091.014,34</b>

Investment property is carried at fair value. The valuation was performed by an independent valuer on annual basis.

Income from investment property rents amounts to € 538.017,39 for 2008 and € 220.568,83 for 2007 respectively.

## 27. OTHER ASSETS

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Prepaid expenses	1.801.194,92	4.348.602,96
Tax advances and other tax receivables	5.253.094,26	1.943.361,63
Accrued interest and commissions	29.748.340,93	23.094.579,29
Other receivables from public sector	3.289.098,63	1.199.357,61
Stationery	658.533,47	660.624,50
Other payable	13.138.602,69	16.969.358,01
Guarantees	3.603.080,62	2.913.300,85
Temporary accommodations to employees	1.118.486,86	3.284.346,12
Down payments for finance lease investment products	295.088,45	2.943.608,37
Doubtfull accounts other than loans	8.683.615,24	8.614.584,96
Receivables from mortgages securitization	54.250.093,38	0,00
Contribution to Deposit Guarantee Fund	11.440.952,00	0,00
Prepaid interest of time deposits	3.713.319,27	408.158,34
Due from clients for public register of lands fees	506.107,32	0,00
Other	7.178.782,75	21.485.904,12
<b>Other assets</b>	<b>144.678.390,83</b>	<b>87.865.786,77</b>

Other doubtful accounts apart from loans include an amount of € 7,9 million pertaining to irregularities in the Bank network branches that took place in the previous years. The Bank has made a sufficient provision for the above amount as in compliance with the expertise of the Legal Services.

The category of «Receivables from securitization of mortgages» includes the amounts that the Bank has deposited as collateral for the mortgages securitization plan that was carried out within the year 2008.

The category «Contribution to Deposit Guarantee Fund» includes the additional contribution paid by the Bank to Deposit Guarantee Fund (TEKE) in compliance with the Law 3746/2009.

It is to be noted that analysis of other assets of the prior year have been readjusted in order to be comparable to those of the closing year.

## 28. DUE TO OTHER FINANCIAL INSTITUTIONS

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Current deposits	7.095.958,84	6.479.034,04
Interbank time deposits	1.061.000.000,00	440.000.000,00
Time deposits other than interbank	0,00	1.353.500,00
Other	129.382,65	231,98
<b>Due to other financial institutions</b>	<b>1.068.225.341,49</b>	<b>447.832.766,02</b>

The analysis of due to other financial institution of the prior year financial institutions of the prior year have been readjusted in order to be comparable to those of the closing.

## 29. DUE TO CUSTOMERS

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Current accounts	49.930.328,59	90.187.645,02
Saving accounts	395.299.628,59	400.927.191,04
Time deposits	1.604.691.756,45	1.202.165.774,70
Blocked	809,27	809,27
<b>Deposits from individuals</b>	<b>2.049.922.522,90</b>	<b>1.693.281.420,03</b>
Current accounts	231.900.055,10	297.797.563,33
Time deposits	456.644.795,49	550.525.171,09
Blocked	75.550.738,26	76.693.620,38
<b>Deposits from legal entities</b>	<b>764.095.588,85</b>	<b>925.016.354,80</b>
Current accounts	45.445.216,62	139.606.387,14
Time deposits	51.454.209,13	101.331.241,91
Blocked	2.729.875,83	2.864.902,97
<b>Public sector deposits</b>	<b>99.629.301,58</b>	<b>243.802.532,02</b>
Current accounts	6.770.067,64	10.130.907,45
Saving accounts	1.865.492,47	3.152.672,34
<b>Other deposits</b>	<b>8.635.560,11</b>	<b>13.283.579,79</b>
Repos from legal entities	1.500.000,00	0,00
<b>Repos</b>	<b>1.500.000,00</b>	<b>0,00</b>
<b>Other due to customers</b>	<b>27.487.090,99</b>	<b>40.465.997,55</b>
<b>Due to customers</b>	<b>2.951.270.064,43</b>	<b>2.915.849.884,19</b>

### 30. ISSUED BONDS

(Amounts reported in €)				
DESCRIPTION	Average interest	31/12/2008		31/12/2007
		Carrying amount	Average interest	Carrying amount
1. SUBORDINATED LOAN (LOWER TIER II)	6,18%	99.962.623,00	5,45%	99.915.410,00
2. BOND LOAN Law 3156/2003	-	0,00	5,61%	49.650.652,00
<b>Issued bonds</b>		<b>99.962.623,00</b>		<b>149.566.062,00</b>

The first loan refers to the subordinated loan (Lower Tier II) that was issued on 24/03/2005 with a term of 10 years and the option to redeem in 5 years. It is designated for capital adequacy calculation purposes. The interest payment schedule is quarterly and the interest rate is Euribor plus a spread of 1,32%. The subordinated loan has been issued by ATTICA FUNDS PLC (subsidiary) and the securities are listed in the Luxemburg Stock Exchange.

Within the closing year, in March, the Bank redeemed bonds amounting to 10.000.000,00 € as a contractual obligation and in August it proceeded to advanced redemption of bonds amounting to 40.000.000,00 € to Emporiki Bank, by which, the bond loan issued by the company «Attiki Leasing S.A.» (already absorbed by the bank) was fully covered.

The amount of interest that charged the results of the closing year for the purposes of the aforementioned bond loan came to € 2.080.598,13.

### 31. DEFERRED TAX ASSETS - LIABILITIES

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Revaluation of intangible assets	0,00	297,74
Provision for impairment of loan losses	2.997.750,00	2.997.750,00
Employee retirement benefits	4.413.520,00	6.813.254,76
Available for sale securities	4.736.664,58	0,00
Tax-free reserves from securities' sales from offsetting losses	2.604.144,66	0,00
Other temporary differences	6.906.829,31	6.019.660,97
<b>Deferred tax Assets</b>	<b>21.658.908,55</b>	<b>15.830.963,47</b>
Revaluation of intangible assets	(793.490,05)	(595.813,07)
Revaluation of property, plant and equipment	(1.554.913,00)	(162.872,39)
Provisions for contingent liabilities	(1.597.961,00)	(820.000,00)
Other temporary differences	(85.321,98)	(769.973,54)
<b>Deferred Tax Liabilities</b>	<b>(4.031.686,03)</b>	<b>(2.348.659,00)</b>
<b>Deferred Tax Asset, net</b>	<b>17.627.222,52</b>	<b>13.482.304,47</b>

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled. If the tax rate changes at the year that deferred tax asset is realized or deferred tax liability is settled, then the difference is recognized in the income statement.

## 32. PROVISIONS FOR RETIREMENT BENEFIT OBLIGATION

The table below presents the total amount of pension obligations which is recognized in the financial statements:

<b>(Amounts reported in €)</b>					
	<b>Note</b>	<b>Balance Sheet 31/12/2008</b>	<b>Income Statement 1/1-31/12/2008</b>	<b>Balance Sheet 31/12/2007</b>	<b>Income Statement 1/1-31/12/2007</b>
Defined benefit plan	32.1	11.802.677,70	0,00	20.499.232,99	0,00
Defined contribution plans (full)	32.2	196.936,73	1.064.191,13	596.936,73	452.487,30
Retirement benefits according to employment regulation	32.3	5.813.071,01	68.380,38	6.210.503,93	647.169,00
<b>Total</b>		<b>17.812.685,44</b>	<b>1.132.571,51</b>	<b>27.306.673,65</b>	<b>1.099.656,30</b>

### 32.1 DEFINED BENEFIT PLAN

The amounts as at 31/12/2008 have been introduced following the actuarial survey, the results of which are included in the Law 3554/2007. The amounts of the comparative year ended as at 31/12/2007 have been introduced following the actuarial survey, the results of which are included in the Law 3554/2007.

**(Amounts reported in €)**

<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Balance Sheet</b>		
Present value of defined benefit obligation	47.370.035,96	54.430.555,29
(Fair value of plan assets)	(35.567.358,26)	(33.931.322,30)
<b>Total</b>	<b>11.802.677,70</b>	<b>20.499.232,99</b>

The Extraordinary General Meeting of the shareholders of the Bank, held on 16<sup>th</sup> September 2005, as it arises from its minutes decided the rescission of the Group insurance contract between the Bank, the Employees' Association and ETHNIKI GENERAL INSURANCE CO. S.A., concerning the section Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), and its subject to the regulations of L. 3371/2005. In the frame of this decision the Bank recognized in the Financial Statements of 1 January 2004 (making use of the relevant option of IFRS 1), a liability of € 26.958 thousand, which was directly charged to Equity. During the period from 1.1 to 31.12.2004 the additional charge of the Bank through the Income Statement amounted to € 644 thousand. For the six month period of 2005, the plan existing at the Bank for defined benefits, the charge of the results amounted to € 220 thousand.

The above amounts arose from a special financial study realized by a group of independent actuaries. The accounting treatment followed is in accordance with L. 3371/2005, which enabled the credit institutions to present in the financial statements of 2005 the financial result of the subject to these provisions of law.

Upon resolution of the aforementioned Extraordinary General Meeting, the BoD of the Bank at its session held on 14/12/2005, proceeded in an appeal against the relative contract. Afterwards, in accordance with its appeal of 28/04/2006, the Bank required the subject of the account for Insurance Cover of the employees of the Bank to the Unified Fund of Bank Employees Insurance (E.T.A.T.) as well as to Law 3371/2005, as it is applied following the amendment of the Law 3455/2006.

The Law 3554/2007 as taking into account the content of Article 9, publicized on April 16, 2007, regulated in the particular way the requirements due concerning the insured and retired employees of Attica Bank. In compliance with the aforementioned Article, those insured until 31/12/1992, as well as those retired who are subject to the same category belonging to Capital Management of Additional Insurance and Complementary Pension Benefits

(L.A.K.), are introduced as from 1.1.2007 to the Unified Fund of Bank Employees Insurance (E.T.A.T.). The relevant decision of E.T.A.T. N. 67 of the 61<sup>st</sup> session as at 8.5.2007 was publicized.

In accordance with the aforementioned, the Bank deposited to E.T.A.T. up to 31/12/2008 the amount of its two first installments due to E.T.A.T., an amount of € 7.625.000,00 for the year 2007 and the same amount for 2008. There were further deposited by the Bank to E.T.A.T. the lump sum amounting to € 770 thousand that pertains to the return of tax contributions of 1.01.1993 insured in L.A.K. The aforementioned amounts arose from the special financial research carried out by the Ministry of Economy and Finance.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into ETAT, there was made a reversal claim N. 4686/2006 by the Association of Attica Bank Employees as against the N 22/23/17-5-2006 decision of ETAT. Furthermore, there were made reversal claims Num 4635/2007 by the Greek Association of Attica Bank Pensioners as against the decision of E.T.A.T. 61/8-5-2007 and 4693/2007 reversal claim by the Capital Management of Additional Insurance and Complementary Pension Benefits as against the decision of E.T.A.T. 61/8-5-2007. The aforementioned reversal claims were heard in the Supreme Court of the Council of State on 26.9.2008 and the decision is pending.

Furthermore, there are pending the reversal claims made by the associations of employees of third party banks as against the PD 209/2006 making provisions for the E.T.A.T. operation. The Bank has exercised the claim in favor of the PD on E.T.A.T. The aforementioned claims were also heard in the Supreme Court of the Council of State on 26.9.2008 and the decision is pending.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into ETAT claim made by the Association of Attica Bank Employees etc, it was overruled following Num. 2970/2008 decision of the First Instance Court of Athens. Potentially, an appeal will be made as against the aforementioned decision.

According to the expertise carried out by university professors, the legal position held by the Bank concerning the constitutional legality of LAK introduction into ETAT is legally sound. The above expertise is further reinforced following the relative expertise of scientific committee of the Parliament on Article 9 of the Law 3554/2007 as well as on protocol 240/2006 of the 5<sup>th</sup> Department of the Council of State. However, the arising legal issues are novel and particularly difficult, since there is no possibility of reliable estimate for the final outcome of the proceedings, which may last for a long time. There have also arisen in court the legal issues beyond the issues specifically described in the expertise, which judgment could lead to reversal of the integration of LAK in ETAT.

### 32.2 DEFINED CONTRIBUTION PLANS (FULL)

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>Balance Sheet</b>		
Present value of defined benefit obligation	15.912.617,73	14.910.180,69
(Fair value of plan assets)	(15.715.681,00)	(14.313.243,96)
<b>Total Balance Sheet obligation</b>	<b>196.936,73</b>	<b>596.936,73</b>

The change in the current value of liabilities is analyzed as follows:

	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>14.910.180,69</b>	<b>16.072.103,00</b>
Service cost	938.507,00	612.000,00
Interest expenses	820.060,00	365.720,00
Actuarial gains/losses	(91.509,96)	(1.294.890,00)
Contributions paid within the year	(664.620,00)	(844.752,31)
<b>Closing balance</b>	<b>15.912.617,73</b>	<b>14.910.180,69</b>

The change in the current value of the assets is analyzed as follows:

	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>14.313.243,96</b>	<b>14.527.997,27</b>
Expected performance	357.831,00	388.600,00
Contributions	2.108.435,23	2.124.450,57
Actuarial gains/losses	(399.209,19)	(1.883.051,57)
Contributions paid within the year	(664.620,00)	(844.752,31)
<b>Closing balance</b>	<b>15.715.681,00</b>	<b>14.313.243,96</b>
<b>Balance Sheet liabilities</b>	<b>196.936,73</b>	<b>596.936,73</b>

The amounts burdening the profit and loss of the period are as follows:

	31/12/2008	31/12/2007
Service cost	938.507,00	612.000,00
Interest expenses	820.060,00	365.720,00
Expected performance	(357.831,00)	(388.600,00)
Actuarial gains/losses	307.699,23	588.161,57
Less: employees' contributions	(644.244,10)	(724.794,27)
<b>Charge to the income statement</b>	<b>1.064.191,13</b>	<b>452.487,30</b>

It concerns additional full benefit plans, which are granted by the Account Insurance Cover. According to the resolution of the Extraordinary General Meeting held on 16<sup>th</sup> September 2005, the specific plan which concerns full benefits, that are granted to the Banks' employees during the time of their retirement, continues to operate as a defined benefit plan according to that set in IAS 19.

### 32.3 RETIREMENT BENEFITS ACCORDING TO EMPLOYMENT REGULATION

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>Balance Sheet</b>		
Present value of non defined benefit obligation	5.813.071,01	6.210.503,93
(Fair value of plan assets)	-	-
<b>Total</b>	<b>5.813.071,01</b>	<b>6.210.503,93</b>

The change in the current value of liabilities is analyzed as follows:

	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>6.210.503,93</b>	<b>6.333.372,33</b>
Service cost	522.420,00	519.990,00
Interest expenses	336.657,00	279.443,00
Actuarial gains/losses	(790.696,62)	(152.264,00)
Contributions paid within the year	(465.813,30)	(770.037,40)
<b>Closing balance</b>	<b>5.813.071,01</b>	<b>6.210.503,93</b>

The amounts burdening the profit and loss of the period are as follows:

	31/12/2008	31/12/2007
Service cost	522.420,00	519.990,00
Interest expenses	336.657,00	279.443,00
Actuarial gains/losses	(790.696,62)	(152.264,00)
<b>Charge to the income statement</b>	<b>68.380,38</b>	<b>647.169,00</b>

The above items concern, based on the Bank's Regulations, provided employee retirement obligation as well as the liability arising from L. 2112/1920.

The size of the obligation of the above plans, was determined based on an actuarial valuation, which has been prepared by independent actuaries.

The main assumptions made in order to carry out the actuarial valuations are presented on the following table:

	31/12/2008	31/12/2007
Discount rate	6,0%	5,5%
Expected returns on plan assets	6,0%	5,5%
Future salary increase	3,0%	3,5%

### 33. OTHER PROVISIONS FOR RISKS AND LIENS

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Provisions for tax inspection	22.293,82	38.000,00
Provision for litigious claims	1.308.005,39	1.100.000,00
Provisions for losses apart from loans	42.773,93	40.156,13
Provisions for extraordinary losses coverage	4.000.000,00	4.000.000,00
Other provisions	1.257.934,55	1.320.000,00
<b>Other provisions for risks and liens</b>	<b>6.631.007,69</b>	<b>6.498.156,13</b>

### 34. OTHER LIABILITIES

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Taxes and duties payable (except income tax)	2.737.492,66	3.074.519,77
Income tax payable	975.699,61	300.665,81
Dividends payable	33.953,01	44.770,86
Creditors and suppliers	7.231.743,49	11.841.348,21
Liabilities to insurance institutions	2.292.704,61	1.991.786,60
Expenses payable	8.394.826,29	2.419.238,11
Commissions and interest payable	21.935.541,87	15.974.983,19
Liabilities due to collection on behalf of public sector	57.174,41	304.891,97
Liabilities due to collection on behalf of third parties	1.382.809,05	138.767,07
Deferred income	184.876,65	242.089,60
Salaries payable	0,00	34.663,41
Other liabilities	2.720.232,48	156.075,42
<b>Other liabilities</b>	<b>47.947.054,13</b>	<b>36.523.800,01</b>



**35. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND ACCUMULATED PROFIT/LOSS**

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Paid up	47.616.639,35	46.243.629,60
<b>Share capital</b>	<b>47.616.639,35</b>	<b>46.243.629,60</b>
<b>Less: treasury shares</b>	<b>(10.516,00)</b>	<b>0,00</b>
Share premium	249.610.876,79	238.538.533,95
<b>Share premium</b>	<b>249.610.876,79</b>	<b>238.538.533,95</b>
<b>Accumulated profit/loss</b>	<b>25.173.844,41</b>	<b>30.933.796,16</b>
<b>Minority interest</b>	<b>782,32</b>	<b>548,47</b>

The share capital of the Bank amounts to € 47.616.639,35, and is divided into 136.047.541 ordinary shares of nominal value € 0,35 each and is fully paid. The changes in share capital, in share premium and in treasury shares during the year in question are as follows:

A) Increase in share capital through dividend's reinvestment

On 16/05/2008 the Extraordinary General Assembly of the shareholders decided on the increase of the Bank's share capital up to the amount of € 1.712.726,75 by issuing up to 4.893.505 new shares through the reinvestment of the dividends distributed from the profits of the year 2007 at the discretion of the beneficiaries of the dividend. The price of each share would equal the average of the market price at the first four days of trade without right to the dividend, decreased by 10%. The disposal price was settled at € 3,17.

Consequently, the Bank's share capital was increased by € 1.240.261,05, with the issue of 3.543.603 new common nominal shares with voting right and amounted to € 47.483.890,65 divided into 135.668.259 shares with nominal value of € 0,35 each. The total amount of the share premium of the new shares paid € 9.992.960,46 was classified in the "Share Premium" account which was increased by this amount minus the expenses that occurred due to the increase of the share capital amounting to € 1.240,26.

On 24/06/2008 the number K2-6772 decision of the Deputy Minister of Development was entered in the Societé Anonyme register, by which the aforementioned amendment of article 5 of bank's charter was approved. The reason for this approval was the share capital increase which was decided by the Extraordinary General Assembly of bank's shareholders on 16/5/2008 and by the Board of Directors meeting on 13/6/2008, which at the same date was entered in the Societé Anonyme register.

On 10/7/2008 the Board of Directors of the Athens Stock Exchange approved the admission to stock exchange market of the new shares and since Thursday, 17 July 2008 trading at the Athens Stock Exchange has started.

B) Increase in share capital through implementation of stock option plan

The Ordinary General Assembly of the bank's shareholders which took place at 16/4/2008 set the stock option plan for shares acquisition by the administrative staff and employees of the Bank and its related companies. The number of rights cannot exceed the 1,5% of the shares in circulation. The price of exercised rights was set at 80% of the weighted average market value of the first semester for each year that the plan lasts. The exercise period is from 1<sup>st</sup> July to 31<sup>st</sup> of August for each year that the plan lasts.

The rights mature as follows: a) On 1<sup>st</sup> July 2008 (i.e. the first year of the plan) 50% of the granted rights mature. b) On 1<sup>st</sup> July 2009 (second year of the plan) matures the remaining 50% of the rights. The exercise of the rights arises as follows: a) Up to 50% of the rights are exercised from 1<sup>st</sup> July 2008 to 31<sup>st</sup> August 2008 for the first year

of the plan. b) The remaining 50% as well as every non-exercised percentage of rights are exercised accumulatively for the term between the 1<sup>st</sup> July 2009 and the 31<sup>st</sup> August 2009 i.e. the second year of the plan. In case of existence of non exercised rights until the 31<sup>st</sup> August 2009, these rights are written off.

In order to avoid any change upon the beneficiaries' rights, the number of shares that is issued in accordance with the certificates is adjusted mathematically when the Share Capital of the bank changes, as for example by the issuing of free or by cash payment new shares, or when the nominal value of the share changes or other corporate events take place as for example merger etc. In that case the Board of Directors sets the adjusted equivalence between the number of shares and the acquisition value for each share

Following the 16.07.2008 BoD decision, as far as the stock option plan is concerned, made at the Ordinary General Assembly of the shareholders held on 16.04.2008, coupled with the BoD Decision as at 30.06.2008, a term is added defining that the rights, not exercised due to withdrawal, resignation or disputing the beneficiary's contract, in order to be distributed, through a new decision of the BoD, to personnel recruited after 31.12.2007.

For the first year of the program implementation, the distribution price of the new shares was settled at € 2,90, thus corresponding to 80% of weighted average price of the Bank's share of the first semester of 2008.

Within the frame of the implementation of the aforementioned stock option plan, there were distributed to the executive BoD members of the Bank and employees of the Bank and its related companies the options for the purchase of up to 1.009.385 shares of the Bank at a price of € 2,90 per share. The total of options over the shares for the two years of the plan duration amounts to 2.018.769.

In compliance with the aforementioned, up to 31 August 2008, out of 718 beneficiaries of the plan, 210 exercised their rights for the purchase of a total of 379.282 shares (out of the total of 1.009.385 shares pertaining to the first year of the plan duration), at the acquisition price of € 2,90 per share.

As a result of the above stock option plan exercise, in compliance with as of 01.09.2008 decision of the BoD, the share capital of the Bank increased by € 132.748,70 with the issue of a total of 379.282 new, nominal common shares with voting rights and amounted to €47.616.639,35, divided into 136.047.541 shares of nominal value of € 0,35 each. The total share premium value of the aforementioned shares amounting to € 967.169,10 was credited to the account «Share Premium», which increased by the amount in question less the relevant share capital expenses following the implementation of the stock option plan for the first year amounting to € 34.466,44. Furthermore, the balance of the account «Share Premium» was increased by the amount of € 147.919,98 that pertains to payroll expenses that burden the Bank within the frame of the implementation of the aforementioned plan.

At its meeting held on 03.09.2008, the BoD verified the payment of the amount of the aforementioned increase and on 6.10.2008, following the announcements num. K2-12224 and K2-12224 (2), the aforementioned increase as well as its verification was registered in the Société Anonyme register of the Ministry of Development.

The BoD of Athens Stock Exchange at its meeting as at 23.10.2008 approved introduction for trading of the aforementioned new shares and trading on ASE started on Friday, 31 October 2008.

### C) Treasury shares

Following the resolution of the Extraordinary General Assembly of the Shareholders as at 20<sup>th</sup> November 2008, it was decided that for the purposes of shares distribution to the beneficiaries of the stock option plan in the second effective year or for the purposes of any other potential distribution of shares or options to the personnel, the Bank will by 31.8.2009 acquire up to one million (1.000.000) own shares which correspond to 0,73% of the Bank's current share capital, at the upper and lower price of € 4,50 and € 1,30 correspondingly.

In case the shares as at the upper limit remain undistributed, The Board of Directors will present to the future General Assembly of the Bank's Shareholders the issue of using the aforementioned shares within the frame of the future stock option plan distributions to the personnel of the Bank or related companies as in compliance with the requirements of Article 16, par. 3 b of the CL 2190/1920.

Following the implementation of the above decision, in December 2008, the commenced the own shares acquisition plan of the Bank through the acquisition, up to 31/12/2008 of a total of 5.700 shares of the "ATTICA BANK S.A" by the Bank of total acquisition value of € 10.516 that represent 0,0042% of total shares.

A recent amendment, included in the directive «Securities, Capital Market provisions, tax issues and other provisions» does not allow the banks, participating in the government plan of improvement of economy liquidity to proceed to acquisition of treasury shares during the period they participate in the plan.

The change in the number of shares of the Bank is analyzed in the following table:

Number of shares	Issued shares	Treasury shares	Net number of shares
<b>Balance as at 01/01/2007</b>	82.577.910	-	<b>82.577.910</b>
Share capital increase through cash payment	49.546.746	-	<b>49.546.746</b>
<b>Closing balance 31/12/2007</b>	<b>132.124.656</b>	-	<b>132.124.656</b>

Number of shares	Εκδοθείσες μετοχές	Ίδιες μετοχές	Καθαρός αριθμός μετοχών
<b>Balance as at 01/01/2008</b>	132.124.656	-	<b>132.124.656</b>
Share capital increase through the reinvestment of dividends	3.543.603	-	<b>3.543.603</b>
Stock option plan	379.282	-	<b>379.282</b>
Purchase of treasury shares within the stock option plan	-	(5.700)	<b>(5.700)</b>
<b>Closing balance 31/12/2008</b>	<b>136.047.541</b>	<b>(5.700)</b>	<b>136.041.841</b>

### 36. RESERVES

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Legal reserves	6.124.635,04	5.076.791,16
Taxed reserves	15.233.652,64	13.524.937,44
Securities sales and securities measurement reserve	(8.198.799,51)	(10.588.991,14)
Available for sale portfolio revaluation reserve	(15.857.529,26)	(5.978.010,99)
Reserve for revaluation of property, plant and equipment reserve	4.664.577,89	0,00
<b>Reserves</b>	<b>1.966.536,80</b>	<b>2.034.726,47</b>

According to article 44 of the Codified Law 2190/1920 the Bank is required to appropriate at least 5% of its net annual profits to a legal reserve until this reserve equals or is maintained at a level equal to at least one-half of the Bank's share capital. Concerning the reserves that have been taxed, the Bank can proceed to their distribution or capitalisation without any further tax burden.

During the current year a revaluation at fair value of Bank's property, plant and equipment was conducted. The amount from the aforementioned revaluation reached €5,83 million. This amount has been reduced by the deferred tax which is equal to €1,16 million.

Changes in Available for sale revaluation reserves		
(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
<b>Opening balance for the year</b>	<b>(5.978.010,99)</b>	<b>(1.492.954,52)</b>
Reserves carried to profit and loss	884.461,98	(2.256.795,86)
Net gains/(losses) from changes in fair value	(10.763.980,25)	(2.228.260,61)
<b>Closing balance for the year</b>	<b>(15.857.529,26)</b>	<b>(5.978.010,99)</b>

### 37. CASH AND CASH EQUIVALENTS

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Cash and balances with Central Bank	120.744.161,34	164.829.241,55
Due from other financial institutions	627.124.553,33	559.855.003,33
<b>Cash and cash equivalents</b>	<b>747.868.714,67</b>	<b>724.684.244,88</b>

### 38. OPERATING LEASES

The Group's liabilities from operating leases of property, plant and equipment, concern buildings used by the bank either as branches or administrative purposes as well as buildings used for administrative purposes of the rest of the Group's entities.

The table below presents the total of future minimum lease payments of the Group:

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Future minimum lease payments of the Group as lessee:		
Up to 1 year	6.615.194,42	5.681.830,30
1 to 5 years	20.273.858,20	15.996.762,78
More than 5 years	18.664.461,10	14.477.317,46
<b>Total of future minimum lease payments</b>	<b>45.553.513,72</b>	<b>36.155.910,54</b>

The total amount which is charged to the income statement for the year from 01.01.2008 to 31.12.2008 and refers to lease payments is € 6.468.553,39. The corresponding amount of the comparative year 2007 is € 5.478.333,26.

### 39. RELATED PARTY TRANSACTIONS

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>TRANSACTIONS WITH MEMBERS OF THE GROUP'S MANAGEMENT</b>		
Receivables (Loans)	180.068,55	198.531,17
Liabilities (Deposits)	1.914.340,60	1.882.000,00
Income interest	8.120,00	7.323,23
Interest expenses	108.420,32	75.856,95
Salaries and wages	817.615,57	924.161,59
Directors' fees	216.576,10	212.149,10
<b>Total fees of members of the Group's management</b>	<b>1.034.191,67</b>	<b>1.136.310,69</b>

#### 40. COMPANIES OF THE GROUP

31/12/2008		
Company	Country of incorporation	Participation %
-ATTICA WEALTH MANAGEMENT MUTUAL FUNDS MANAGEMENT S.A.	Greece	100,00%
- ATTICA VENTURES S.A	Greece	99,99%
- TECHNICAL AND TRADING COMPANY FOR SOFTWARE SUPPORT AND HIGH TECHNOLOGY S.A.	Greece	99,99%
- ATTICA BANK ASSURANCE AGENCY S.A	Greece	99,90%
- ATTICA FUNDS PLC	United Kingdom	99,99%
- STEGASIS MORTGAGE FINANCE PLC	United Kingdom	-
- ATTICABANK PROPERTIES S.A	Greece	100,00%

  

31/12/2007		
Company	Country of incorporation	Participation %
- ATTICA WEALTH MANAGEMENT MUTUAL FUNDS MANAGEMENT S.A.	Greece	100,00%
- ATTICA VENTURES S.A	Greece	99,99%
- TECHNICAL AND TRADING COMPANY FOR SOFTWARE SUPPORT AND HIGH TECHNOLOGY S.A.	Greece	99,99%
- ATTICA BANK ASSURANCE AGENCY S.A	Greece	99,90%
- ATTICA FUNDS PLC	United Kingdom	99,99%

Stegasis Mortgage Finance plc whose registered office is in the United Kingdom is a special purpose company in which the Bank has no direct interest. The company was established within the year 2008. The purpose of the company's establishment is securitization of a part of mortgages.

#### 41. CONTINGENT LIABILITIES AND COMMITMENTS

##### 41.1 OFF BALANCE SHEET LIABILITIES AND PLEDGED ASSETS

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>Contingent liabilities</b>		
Guarantee letters	495.485.208,66	494.615.372,63
Letters of credit	25.657.889,30	53.440.702,76
Contingent liabilities from forward contracts	197.019.360,63	55.189.449,71
	<b>718.162.458,59</b>	<b>603.245.525,10</b>
<b>Unused credit limits</b>		
- Up to 1 year maturity	507.841.721,54	496.546.299,73
- Over 1 year maturity	85.464.075,32	92.865.737,01
	<b>593.305.796,86</b>	<b>589.412.036,74</b>
<b>Pledged assets</b>		
<u>Central Bank</u>		
- Held to maturity investment securities	0,00	6.500.000,00
- Available for sale investment securities	6.500.000,00	0,00

European Central Bank

- Held to maturity investment securities	7.000.000,00	0,00
- Available for sale investment securities	63.550.000,00	0,00
- Bond from mortgages securitization	310.640.000,00	0,00

ADECH

- Held to maturity investment securities	0,00	3.500.000,00
- Available for sale investment securities	3.800.000,00	0,00
	<b>391.490.000,00</b>	<b>10.000.000,00</b>

<b>Off balance sheet liabilities and pledged assets</b>	<b>1.702.958.255,45</b>	<b>1.202.657.561,84</b>
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Out of the pledged assets an amount of € 3.800.000,00 relates to government bonds pledged to secure the insurance margin to the Clearance Transactions on Derivatives S.A. (ADECH) in connection with transactions on derivatives and an amount of € 6.500.000,00 relates to government bonds pledged to the Bank of Greece to cover intra-day transactions. Furthermore, an amount of € 70.550.000,00 concerns government bonds pledged to European Central Bank for liquidity reasons and an amount of € 310.640.000,00 relates to a bond from mortgages securitization that has been pledged for liquidity reasons.

#### 41.2 TAX LIABILITIES

The Bank has been tax inspected up to the year 2005.

The company “TECHNICAL AND TRAINING COMPANY FOR SOFTWARE SUPPORT AND HIGH TECHNOLOGY S.A.” has been tax inspected as until 2002. As far as the company «Attica Wealth management ΑΕΔΑΚ» is concerned, the tax uninspected years are those of 2007 and 2008. The company «ATTICA VENTURES S.A.» has been tax inspected as till the year 2006. The company «ATTICA BANK ASSURANCE AGENCY S.A.» has not been tax inspected for the first over twelve month period ended as at 31/12/2006, as well as for the second administrative year ended as at 31/12/2007. Also, Attica Funds PLC (which is not subject to Greek authorities) has not been tax inspected as from its establishment. As far as «AtticaBank Properties S.A.» is concerned, it is noted that that there is no tax inspected year since the company is newly established and has not yet closed its first year. Similarly, the company Stegasis Mortgage Finance plc was established within the year 2008 and therefore has not been tax inspected.

As far as uninspected years are concerned, the companies of the Group have made a provision amounting to € 1.620.254,82, which is considered adequate to cover any contingent additional future liabilities which will arise from the tax inspection. Out of the aforementioned amount, an amount of approximately € 22 thousand has burdened income before taxes, while the remaining amount of approximately € 1.598 thousand has burdened earnings after taxes.

In compliance with the Law 3697/2008, as from the year 2010 and onwards, the tax rate is decreased by 1 proportional unit till its establishment at 20% in 2014.

#### 41.3 LEGAL CASES

According to the legal department of the Group, the amount expected to arise from litigious cases against the entities of the Group is € 1.308.005,39 for which a relevant provision has been made.

#### 41.4 OTHER PROVISIONS

As far as this category is concerned, the provision made amounts to € 5.300.708,48 out of which the amount of € 4.000.000,00 pertains to coverage of extraordinary losses that arose in the branch of the Bank’s network. The remaining amount of € 1.300.708,48 pertains to coverage of extraordinary losses that might arise from other losses from doubtful accounts apart from loans.

## 42. RISK MANAGEMENT

The Group is exposed to a variety of risks the most important of which are credit risk, market risk which refers to the exchange rate risk and interest rate risk, and, liquidity risk. The Group has established various control mechanisms in order to identify, measure and monitor these risks and avoid undue risk concentrations.

### CREDIT RISK

Credit risk is the most significant risk for the Group. For that reason Group's main target is the risk monitoring as well as the effective management. For the purpose of better management of the credit risk, there is a constant reassessment of the Group credit policies and monitoring of compliance of the corresponding service departments with the above policies.

As far as consumer loans are concerned, there is implemented the system of customers' creditworthiness evaluation - credit scoring - that covers the credit cards and credit products.

Main attention is paid to portfolio quality assessment in the domain of corporate loans as well as in the domain of consumer loans and mortgages. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on quality and quantity criteria, the credit risks involved are evaluated and faced in a timely and efficient way.

As far as corporate loans are concerned, there are taken into account the external credit evaluations of the ICAP Group S.A. that was recognized by the Bank of Greece following the decision 262/8/26.6.2008. The particular way of assessment classifies the companies into creditworthiness rating categories, thus assisting sound evaluation in view of the undertaken risk.

Responsible for the approval of loan portfolio are the Bank's departments that are independent from the Bank's business units. Loans and advances that exceed the approval limits of the aforementioned departments are approved by the Bank's credit board or the BoD.

### Impairment risk

Provisions for impairment risks of loans provided to beneficiaries are made when there is objective evidence that a payment of a part or a total of the amounts due is doubtful. The trigger events that give grounds for impairment tests are as follows:

- failure to meet contractual loan obligations by the customers,
- renegotiating the loan based on the terms that the Group would not have considered under normal circumstances ,
- event that will affect non-regular handling of loans (worsening of the financial position of the debtor, bankruptcy declaration, etc)
- loan collateral active market cessation.

In order to measure the impairments of the loans, the Group carries out an impairment test on every date of financial statements preparation. It is examined whether there are reliable indications of potential losses to the loan portfolio as well as to other receivables and the provision for impairment of receivables is made. Collectability of loans is assessed per debtor for all the loans regarded as significant. The assessment is carried out based on the financial position of the debtor, operating maintenance sources, repayment records, liquidating value of collaterals and possibility of support rendered by sound guarantors.

Concerning the loans, the sample examination of which did not present impairment as well as concerning the loans of smaller value, the potential losses are examined and assessed as a total. For such lending, loans and receivables are classified into groups with similar credit risk characteristics that are examined for impairment based on the Group's assessment of historic experience of losses presented by the above groups.

### **Concentration risk**

The definition of the limits in the Group Portfolio is made following the criterion of rational dispersion of the Group capital for the purposes of avoiding of capital concentration in a certain geographical region or type of business, taking into account as follows:

- Segment surveys pertaining to credit danger rate in order to locate endangered segments where credit expansion shall be limited.
- Assessment of concentration risk that can arise from spreads towards particular customers or groups of customers and/or spreads to subcontractors groups standing high possibility of failing contractual loan obligations arising from factors, such as: macroeconomic environment, geographical position, operating segment, currency, use of risk decreasing tools.
- Carrying out stress tests and using their results under definition of limits system

### **MARKET RISK**

The Group is exposed to market risk arising because of adverse changes in the fair value of financial instruments due to changes in equity prices, interest rates, foreign exchange rates, commodity prices or other market factors.

The Group has established internal procedures for the negotiation margin pertaining to market risk control. Within the scope of market risk management special activities are adopted for market risk hedging. Furthermore the Group monitors the effectiveness of hedging and the effectiveness of reducing market risk which refers to the policy and the management of the limits that have been determined by the Assets Liabilities Committee (ALCO).

Transaction portfolio includes investments held for trading. The items in question comprise securities purchased for the purposes of direct profit arising from short term increases/decreases of prices. Bank's portfolio includes also the available for sale investments.

### **INTEREST RATE RISK**

For the interest rate risk the Group uses methods for the measurement of the aforementioned risk which are related to repricing risk, yield curve risk, basis risk and optionality risk.

Furthermore the Group in order to measure the change in fair value of portfolios that arise from various scenarios of interest rate curve changes, applies extreme scenarios and sensitivity analysis at a regular basis.

### **LIQUIDITY RISK**

The objective of the Group through liquidity risk management is to ensure, to the best possible extent, the availability of satisfactory liquidity level so that it could meet its payment obligations, including the due course obligations and those that arise in extreme circumstances without incurring major additional costs.

The Group gives priority to customers' deposits and tries to maintain them as the major source of finances through the policy it applies. Furthermore, within 2008 the Group proceeded to the first securitization of mortgages, thus decreasing its dependence on the third parties for liquidity provision.

The liquidity management is applied by the Treasury Department according to policies and procedures which are investigated and approved by ALCO. Furthermore at a regular basis various simulated extreme scenarios are applied according to special characteristics of the Group as well as the changes in characteristics and market conditions.



## **CAPITAL ADEQUACY**

The Bank has established special services monitoring its capital adequacy at regular time intervals and presenting the results of their calculations every three months to the Bank of Greece that acts as a supervising body of Credit Institutions.

The capital adequacy rate is defined as the proportion between supervisory equity and the assets as well as off balance sheet items weighted as against the risk involved.

The basic aim of the Group is to maintain its capital receivables in compliance with the regulatory framework as it is set by the supervisory authorities of the country so that the Group is capable of continuing the course of its normal operation and maintaining its capital basis at such a level that does not prevent the realization of its business plan.

Apart from minimal capital requirements, the Group has at its disposal reliable, efficient and complete strategies and procedures for the purposes of assessing and maintaining at constant basis the sizes, organization and allocation of equity regarded as adequate in order to cover the nature and the extent of the risks it undertakes (internal capital).

Within the frame of this The Internal Capital Adequacy Assessment Process (ICAAP) there are examined from the quality and quantity point of view the following items:

1. Level, structure and stability of regulatory capital
2. Profitability and maintenance
3. Credit risk component of concentration risk
4. Market risk
5. Interest rate risk
6. Liquidity risk
7. Operating risk
8. Legal compliance risk
9. Level and allocation of internal capital

**42.1 LIQUIDITY RISK**

Liquidity risk is the risk that the Group is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity. This risk includes the possibility that the group may have to raise funding at cost or sell assets on a discount. The monitoring of liquidity risk is concentrated on the managing of the time lag between cash inflows and outflows, as well as to ensure the existence of adequate cash reserves for the day-to-day transactions. The regulatory authorities have defined liquidated indexes, on their own criteria, in order to control liquidated gap. The following tables depict a liquidity gap analysis, providing an idea for the expected cash flows of assets and liabilities for each period. In those instances that there is no contractual expiration of the assets and liabilities then these are classified in the up to one month category.

**LIQUIDITY RISK**

(Amounts reported in €)

DESCRIPTION	31/12/2008					Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 year	
Cash and balances with Central Bank	120.744.161,34	0,00	0,00			120.744.161,34
Due from other financial institutions	519.732.143,88	7.392.409,45	0,00	0,00	100.000.000,00	627.124.553,33
Derivative financial instruments - assets	0,00	312.842,91	0,00	0,00	0,00	312.842,91
Loans and advances to customers (after provisions)	48.185.294,68	50.669.520,84	1.479.626.002,35	859.025.820,26	948.307.999,68	3.385.814.637,81
Financial assets available for sale	803.612,65	0,00	15.386.824,54	17.376.884,68	81.231.333,36	114.798.655,23
Investments held to maturity	0,00	0,00	5.000.000,00	0,00	6.957.862,55	11.957.862,55
Investments in subsidiaries					9.334.521,84	9.334.521,84
Property, plant and equipment					42.449.048,35	42.449.048,35
Investment property				28.767.714,82		28.767.714,82
Intangible assets					12.627.594,07	12.627.594,07
Deferred tax assets	4.181,35	8.362,71	3.414.889,99	17.118.105,84	1.113.368,66	21.658.908,55
Other assets	42.194.791,50	22.749.720,75	40.260.560,57	35.441.785,59	4.031.532,42	144.678.390,83
<b>Total Assets</b>	<b>731.664.185,40</b>	<b>81.132.856,66</b>	<b>1.543.688.277,45</b>	<b>957.730.311,19</b>	<b>1.206.053.260,93</b>	<b>4.520.268.891,63</b>
Due to other financial institutions	1.068.225.341,49	0,00	0,00	0,00	0,00	1.068.225.341,48
Due to customers	1.778.696.712,19	794.171.030,60	378.402.321,64	0,00	0,00	2.951.270.064,43
Derivative financial instruments - liabilities	0,00	30.265,75	0,00	0,00	0,00	30.265,75
Issued bonds	0,00	0,00	0,00	0,00	99.962.623,00	99.962.623,00
Provisions for retirement benefits	16.725,41	33.450,82	7.751.267,91	5.268.190,36	4.743.050,94	17.812.685,44
Other provisions for risks and liens	0,00	0,00	0,00	6.631.007,69	0,00	6.631.007,69
Deferred tax liabilities	0,00	0,00	113.355,72	2.136.705,87	1.781.624,44	4.031.686,03
Other liabilities	32.942.038,58	4.746.197,38	10.002.706,90	218.407,68	37.703,59	47.947.054,13
<b>Total liabilities</b>	<b>2.879.880.817,67</b>	<b>798.980.944,55</b>	<b>396.269.652,17</b>	<b>14.254.311,60</b>	<b>106.525.001,97</b>	<b>4.195.910.727,96</b>
<b>Liquidity gap</b>	<b>(2.148.216.632,27)</b>	<b>(717.848.087,89)</b>	<b>1.147.418.625,28</b>	<b>943.475.999,59</b>	<b>1.099.528.258,96</b>	<b>324.358.163,67</b>

## ATTICA BANK S.A.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2008

**LIQUIDITY RISK**  
(Amounts reported in €)

DESCRIPTION	31/12/2007					Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 year	
Cash and balances with Central Bank	163.629.241,55	1.200.000,00				164.829.241,55
Due from other financial institutions	457.225.003,33	2.630.000,00			100.000.000,00	559.855.003,33
Financial assets at fair value through profit and loss			22.021.097,96			22.021.097,96
Derivative financial instruments - assets		35.775,70				35.775,70
Loans and advances to customers (after provisions)	87.156.619,77	26.822.858,81	1.386.550.044,33	769.962.558,24	630.114.398,41	2.900.606.479,56
Financial assets available for sale			16.141.670,20	18.657.313,01	32.447.843,65	67.246.826,86
Investments held to maturity			10.006.521,85	5.000.000,00	6.954.684,38	21.961.206,23
Investments in subsidiaries					60.000,00	60.000,00
Property, plant and equipment					34.518.972,04	34.518.972,04
Investment property				21.091.014,34		21.091.014,34
Intangible assets					7.828.644,71	7.828.644,71
Deferred tax assets	4.515,22	9.030,44	1.907.744,54	10.294.225,00	3.615.448,27	15.830.963,47
Other assets	17.553.029,88	29.319.222,80	30.691.513,79	7.649.009,19	2.653.011,10	87.865.786,77
<b>Total Assets</b>	<b>725.568.409,75</b>	<b>60.016.887,75</b>	<b>1.467.318.592,57</b>	<b>832.654.119,78</b>	<b>818.193.002,56</b>	<b>3.903.751.012,52</b>
Due to other financial institutions	446.479.266,02	1.353.500,00				447.832.766,02
Due to customers	2.327.789.342,01	497.519.075,11	89.784.785,06	756.682,01		2.915.849.884,19
Derivative financial instruments - liabilities		73.776,87				73.776,87
Issued bonds				49.650.652,00	99.915.410,00	149.566.062,00
Provisions for retirement benefits	18.060,88	36.121,76	2.414.042,55	10.288.356,78	14.550.091,68	27.306.673,65
Other provisions for risks and liens				6.498.156,13		6.498.156,13
Deferred tax liabilities			85.116,15	1.930.438,15	333.104,70	2.348.659,00
Other liabilities	19.118.197,50	11.914.658,89	5.266.841,60	176.962,58	47.139,44	36.523.800,01
<b>Total liabilities</b>	<b>2.793.404.866,41</b>	<b>510.897.132,63</b>	<b>97.550.785,36</b>	<b>69.301.247,65</b>	<b>114.845.745,82</b>	<b>3.585.999.777,87</b>
<b>Liquidity gap</b>	<b>(2.067.836.456,66)</b>	<b>(450.880.244,89)</b>	<b>1.369.767.807,31</b>	<b>763.352.872,13</b>	<b>703.347.256,74</b>	<b>317.751.234,65</b>

**42.2 FOREIGN EXCHANGE RISK**

As “foreign exchange risk” is defined the investment risk that arises from the exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group sets limits on the level of exposure by currency and in total both overnight and intra-day positions, which are monitored daily. The Group often hedges the largest part of this risk, by maintaining corresponding liabilities in the same currency. In the tables below is shown, categorized by currency, the level of exposure of the Group to foreign exchange risk.

**FOREIGN EXCHANGE RISK**

(Amounts reported in €)

DESCRIPTION	31/ 12/2008					
	EUR	USD	GBP	JPY	OTHER	Total
Cash and balances with Central Bank	120.504.237,93	111.798,62	34.939,64	5.406,69	87.778,46	120.744.161,34
Due from other financial institutions	570.775.757,21	49.777.933,95	4.957.327,98	153.478,66	1.460.055,53	627.124.553,33
Derivative financial instruments - assets	(1.287.735,25)	24.226.893,26	115,74	(3.370.048,34)	(19.256.382,50)	312.842,91
Loans and advances to customers (after provisions)	3.353.508.794,73	7.121.302,74	0,00	2.934.036,77	22.250.503,57	3.385.814.637,81
Financial assets available for sale	114.785.580,96	0,00	13.074,27	0,00	0,00	114.798.655,23
Investments held to maturity	11.957.862,55	0,00	0,00	0,00	0,00	11.957.862,55
Investments in subsidiaries	9.316.149,40	0,00	18.372,44	0,00	0,00	9.334.521,84
Property, plant and equipment	42.449.048,35	0,00	0,00	0,00	0,00	42.449.048,35
Investment property	28.767.714,82					28.767.714,82
Intangible assets	12.627.594,07	0,00	0,00	0,00	0,00	12.627.594,07
Deferred tax assets	21.658.908,55					21.658.908,55
Other assets	143.276.881,72	1.346.382,02	27.174,03	4.270,78	23.682,28	144.678.390,83
<b>Total Assets</b>	<b>4.428.340.795,04</b>	<b>82.584.310,59</b>	<b>5.051.004,10</b>	<b>(272.855,44)</b>	<b>4.565.637,34</b>	<b>4.520.268.891,63</b>
Due to other financial institutions	1.068.140.365,46	84.976,03	0,00	0,00	0,00	1.068.225.341,49
Due to customers	2.858.438.843,42	83.150.544,86	5.150.939,90	5.425,08	4.524.311,17	2.951.270.064,43
Derivative financial instruments - liabilities	375.879,31	(345.613,56)	0,00	0,00	0,00	30.265,75
Issued bonds	99.962.623,00	0,00	0,00	0,00	0,00	99.962.623,00
Provisions for retirement benefits	17.812.685,44					17.812.685,44
Other provisions for risks and liens	6.631.007,69					6.631.007,69
Deferred tax liabilities	4.031.686,03					4.031.686,03
Other liabilities	47.673.831,54	190.554,83	46.753,25	0,00	35.914,51	47.947.054,13
<b>Total liabilities</b>	<b>4.103.066.921,89</b>	<b>83.080.462,16</b>	<b>5.197.693,15</b>	<b>5.425,08</b>	<b>4.560.225,68</b>	<b>4.195.910.727,96</b>
<b>Net exchange position</b>	<b>323.873.873,15</b>	<b>(496.151,57)</b>	<b>(146.689,05)</b>	<b>(278.280,52)</b>	<b>5.411,66</b>	<b>324.358.163,67</b>

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2008, in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of €44 thousand for the Group.

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**FOREIGN EXCHANGE RISK**

(Amounts reported in €)

DESCRIPTION	31/ 12/2007					Total
	EUR	USD	GBP	JPY	OTHER	
Cash and balances with Central Bank	164.552.499,60	116.772,64	45.658,95	3.935,00	110.375,36	164.829.241,55
Due from other financial institutions	511.576.004,43	36.284.994,98	5.458.761,65	650.000,00	5.885.242,27	559.855.003,33
Financial assets at fair value through profit and loss	21.928.671,37		92.426,59			22.021.097,96
Derivative financial instruments - assets	(1.446.203,81)	1.361.795,98	60.045,00		60.138,54	35.775,70
Loans and advances to customers (after provisions)	2.878.186.163,06	18.450.233,85		1.775.284,91	2.194.797,74	2.900.606.479,56
Financial assets available for sale	67.246.826,86					67.246.826,86
Investments held to maturity	21.961.206,23					21.961.206,23
Investments in subsidiaries	60.000,00					60.000,00
Property, plant and equipment	34.518.972,04					34.518.972,04
Investment property	21.091.014,34					21.091.014,34
Intangible assets	7.828.644,71					7.828.644,71
Deferred tax assets	15.830.963,47					15.830.963,47
Other assets	86.268.780,47	1.592.045,17	2.672,08	366,10	1.922,94	87.865.786,77
<b>Total Assets</b>	<b>3.829.603.542,77</b>	<b>57.805.842,62</b>	<b>5.659.564,27</b>	<b>2.429.586,01</b>	<b>8.252.476,85</b>	<b>3.903.751.012,52</b>
Due to other financial institutions	447.765.299,83	67.466,19				447.832.766,02
Due to customers	2.842.855.469,84	61.234.046,85	5.831.140,78	3.212,64	5.926.014,08	2.915.849.884,19
Derivative financial instruments - liabilities		(3.464.252,10)		2.281.312,75	1.256.716,22	73.776,87
Issued bonds	149.566.062,00					149.566.062,00
Provisions for retirement benefits	27.306.673,65					27.306.673,65
Other provisions for risks and liens	6.498.156,13					6.498.156,13
Deferred tax liabilities	2.348.659,00					2.348.659,00
Other liabilities	35.719.954,68	555.679,47	96.602,71	2.822,93	148.740,23	36.523.800,01
<b>Total liabilities</b>	<b>3.512.060.275,13</b>	<b>58.392.940,41</b>	<b>5.927.743,49</b>	<b>2.287.348,32</b>	<b>7.331.470,53</b>	<b>3.585.999.777,87</b>
<b>Net exchange position</b>	<b>317.543.267,64</b>	<b>(587.097,79)</b>	<b>(268.179,22)</b>	<b>142.237,69</b>	<b>921.006,32</b>	<b>317.751.234,65</b>

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2007, in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of € 228 thousand for the Group.

**42.3 INTEREST RATE RISK**

As “interest rate risk” is defined the investment risk that arises from the changes in market interest rates. Such changes in interest rates can affect the financial position of the Group, since it can change also:

- The net interest rate result
- The value of income and expenses, sensitive to interest rate changes
- The value of Assets and Liabilities. The present value of future cash flows (and often the cash flows itself) is changed since the interest rates change.

The Group follows on a systematic basis the interest rate risk and uses various derivative financial instruments for its hedging.

The attached table presents the Group’s exposure to interest rate risks with the analysis of the interest rate gap.

**INTEREST RATE RISK**  
(Amounts reported in €)

DESCRIPTION	31/12/2008						Accounts no subject to interest rate risk	Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years			
Cash and balances with Central Bank	35.353.190,69	0,00	0,00	0,00	0,00	0,00	85.390.970,65	120.744.161,34
Due from other financial institutions	619.352.768,63	4.724.409,45	1.351.712,76	0,00	0,00	0,00	1.695.662,49	627.124.553,33
Derivative financial instruments - assets	0,00	0,00	0,00	0,00	0,00	0,00	312.842,91	312.842,91
Loans and advances to customers (after provisions)	2.144.828.670,44	579.674.125,68	185.400.858,76	548.275.776,37	59.456.615,85	-131.821.409,29	-131.821.409,29	3.385.814.637,81
Financial assets available for sale	7.553.612,67	2.138.076,39	54.300.000,00	2.227.500,00	18.206.000,00	30.373.466,17	30.373.466,17	114.798.655,23
Investments held to maturity	6.994.523,96	4.963.338,59	0,00	0,00	0,00	0,00	0,00	11.957.862,55
Investments in subsidiaries							9.334.521,84	9.334.521,84
Property, plant and equipment							42.449.048,35	42.449.048,35
Investment property							28.767.714,82	28.767.714,82
Intangible assets							12.627.594,07	12.627.594,07
Deferred tax assets							21.658.908,55	21.658.908,55
Other assets	37.627.854,39	13.836.411,23	10.684.715,30	18.028.227,87	325.472,32	64.175.709,72	64.175.709,72	144.678.390,83
<b>Total Assets</b>	<b>2.851.710.620,78</b>	<b>605.336.361,34</b>	<b>251.737.286,82</b>	<b>568.531.504,24</b>	<b>77.988.088,17</b>	<b>164.965.030,28</b>	<b>164.965.030,28</b>	<b>4.520.268.891,63</b>
Due to other financial institutions	1.061.000.000,00	0,00	6.020.971,52	0,00	0,00	0,00	1.204.369,96	1.068.225.341,48
Due to customers	1.751.209.621,20	794.171.030,60	378.402.321,64	0,00	0,00	0,00	27.487.090,99	2.951.270.064,43
Derivative financial instruments - liabilities	0,00	0,00	0,00	0,00	0,00	0,00	30.265,75	30.265,75
Issued bonds	0,00	0,00	99.962.623,00	0,00	0,00	0,00	0,00	99.962.623,00
Provisions for retirement benefits	0,00	0,00	0,00	0,00	0,00	0,00	17.812.685,44	17.812.685,44
Other provisions for risks and liens	0,00	0,00	0,00	0,00	0,00	0,00	6.631.007,69	6.631.007,69
Deferred tax liabilities	0,00	0,00	0,00	0,00	0,00	0,00	4.031.686,03	4.031.686,03
Other liabilities	18.800.508,38	3.802.976,51	79.899,01	4.400,00	0,00	0,00	25.259.270,23	47.947.054,13
<b>Total liabilities</b>	<b>2.831.010.129,58</b>	<b>797.974.007,11</b>	<b>484.465.815,17</b>	<b>4.400,00</b>	<b>0,00</b>	<b>0,00</b>	<b>82.456.376,09</b>	<b>4.195.910.727,96</b>
<b>Interest rate risk gap</b>	<b>20.700.491,20</b>	<b>(192.637.645,77)</b>	<b>(232.728.528,35)</b>	<b>568.527.104,24</b>	<b>77.988.088,17</b>	<b>82.508.654,17</b>	<b>82.508.654,17</b>	<b>324.358.163,67</b>

The Group estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2008, in case of interest rate increase by 100 basis point, the loss for the Group will reach €3,14 million.

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**INTEREST RATE RISK**  
(Amounts reported in €)

DESCRIPTION	31/12/2007						Accounts no subject to interest rate risk	Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years			
Cash and balances with Central Bank	42.935.123,94						121.894.117,61	164.829.241,55
Due from other financial institutions	556.569.235,46		1.496.936,97				1.788.830,90	559.855.003,33
Financial assets at fair value through profit and loss			1.263.431,96				20.757.666,00	22.021.097,96
Derivative financial instruments - assets							35.775,70	35.775,70
Loans and advances to customers (after provisions)	2.130.522.595,77	170.161.498,85	44.305.959,98	631.519.427,96	39.147.936,30	(115.050.939,30)		2.900.606.479,56
Financial assets available for sale	9.035.000,00	2.000.000,00	22.826.785,50	3.313.932,00			30.071.109,36	67.246.826,86
Investments held to maturity	6.994.523,96	14.966.682,27						21.961.206,23
Investments in subsidiaries							60.000,00	60.000,00
Property, plant and equipment							34.518.972,04	34.518.972,04
Investment property							21.091.014,34	21.091.014,34
Intangible assets							7.828.644,71	7.828.644,71
Deferred tax assets							15.830.963,47	15.830.963,47
Other assets	14.586.286,83	1.061.046,09	906.713,01	2.635.332,21	0,00		68.676.408,63	87.865.786,77
<b>Total assets</b>	<b>2.760.642.765,96</b>	<b>188.189.227,21</b>	<b>70.799.827,42</b>	<b>637.468.692,17</b>	<b>39.147.936,30</b>		<b>207.502.563,46</b>	<b>3.903.751.012,52</b>
Due to other financial institutions	440.000.000,00		5.156.696,38				2.676.069,64	447.832.766,02
Due to customers	2.287.323.344,46	497.519.075,11	89.784.785,06	756.682,01			40.465.997,55	2.915.849.884,19
Derivative financial instruments - liabilities							73.776,87	73.776,87
Issued bonds	49.650.652,00		99.915.410,00					149.566.062,00
Provisions for retirement benefits							27.306.673,65	27.306.673,65
Other provisions for risks and liens							6.498.156,13	6.498.156,13
Deferred tax liabilities							2.348.659,00	2.348.659,00
Other liabilities	9.363.674,60	2.167.531,66	180.833,98				24.811.759,78	36.523.800,01
<b>Total liabilities</b>	<b>2.786.337.671,06</b>	<b>499.686.606,77</b>	<b>195.037.725,42</b>	<b>756.682,01</b>	<b>0,00</b>		<b>104.181.092,62</b>	<b>3.585.999.777,87</b>
<b>Interest rate risk gap</b>	<b>(25.694.905,10)</b>	<b>(311.497.379,56)</b>	<b>(124.237.898,00)</b>	<b>636.712.010,16</b>	<b>39.147.936,30</b>		<b>103.321.470,84</b>	<b>317.751.234,65</b>

The Group estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2007, in case of interest rate increase by 100 basis point, the loss for the Group will reach to €4,10 million.

#### 42.4 CREDIT RISK

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Group's management defines credit policy. Credit exposures from related accounts are aggregated and are monitored on a consolidated basis. The methods for evaluating the credit rating of the counterparties differ depending on the categories of the borrowers and rely on quantity as on quality data. Portfolio monitoring is carried out on the basis of customers' creditworthiness, sector of the economy and guarantees from the customers and is regularly audited by Credit Department and Risk Management Department. The Group's credit risk is spread out in various sectors of the economy. The Group's general policy is to require from its customers as guarantee certain types of collaterals such as mortgages over real estate, pledges and assignment of receivables.

##### 42.4.1 Highest exposure to credit risk prior to calculation of collaterals & other credit risk protection measures

The table below presents the highest exposure of the Group to credit risk for the year ended as at 31/12/2008 as well as for the comparative year 2007. It is noted that there have not been taken into account collaterals or other credit risk protection measures.

<b>Highest exposure to credit risk</b>		
<b>(Amounts reported in €)</b>		
	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Exposure to credit risk of the Balance Sheet items</b>		
Due from other financial institutions	627.124.553,33	559.855.003,33
Loans and advances to customers (after provisions)		
Loans to private individuals:		
-Loan current accounts for individuals	123.789.987,46	192.329.250,31
-Credit cards	50.984.355,01	55.436.322,36
-Statutory maturity loans	181.312.799,23	142.243.443,77
-Mortgages	585.698.987,92	473.618.034,81
Corporate loans:	2.444.028.508,19	2.036.979.428,31
Trading portfolio		
- Bonds	0,00	12.080.931,96
Derivative financial instruments	312.842,91	35.775,70
Investment portfolio		
-Bonds	96.383.051,59	59.136.923,71
Other assets	173.446.105,65	108.956.801,11
<b>Exposure to credit risk pertaining to off Balance Sheet items is as follows:</b>		
Letters of guarantee	495.485.208,66	494.615.372,63
Credit guarantees	25.657.889,30	53.440.702,76
Unused credit limits	593.305.796,86	589.412.036,74
<b>Total as at December 31<sup>st</sup></b>	<b>5.397.530.086,11</b>	<b>4.778.140.027,50</b>



#### 42.4.2 Loans and receivables

	31/12/2008		31/12/2007	
(Amounts reported in €)				
	Loans and advances to customers	Due from other financial institutions	Loans and advances to customers	Due from other financial institutions
Loans without impairment	3.236.165.528,75	627.124.553,33	2.793.555.850,47	559.855.003,33
Loans and receivables delayed more than 1 day without impairment	46.639.077,43	-	23.702.933,09	-
Loans and receivables with impairment	234.831.440,92	-	198.398.635,30	-
<b>Total before provisions</b>	<b>3.517.636.047,10</b>	<b>627.124.553,33</b>	<b>3.015.657.418,86</b>	<b>559.855.003,33</b>
Less: Provisions for impairment	(131.821.409,29)	-	(115.050.939,30)	-
<b>Total after provisions</b>	<b>3.385.814.637,81</b>	<b>627.124.553,33</b>	<b>2.900.606.479,56</b>	<b>559.855.003,33</b>

#### A) Loans without impairment

Loans and advances to customers						
(Amounts reported in €)						
	Loans to individuals				Corporate loans	Total loans and advances to customers
	Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgages		
<b>31 December 2008</b>						
<b>Grading</b>						
Satisfactory grading	98.414.484,39	38.010.212,25	167.871.964,08	561.611.413,87	2.350.372.218,60	<b>3.216.280.293,19</b>
Special monitoring	1.710.989,26	908.415,84	3.321.957,38	7.138.802,13	6.805.070,95	<b>19.885.235,56</b>
<b>Total</b>	<b>100.125.473,65</b>	<b>38.918.628,09</b>	<b>171.193.921,46</b>	<b>568.750.216,00</b>	<b>2.357.177.289,55</b>	<b>3.236.165.528,75</b>
<b>31 December 2007</b>						
<b>Grading</b>						
Satisfactory grading	174.905.869,01	45.300.461,90	131.802.477,81	470.327.722,91	1.950.190.869,94	<b>2.772.527.401,57</b>
Special monitoring	2.279.508,59	1.012.187,10	1.664.372,09	3.894.720,28	12.177.660,84	<b>21.028.448,90</b>
<b>Total</b>	<b>177.185.377,60</b>	<b>46.312.649,00</b>	<b>133.466.849,90</b>	<b>474.222.443,19</b>	<b>1.962.368.530,78</b>	<b>2.793.555.850,47</b>

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<b>Due from other financial institutions</b>						
<b>(Amounts reported in €)</b>						
<b>31 December 2008</b>						
<b>Grading</b>						
Exceptional grading						69.411.950,69
High grading						195.526.238,04
Satisfactory grading						362.186.364,60
<b>Total</b>						<b>627.124.553,33</b>
<b>31 December 2007</b>						
<b>Grading</b>						
Exceptional grading						867.773,06
High grading						327.962.943,63
Satisfactory grading						231.024.286,64
<b>Total</b>						<b>559.855.003,33</b>
<b>B) Loans and advances to customers – delayed more than 1 day without impairment</b>						
<b>(Amounts reported in €)</b>						
	<b>Loan current accounts for individuals</b>	<b>Credit cards</b>	<b>Statutory maturity loans</b>	<b>Mortgages</b>	<b>Corporate loans</b>	<b>Total loans and advances to customers</b>
<b>31 December 2008</b>						
Up to 30 days	10.241.219,54	4.540.366,01	752.691,66	264.876,71	12.184.904,10	27.984.058,02
30 - 60 days	5.513.995,07	2.467.664,70	222.238,55	177.021,07	3.206.849,51	11.587.768,90
60 - 90 days	3.417.388,54	1.410.760,27	302.862,29	151.506,96	1.784.732,45	7.067.250,51
<b>Total</b>	<b>19.172.603,15</b>	<b>8.418.790,98</b>	<b>1.277.792,50</b>	<b>593.404,74</b>	<b>17.176.486,06</b>	<b>46.639.077,43</b>
Collateral fair value			<b>1.751.908,09</b>	<b>6.316.607,17</b>	<b>30.637.990,15</b>	<b>38.706.505,41</b>
<b>31 December 2007</b>						
Up to 30 days	4.651.366,87	2.564.044,18	474.376,98	185.657,05	3.725.227,73	11.600.672,81
30 - 60 days	2.710.656,14	1.420.291,96	324.774,68	189.635,22	2.324.222,82	6.969.580,82
60 - 90 days	1.779.587,96	860.884,36	285.689,77	164.039,68	2.042.477,69	5.132.679,46
<b>Total</b>	<b>9.141.610,97</b>	<b>4.845.220,50</b>	<b>1.084.841,43</b>	<b>539.331,95</b>	<b>8.091.928,24</b>	<b>23.702.933,09</b>
Collateral fair value			<b>1.514.754,97</b>	<b>6.253.306,49</b>	<b>23.730.174,09</b>	<b>31.498.235,55</b>

The collaterals mentioned in the mortgages, include property for which the Bank has issued A'attachment.

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<b>C) Loans and advances to customers – with impairment</b>						
<b>(Amounts reported in €)</b>						
	<b>Loan current accounts for individuals</b>	<b>Credit cards</b>	<b>Statutory maturity loans</b>	<b>Mortgages</b>	<b>Corporate loans</b>	<b>Total loans and advances to customers</b>
<b>31 December 2008</b>						
Loans and advances to customers with impairment	19.994.072,80	20.812.389,09	29.671.897,47	29.139.496,22	135.213.585,34	<b>234.831.440,92</b>
Collateral fair value				26.701.510,58	85.005.346,98	<b>111.706.857,56</b>
<b>31 December 2007</b>						
Loans and advances to customers with impairment	19.120.910,28	20.759.564,63	25.059.054,02	22.169.774,66	111.289.331,71	<b>198.398.635,30</b>
Collateral fair value				19.073.332,40	68.950.179,14	<b>88.023.511,54</b>

**42.4.3 Exposure to credit risk of the assets per operation segment**

(Amounts reported in €)	Credit institutions	Industry	Shipping	Public sector	Commerce	Construction	Other sectors	Private individuals	Total
Due from other financial institutions	627.124.553,33								627.124.553,33
Loans and advances to customers (after provisions)									0,00
Loans to private individuals:									0,00
- Loan current accounts for individuals								123.789.987,46	123.789.987,46
-Credit cards								50.984.355,01	50.984.355,01
-Statutory maturity loans								181.312.799,23	181.312.799,23
-Mortgages								585.698.987,92	585.698.987,92
Corporate loans:		360.652.985,90	24.481.607,77	2.215.641,62	764.207.564,34	477.422.237,27	815.048.471,29		2.444.028.508,19
Trading portfolio									0,00
- Bonds									0,00
Derivative financial instruments	312.842,91								312.842,91
Investment portfolio									0,00
-Bonds	30.435.362,55			64.406.000,00		803.612,67	738.076,37		96.383.051,59
Other assets	45.149.705,00			19.677.805,20			108.618.595,45		173.446.105,65
<b>Total exposure as at 31.12.2008</b>	<b>703.022.463,79</b>	<b>360.652.985,90</b>	<b>24.481.607,77</b>	<b>86.299.446,82</b>	<b>764.207.564,34</b>	<b>478.225.849,94</b>	<b>924.405.143,11</b>	<b>941.786.129,62</b>	<b>4.283.081.191,29</b>
<b>Total exposure as at 31.12.2007</b>	<b>584.569.438,41</b>	<b>342.655.310,53</b>	<b>10.141.053,57</b>	<b>33.834.685,36</b>	<b>667.863.074,20</b>	<b>384.818.901,49</b>	<b>753.162.400,56</b>	<b>863.627.051,25</b>	<b>3.640.671.915,37</b>

#### 42.4.4 Bonds and other securities

The table below presents the analysis of the fair value of bonds and other securities of investment and trading portfolio. As far as the category of held to maturity is concerned, the fair value is considered as amortized cost. The value of investments held to maturity is included in investment portfolio. The categories of credit grading follow the classification of grading adopted by the internationally acknowledged companies (Moody's, Fitch).

<b>Analysis of bonds and other securities per grading</b>			
<b>(Amounts reported in €)</b>			
	<b>Investment portfolio securities</b>	<b>Trading portfolio securities</b>	<b>Total</b>
<b>31 December 2008</b>			
AAA	10.757.862,55		10.757.862,55
AA- to AA+	0,00		0,00
A- to A+	65.144.076,37		65.144.076,37
Lower than A-	7.377.500,00		7.377.500,00
Non graded	13.103.612,67		13.103.612,67
<b>Total</b>	<b>96.383.051,59</b>		<b>96.383.051,59</b>
<b>31 December 2007</b>			
AAA	10.356.159,36		<b>10.356.159,36</b>
AA- to AA+	0,00		<b>0,00</b>
A- to A+	29.431.832,35		<b>29.431.832,35</b>
Lower than A-	9.322.500,00		<b>9.322.500,00</b>
Non graded	10.026.432,00	12.080.931,96	<b>22.107.363,96</b>
<b>Total</b>	<b>59.136.923,71</b>	<b>12.080.931,96</b>	<b>71.217.855,67</b>

#### 42.5 MARKET RISK

Market Risk is the risk of losses arising because of adverse changes in the value of derivatives due to changes in equity prices, interest rates, foreign exchange rates, commodity prices or other market factors. As a rule, the Bank invests in Stock Exchange securities which are classified for the investment purposes into the corresponding portfolio (trading or investing).

The Bank estimates the prices risk, taking into account the adverse effect that can be caused to the annual results by a change in share prices. Based on the corresponding measurements, made by the Group concerning the balances of the accounts as at 31/12/2008, it was established that in the event the share prices decrease by 30%, the Bank will suffer losses amounting to € 653 thousand.

Correspondingly, concerning the comparative year 2007, in the event the share prices had decrease by 30%, the Group would have suffered losses amounting to € 1,5 million.

#### 42.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the book as well as the fair values of financial instruments (financial assets and liabilities) which are not measured at fair value in the Group's balance sheet.

<b>Fair value of balance sheet items</b>				
	<b>Book value</b>		<b>Fair value</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
<b>Financial Assets</b>				
Due from other financial institutions	627.124.553,33	559.855.003,33	627.124.553,33	559.855.003,33
Loans and advances to customers (after provisions)	3.385.814.637,81	2.900.606.479,56	3.399.354.629,91	2.900.162.273,51
Investments held to maturity	11.957.862,55	21.961.206,23	9.615.000,00	19.879.000,00
	<b>Book value</b>		<b>Fair value</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
<b>Financial Liabilities</b>				
Due to other financial institutions	1.068.225.341,49	447.832.766,02	1.068.225.341,49	447.832.766,02
Due to customers	2.951.270.064,43	2.915.849.884,19	2.951.187.650,84	2.915.631.367,20
Issued bonds	99.962.623,00	149.566.062,00	85.000.000,00	149.750.652,00

The fair value of due from and due to other financial institutions carried at amortized cost does not substantially differ from the corresponding carrying amount since the maturity of the majority is that under a month.

The fair value of loans and advances to customers and due to customers is calculated discounting the expected future cash flows (outflows and inflows correspondingly) using as discounting rate the current interest rate for every maturity category.

The fair value of issued bonds represents the price at which the liability can be settled between knowledgeable contractual parties willing to carry out the transaction at fair price.

The fair values presented in the table above reflect the estimates as at financial statements preparation date. These estimates are subject, among others, to adjustments made in compliance with the market conditions that will be outstanding at the certain period of measurement. The above calculations represent the best possible estimates and are based on particular provisions. Taking into account the fact that these calculations include the uncertainty element, it is probable that the fair values might not represent the price at which such financial instruments can be sold or settled in the future.

Practically, on the basis of going concern principle, the total value of the above financial instruments may not be settled through a direct transaction.

#### **43. CAPITAL ADEQUACY**

The Group has established special services monitoring its capital adequacy at regular time intervals and presenting the results of their calculations every three months to the Bank of Greece that acts as a supervising body of Credit Institutions

The capital adequacy rate is defined as the proportion between regulatory equity and the assets as well as off balance sheet items weighted as against the risk involved.

The basic aim of the Bank is to maintain its capital receivables in compliance with the regulatory framework as it is set by the regulatory authorities of the country so that Attica Bank is capable of continuing the course of its normal operation and maintaining its capital basis at such a level that does not prevent the realization of its business plan.

In compliance with the decision of the Bank of Greece, the regulatory equity is divided into:

- Upper Tier I and
- Upper Tier II

The table below presents Upper Tier I and Upper Tier II as well as the adjustments they are subject to prior to the finalizing of their calculation.

(in thousand Euro)	31.12.2008	31.12.2007
<b>Upper Tier I Capital</b>		
Share capital	47.616,64	46.243,63
Tresury shares	(10,52)	0,00
Share Premium	249.610,88	238.538,53
Reserves	1.966,54	2.045,76
Accumulated profit/loss	25.173,84	23.875,46
Available for sale revaluation reserves	10.579,57	5.479,88
Provision for dividends	(295,48)	(6.606,23)
Analogy of actuarial deficit of defined benefit plans	8.269,14	13.781,90
Fair value adjustment of investment property	(1.741,78)	0,00
Minority interest	0,78	0,55
<b>Equity subtraction items</b>		
Intangible assets amortized value	(12.627,59)	(7.828,64)
Shares of credit & financial institutions less than 10% of the institutions' capital that as an aggregate surpass 10% of equity of F.I.	(4.667,26)	0,00
<b>Upper Tier I Capital</b>	<b>323.874,76</b>	<b>315.530,84</b>
<b>Upper Tier II Capital</b>		
Revaluation reserve of property, plant and equipment	783,30	0,00
Fair value adjustment of Investment property	0,00	3.171,29
Analogy of actuarial deficit of defined benefit plans	(8.269,14)	(13.781,90)
<b>Lower Tier II Capital</b>		
Lower tier obligations of certain duration	99.540,55	99.478,13
<b>Equity subtraction items</b>		
Shares of credit & financial institutions less than 10% of the institutions' capital that as an aggregate surpass 10% of equity of F.I.	(4.667,26)	0,00
<b>Total Tier II</b>	<b>87.387,45</b>	<b>88.867,52</b>
<b>Total Regulatory Capital</b>	<b>411.262,21</b>	<b>404.398,36</b>
Weighted as against credit risk	2.956.839,00	
Weighted as against market risk	125.968,75	
Weighted as against operational risk	244.085,63	
Further Assets (internal capital evaluation)	348.242,75	
<b>CAPITAL ADEQUACY RATIO (TIER I)</b>	<b>9,7%</b>	<b>9,9%</b>
<b>TOTAL CAPITAL ADEQUACY RATIO</b>	<b>11,2%</b>	<b>12,6%</b>
<b>SOLVENCY RATIO</b>	<b>12,4%</b>	<b>13,2%</b>

Data that concern the publication of regulatory disclosures about the capital adequacy and the risk management (Basel II, Pillar III – PD/BOG 2592/07), will be available at Bank's website.



**44. READJUSTMENT OF CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007****44.1 CASH FLOW STATEMENT AS AT 31/12/2007**

<b>(Amounts reported in €)</b>	<b>READJUSTED</b>	<b>PUBLISHED</b>
<b>Cash flows from operating activities</b>		
Interest and similar income	209.312.423,70	209.312.423,70
Interest paid	(114.724.880,94)	(114.724.880,94)
Dividends received	407.193,22	407.193,22
Commission received	36.715.779,93	36.715.779,93
Commission paid	(1.464.663,46)	(1.464.663,46)
Profit (loss) from financial trading	4.295.582,01	4.295.582,01
Other income	3.668.945,65	3.668.945,65
Cash payments to employees and suppliers	(90.437.871,02)	(90.437.871,02)
Tax paid	(1.051.917,51)	(1.051.917,51)
<b>Cash flows from operating activities before modifications in accounts related to operating activities</b>	<b>46.720.591,58</b>	<b>46.720.591,58</b>
<b>Changes in operating assets and liabilities</b>		
Net (increase) / decrease in trading securities	2.329.721,27	2.329.721,27
Net (increase) / decrease in loans	(614.579.300,30)	(614.579.300,30)
Net (increase) / decrease in other assets	(32.175.152,23)	(32.175.152,23)
Net (increase) / decrease in due to other financial institutions	150.756.749,80	150.756.749,80
Net (increase) / decrease in due to customers	494.095.378,32	494.095.378,32
Net (increase) / decrease in other liabilities	3.888.275,89	15.743.488,71
<b>Total changes in operating assets and liabilities</b>	<b>4.315.672,75</b>	<b>16.170.885,57</b>
<b>Net cash flow from operating activities</b>	<b>51.036.264,33</b>	<b>62.891.477,15</b>
<b>Cash flows from investment activities</b>		
Purchases of intangible assets	(2.332.362,11)	(2.332.362,11)
Purchases of property, plant and equipment	(4.250.657,11)	(4.250.657,11)
Maturity of held to maturity investment securities	5.000.000,00	5.000.000,00
Purchases of Available for Sale securities	(8.259.284,89)	(8.259.284,89)
Disposals of available for sale securities	31.260.217,92	31.260.217,92
<b>Net cash flow from investment activities</b>	<b>21.417.913,81</b>	<b>21.417.913,81</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares or other securities	148.640.238,00	148.640.238,00
Share capital increase expenses	(1.358.477,93)	(1.358.477,93)
Dividends paid	(133,90)	(133,90)
<b>Net cash flow from financing activities</b>	<b>147.281.626,17</b>	<b>147.281.626,17</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>219.735.804,32</b>	<b>231.591.017,14</b>
Cash and cash equivalents at the beginning of the year	504.948.440,56	504.948.440,56
<b>Cash and cash equivalents at the end of the year</b>	<b>724.684.244,88</b>	<b>736.539.457,70</b>

**44.2 BALANCE SHEET AS AT 31/12/2007**

(Amounts reported in €)

	<b>READJUSTED</b>	<b>PUBLISHED</b>
<b>ASSETS</b>		
Cash and balances with Central Bank	164.829.241,55	164.829.241,55
Due from other financial institutions	559.855.003,33	571.710.216,15
Financial assets at fair value through Profit and Loss	22.021.097,96	22.021.097,96
Derivative financial instruments - assets	35.775,70	35.775,70
Loans and advances to customers (after provisions)	2.900.606.479,56	2.900.606.479,56
Financial assets available for sale	67.246.826,86	67.246.826,86
Investments held to maturity	21.961.206,23	21.961.206,23
Investments in subsidiaries	60.000,00	60.000,00
Investments in associates	0,00	0,00
Property, plant and equipment	34.518.972,04	34.518.972,04
Investment property	21.091.014,34	21.091.014,34
Intangible assets	7.828.644,71	7.828.644,71
Deferred tax assets	15.830.963,47	15.830.963,47
Other assets	87.865.786,77	87.865.786,77
<b>Total assets</b>	<b>3.903.751.012,52</b>	<b>3.915.606.225,34</b>
<b>EQUITY</b>		
Share capital	46.243.629,60	46.243.629,60
Share premium	238.538.533,95	238.538.533,95
Less: treasury shares	30.933.796,16	30.933.796,16
Accumulated profit/loss	2.034.726,47	2.034.726,47
<b>Net equity of the company's shareholders</b>	<b>317.750.686,18</b>	<b>317.750.686,18</b>
Minority interest	548,47	548,47
<b>Total Equity</b>	<b>317.751.234,65</b>	<b>317.751.234,65</b>
<b>LIABILITIES</b>		
Due to other financial institutions	447.832.766,02	447.832.766,02
Due to customers	2.915.849.884,19	2.915.849.884,19
Derivative financial instruments - liabilities	73.776,87	73.776,87
Issued bonds	149.566.062,00	149.566.062,00
Provisions for retirement benefits	27.306.673,65	27.306.673,65
Other provisions for risks and liens	6.498.156,13	6.498.156,13
Deferred tax liabilities	2.348.659,00	2.348.659,00
Other liabilities	36.523.800,01	48.379.012,84
<b>Total liabilities</b>	<b>3.585.999.777,87</b>	<b>3.597.854.990,69</b>
<b>Total liabilities and equity</b>	<b>3.903.751.012,52</b>	<b>3.915.606.225,34</b>

#### **45. EVENTS SUBSEQUENT TO 31<sup>st</sup> DECEMBER 2008**

In compliance with the decision K2-15053 / 2.1.2009 of the Ministry of Development, there were approved the amendments to Articles one (1), four (4) and eight (8) of the Articles of Incorporation of the Bank pertaining to the change of its title into «Attica Bank S.A.» as well the prolongation of its term 50 years, i.e. as till 4<sup>th</sup> February, 2075, following the resolution of the Extraordinary General Assembly of the Shareholders of the Bank as at 20/11/2008.

The Extraordinary General Assembly of the Shareholders held on 8/1/2009 decided the Bank's share capital increase by €100.200.000 according to the provisions of law 3723/2008 "On the enhancement of the liquidity of the economy and the management of the consequences of the international financial crisis and other provisions" (art.1 par.1). This amount corresponds to 286.285.714 preferred shares bearing voting rights at the General Meeting of the holders of preferred shares. The nominal value of each share is € 0,35. The issue of the preferred shares will be covered entirely by the Greek State, as provided for by law 3723/2008 which refers to the liquidity enhancement of the economy for the management of the consequences of the international financial crisis.

Following the share capital increase the share capital of the Bank will amount to €147.816.639,35 and will be divided into a) 136.047.541 common, registered shares with a nominal value of €0,35 each and b) 286.285.714 preferred registered shares with a nominal value of € 0,35 each.

Within the frame of the maintenance of sufficient liquidity plan for the purposes of facing the repercussions of the global financial crisis, the Bank received a bond amounting to € 200 million. The amount attributed to the Bank in the frame of this government plan comes to € 628,6 million.

The Bank will not distribute dividends from the earnings for the year 2008 through reinvestment as it did in the previous year. Distribution of dividends in the form of cash payments is not permitted in compliance with the recent regulation issued by the Ministry of Economy and Finance.



**INDIVIDUAL ANNUAL FINANCIAL STATEMENTS**

**31 DECEMBER 2008**

**In accordance with International Financial Reporting Standards**

The Financial Statements of the year ended as at December 31st, 2008 as well as the notes attached, have been approved by the Board of Directors on 17<sup>th</sup> March 2009 and have been posted on the Bank's website as well as on the website of ASE, where they will remain at the disposal of investors for at least five (5) years from the date they were issued and published.

It should be noted that the published summary financial statements information that derive from the financial statements provide general information about the financial position and results of the company, but do not provide a complete view of the financial position, performance and cash flow of the Bank and the Group in accordance with International Financial Reporting Standards.

Athens, 17 March 2009

THE CHAIRMAN OF THE BOARD  
&  
CHIEF EXECUTIVE OFFICER

THE VICE CHAIRMAN  
OF THE BOARD

THE ACCOUNTING  
DEPARTMENT MANAGER

TRYPHON E. KOLLINTZAS

IOANNIS P. GAMVRILIS

CHRISTOS K. MARANTOS

I.D. No AA 026187

I.D. No Δ 804292

I.D. No M 481653  
E.C.G. LICENCE No  
17216/A' CLASS

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<b>INCOME STATEMENT</b> <b>(Amounts reported in €)</b>	<b>Note</b>	<b>YEAR ENDED ON</b>	
		<b>31/12/2008</b>	<b>31/12/2007</b>
Interest and similar income	4	270.788.166,12	212.494.870,11
<b>Less : Interest expense and similar charges</b>	5	(167.654.445,54)	(119.373.105,71)
<b>Net interest income</b>		<b>103.133.720,58</b>	<b>93.121.764,40</b>
Fee and commission income	6	33.481.095,92	34.062.855,42
<b>Less: Fee and commission expense</b>	7	(1.356.781,06)	(1.525.405,61)
<b>Net fee and commission income</b>		<b>32.124.314,86</b>	<b>32.537.449,81</b>
Dividend income	8	1.189.462,84	588.959,32
Profit (loss) from trading portfolio	9	(808.391,43)	4.874.612,33
Profit (loss) from investment portfolio	10	(612.129,82)	2.359.412,24
Other income	11	7.409.070,83	10.751.193,34
<b>Operating income</b>		<b>142.436.047,86</b>	<b>144.233.391,44</b>
Provision for credit risks	19	(34.589.738,64)	(30.400.000,00)
Salaries, wages and personnel expenses	12	(56.856.151,55)	(51.715.093,04)
General operating expenses	12	(32.015.948,85)	(30.333.543,73)
Depreciation	12	(4.936.080,76)	(4.744.838,74)
<b>Total operating expenses</b>		<b>(128.397.919,80)</b>	<b>(117.193.475,51)</b>
<b>Profit / (loss) before taxes</b>		<b>14.038.128,06</b>	<b>27.039.915,93</b>
<b>Less: taxes</b>	13	(3.803.463,07)	(7.011.389,55)
<b>Profit / (loss) after taxes</b>		<b>10.234.664,99</b>	<b>20.028.526,38</b>
Profit / (loss) after taxes per share – basic (in €)	14	0,0763	0,1856
Profit / (loss) after taxes per share – diluted (in €)	14	0,0755	0,1856
Dividend proposed per share		0,0000	0,1000



**BALANCE SHEET**

(Amounts reported in €)

	Note	31/12/2008	31/12/2007
<b>ASSETS</b>			
Cash and balances with Central Bank	15	120.442.842,83	164.582.216,16
Due from other financial institutions	16	627.116.231,35	559.129.702,31
Financial assets at fair value through Profit and Loss		0,00	22.021.097,96
Derivative financial instruments - assets	18	312.842,91	35.775,70
Loans and advances to customers (after provisions)	19	3.385.814.637,81	2.900.606.479,56
Financial assets available for sale	20	114.485.622,88	67.246.826,86
Investments held to maturity	21	11.957.862,55	21.961.206,23
Investments in subsidiaries	22	4.457.885,03	3.464.090,70
Investments in associates	23	7.290.457,03	0,00
Property, plant and equipment	25	42.430.161,47	34.496.401,85
Investment property	26	28.767.714,82	21.091.014,34
Intangible assets	24	12.611.725,23	7.828.644,69
Deferred tax assets	31	21.621.702,93	15.798.513,29
Other assets	27	141.850.634,43	86.365.910,70
<b>Total assets</b>		<b>4.519.160.321,27</b>	<b>3.904.627.880,35</b>
<b>EQUITY</b>			
Share capital	35	47.616.639,35	46.243.629,60
Share premium	35	249.610.876,79	238.538.533,95
Less: treasury shares	35	(10.516,00)	0,00
Accumulated profit/loss	35	21.580.010,87	29.658.144,63
Reserves	36	1.888.084,32	2.002.691,55
<b>Total Equity</b>		<b>320.685.095,33</b>	<b>316.442.999,73</b>
<b>LIABILITIES</b>			
Due to other financial institutions	28	1.068.225.341,48	447.832.766,02
Due to customers	29	2.956.553.082,42	2.919.784.056,64
Derivative financial instruments - liabilities	18	30.265,75	73.776,87
Issued bonds	30	99.540.552,36	149.128.778,16
Provisions for retirement benefits	32	17.698.093,73	27.217.200,32
Other provisions for risks and liens	33	6.604.313,87	6.460.156,13
Deferred tax liabilities	31	4.027.000,51	2.348.659,00
Other liabilities	34	45.796.575,82	35.339.487,48
<b>Total liabilities</b>		<b>4.198.475.225,94</b>	<b>3.588.184.880,62</b>
<b>Total liabilities and equity</b>		<b>4.519.160.321,27</b>	<b>3.904.627.880,35</b>

**STATEMENT OF CHANGES IN EQUITY**

(Amounts reported in €)

	Share Capital	Treasury shares	Share premium	Reserves	Accumulated Profit/Loss	Total equity
<b>Balance as at 01/01/2007</b>	<b>28.902.268,50</b>	<b>0,00</b>	<b>108.248.134,98</b>	<b>6.437.777,75</b>	<b>9.654.618,25</b>	<b>153.242.799,48</b>
Profit / (loss) for the year after tax					20.028.526,38	20.028.526,38
Share capital increase	17.341.361,10		131.298.876,90			148.640.238,00
Employees stock option			350.000,00			350.000,00
Share capital increase expenses			(1.358.477,93)			(1.358.477,93)
Investment portfolio -Available for sale securities				(4.485.056,47)		(4.485.056,47)
Statutory reserve formation				25.000,00	(25.000,00)	0,00
Tax attributable to differences recognized directly to equity				24.970,27		24.970,27
<b>Balance as at 31/12/2007</b>	<b>46.243.629,60</b>	<b>0,00</b>	<b>238.538.533,95</b>	<b>2.002.691,55</b>	<b>29.658.144,63</b>	<b>316.442.999,73</b>
Profit / (loss) for the year after tax					10.234.664,99	10.234.664,99
Share capital increase through dividends reinvestment	1.240.261,05		9.992.960,46			11.233.221,51
Stock option plan	132.748,70		967.169,10			1.099.917,80
Share capital increase expenses			(35.706,70)			(35.706,70)
Stock option plan payroll expenses			147.919,98			147.919,98
(Purchases)/ sales of treasury shares		(10.516,00)				(10.516,00)
Investment portfolio -Available for sale securities				(14.616.182,85)		(14.616.182,85)
Tax attributable to differences recognized directly to equity from available for sale reserve				4.736.664,58		4.736.664,58
Statutory reserve formation				1.001.426,32	(1.001.426,32)	0,00
Reserves from after tax profit of securities' sales in 2007				4.098.906,83	(4.098.906,83)	0,00
Revaluation of property, plant and equipment				5.830.722,36		5.830.722,36
Tax attributable to differences recognized directly to equity from revaluation of property, plant and equipment				(1.166.144,47)		(1.166.144,47)
Dividends paid					(13.212.465,60)	(13.212.465,60)
<b>Balance as at 31/12/2008</b>	<b>47.616.639,35</b>	<b>(10.516,00)</b>	<b>249.610.876,79</b>	<b>1.888.084,32</b>	<b>21.580.010,87</b>	<b>320.685.095,33</b>

<b>CASH FLOW STATEMENT</b> <b>(Amounts reported in €)</b>	<b>Note</b>	<b>YEAR ENDED ON</b>	
		<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Cash flows from operating activities</b>			
Interest and similar income		266.726.146,13	209.069.245,33
Interest paid		(159.763.233,63)	(114.749.696,87)
Dividends received		1.189.462,84	588.959,32
Commission received		33.367.831,34	33.925.299,71
Commission paid		(1.356.781,06)	(1.525.405,61)
Profit (loss) from financial trading		52.211,95	4.261.474,88
Other income		9.150.809,95	3.703.890,96
Cash payments to employees and suppliers		(97.743.287,01)	(88.677.900,06)
Tax paid		(3.705.778,35)	(848.582,47)
<b>Cash flows from operating activities before modifications in accounts related to operating activities</b>		<b>47.917.382,16</b>	<b>45.747.285,19</b>
<b>Changes in operating assets and liabilities</b>			
Net (increase) / decrease in trading securities		12.580.630,93	2.329.721,27
Net (increase) / decrease in loans		(519.797.896,89)	(614.579.300,30)
Net (increase) / decrease in other assets		(61.147.391,82)	(32.213.458,83)
Net (increase) / decrease in due to other financial institutions		620.392.575,47	150.756.749,80
Net (increase) / decrease in due to customers		36.769.025,78	496.379.052,90
Net (increase) / decrease in other liabilities		2.791.404,44	4.002.053,99
<b>Total changes in operating assets and liabilities</b>		<b>91.588.347,91</b>	<b>6.674.818,83</b>
<b>Net cash flow from operating activities</b>		<b>139.505.730,07</b>	<b>52.422.104,02</b>
<b>Cash flows from investment activities</b>			
Purchases of intangible assets		(6.734.231,65)	(2.332.362,11)
Purchases of property, plant and equipment		(5.087.966,91)	(4.240.541,52)
Maturity of held to maturity investment securities		10.000.000,00	5.000.000,00
Purchases of Available for Sale securities		(72.787.424,42)	(8.259.284,89)
Disposals of available for sale securities		13.511.701,21	31.260.217,92
Investments in subsidiaries - Net of Cash (acquisition)		(4.591.764,25)	0,00
Capital return from subsidiary		967.478,50	0,00
<b>Net cash flow from investment activities</b>		<b>(64.722.207,52)</b>	<b>21.428.029,40</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares or other securities		12.333.139,31	148.640.238,00
Share capital increase expenses		(35.706,70)	(1.358.477,93)
Purchase of treasury shares		(10.516,00)	0,00
Payment of amounts due from credit securities		(50.000.000,00)	0,00
Dividends paid		(13.223.283,45)	0,00
<b>Net cash flow from financing activities</b>		<b>(50.936.366,84)</b>	<b>147.281.760,07</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>23.847.155,71</b>	<b>221.131.893,50</b>
Cash and cash equivalents at the beginning of the year		723.711.918,47	502.580.024,97
<b>Cash and cash equivalents at the end of the year</b>	<b>37</b>	<b>747.559.074,18</b>	<b>723.711.918,47</b>

## 1. GENERAL INFORMATION

Attica Bank S.A. is a societe anonyme with registration number 6067/06/B/86/06, which is listed on the Athens Stock Exchange and operates in the banking and financial sector.

The address of the Bank's registered office is 23, Omirou street, PC 106-72 the prefecture of Athens.

The Bank has 1.198 employees and operates in Greece

The aforementioned Financial Statements have been approved for issue by the Board of Directors on 17th March 2009 and are subject to the final approval of the annual Ordinary General Assembly of Shareholders.

The members of the Board of Directors of the Bank are:

### **Executive members**

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Tryphon E. Kollintzas	Chairman of the Board of Directors & Chief Executive Officer
Ioannis P. Gamvrlis	Vice Chairman of the Board

### **Non Executive Members**

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Augoustinos M. Vitzilaios	Member
Argyrios G. Zafeiropoulos	Member
Antonios D. Kaminaris	Member
Athanasios E. Presvelos	Member
Athanasios D. Stathopoulos	Member
Athanasios H. Tzakopoulos	Member
Aggelos I. Philippides	Member

### **Independent Non Executive Members**

---

Athina I. Athanasiadou	Member
Georgios K. Tsoukalas	Member

### **Representative of the Greek State in the Board of Directors**

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Georgios Ch. Rizos

The composition of the members of the Board of Directors arises from No 1055 minutes of the Bank's Board of Directors meeting as at 8/1/2009 as well as from the Board of Director's meeting as at 17/3/2009. The members of the Board of Directors of the Bank as at 31.12.2008 are:

### **Executive members**

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Tryphon E. Kollintzas	Chairman of the Board of Directors & Chief Executive Officer
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### **Non Executive Members**

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Dimitrios A. Bouziakas	Vice Chairman of the Board
Augoustinos M. Vitzilaios	Member
Stylianos D. Diamantidis	Member
Dimitrios G. Dounoukos	Member
Antonios D. Kaminaris	Member
Athanasios D. Stathopoulos	Member
Aggelos I. Philippides	Member
Ioannis I. Fourkas	Member

### **Independent Non Executive Members**

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Athina I. Athanasiadou	Member
Athanasios I. Tzakopoulos	Member

The following auditors have been elected to conduct the audit of the financial statements for the year 2008: Athanasia M. Arabatzi ( SOEL Reg. No 12821) and George N. Deligannis (SOEL Reg. No 15791) from the company GRANT THORNTON S.A.

Its website address is [www.atticabank.gr](http://www.atticabank.gr)

The financial statements of «Attica Bank S.A.» are included in the consolidated financial statements of 31.12.2008 prepared by TT Hellenic Postbank S.A.. As at 31/12/2008, TT Hellenic Postbank S.A. participated in the share capital of Attica Bank S.A. with the participating interest of 21,034%.

## **2. PRINCIPAL ACCOUNTING POLICIES**

### ***(2.1) Basis of Presentation of the Financial Statements***

The annual Financial Statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS), which have been adopted by the European Union, and those Standards and Interpretations approved by the International Accounting Standards Board.

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale investment securities, financial assets and liabilities held at fair value through profit and loss, all derivative contracts as well as the property, plant and equipment (land and buildings) and investment property that are measured at fair value. The amounts reported in the financial statements are presented in Euro.

The preparation of Financial Statements in conformity with International Financial Reporting Standards (IFRS), requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent receivables and liabilities at the date of preparation of Financial Statements and the reported amounts of revenues and expenses during the reporting period. For further analysis please refer to note 2.33.

### ***(2.2) Adoption of new standards, amendments and interpretations with value date as of 1 January 2008:***

(a) IFRIC 11, "Group and treasury share transactions":

IFRIC 11 provides guidance on IFRS 2 application in three cases: i) share-based payment arrangements involving an entity's own equity instruments, ii) share-based payment arrangements involving equity instruments of the parent and iii) a subsidiary granting rights to equity instruments of its parent to its employees. An entity shall apply this Interpretation for annual periods beginning on or after 1 March 2008. The application of the Interpretation is not expected to have significant impact on the Financial Statements of the Bank.

(b) IFRIC 12, "Service concession arrangements" (effective for annual periods beginning on or after 1 January 2008):

This interpretation has no application to the Bank's activities.

(c) IFRIC 14: " IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008):

This interpretation has no application to Bank's activities.

d) Amendment of International Accounting Standard 39 and International Financial Reporting Standard 7.

On 13 October 2008, the International Accounting Standard Board issued an amendment to IAS 39 and IFRS 7 "Financial Instruments: Disclosures", which has been adopted by European Union. The amendment permits, under circumstances, the reclassification of certain financial assets to different categories from the ones they have been classified on the initial recognition. The aforementioned option can be applied from the 1st of July 2008.

The Bank has implemented the amendments of IAS 39 και IFRS 7. For further analysis concerning their effect please refer to note 20 of the Individual Financial Statements.

### **(2.3) Subsidiaries**

Subsidiaries are entities, over which the Bank holds either directly or indirectly more than 50% of the voting rights or has significant influence and control of the business decisions taken.

### **(2.4) Associates**

Associates are those entities over which the Group holds 20% to 50% of the voting rights and has significant influence but not control.

### **(2.5) Foreign currency translation**

The functional currency is Euro (€).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, are translated into the functional currency using the exchange rates prevailing at the balance sheet closing date. Translation differences are recognized in the income statement.

Translation differences arising from the translation of non-monetary assets are a component of the change in their fair value. Differences arising from the translation of non-monetary assets, such as securities held at fair value through profit or loss, are recognized in the income statement. Differences arising from the translation of non-monetary assets, such as an available-for-sale financial asset, are recognized in equity until the sale of this non-monetary asset.

### **(2.6) Investments in financial assets**

The Bank classifies its investments in financial assets as held-to-maturity, available-for-sale or assets in fair value through profit or loss. Classification is decided at initial recognition.

Initially, all investments are recognized on trade date and measured at cost, being the fair value of consideration given. Transaction costs are capitalized, if they are available-for-sale and held-to-maturity investments, whereas they are recorded directly to the income statement if they are financial assets at fair value through profit or loss.

*Financial assets at fair value through profit or loss:* This category has two subcategories: financial assets held for trading and financial assets designated at fair value through profit or loss at inception. Trading securities are acquired principally for the purpose of generating short-term profit and include securities such as shares, bonds, and mutual fund units. After initial recognition, financial assets designated at fair value through profit or loss are stated at fair value. Gains or losses arising from changes in the fair value of these investments are recognized in the income statement.

*Held-to-maturity investment securities:* Investments with fixed maturities and fixed or determinable payments, which the Bank has, the positive intention and ability to hold to maturity. These investments are carried at amortized cost using the effective interest rate method. The amortized cost is calculated by taking into account the acquisition cost and any premium or discount on acquisition date less any provision for impairment.

*Available-for-sale investment securities:* are those intended to be held for an indefinite period of time, to maturity or sold in response to needs for liquidity or to gain from the changes in interest rates or foreign currency exchange rates. After initial recognition, the investments classified as available-for-sale are carried at fair value. Gains and losses arising from changes in fair value of these investments are recognized directly in equity, until sold or collected or impaired at which time they are transferred to the income statement.

If impairment exists, the cumulative loss that is transferred from equity and is recognized in profit or loss consists of the difference between book value (less any capital repayments and amortization) and fair value, less any impairment loss previously recognized.

Impairment losses recognized in profit or loss concerning investment in equity instrument classified as available for sale are not reversed through profit or loss. Losses recognized in the financial statements of previous years resulting from impairment of equity instruments are reversed through profit or loss, if the increase (reversal of impairment loss) is related to events taking place after the recognition of impairment in the income statement.

#### Management's Assumptions

##### Fair value estimation

Investments that are quoted in active markets are valued at fair value, which is determined according to the current bid prices at balance sheet date. Non listed investments are valued at estimated fair value which is determined by using valuation techniques, adjusted so to take into consideration the distinctiveness of these securities and is also compared with current prices of other similar companies which are quoted in active markets.

All regular purchases and sales of financial assets are recognized on trade date, the date on which the Bank commits to purchase or sell the asset. The term "regular" purchases and sales of financial assets requires the delivery of a financial asset to be realized within the time period specified by either the responsible committee or is established by the existing practice.

#### **(2.7) Sale and Purchase agreements (Repos)**

Securities sold subject to a linked repurchase agreement (Repos) are disclosed in the financial statements as available-for-sale investments, while the respective liability is disclosed, depending on the counter party, as amounts due to credit institutions, to customers or other deposits. Securities purchased under agreements to resell (Reverse Repos) are recorded in the financial statements as due from credit institutions. The difference between sale and repurchase price is recorded in the income statement and is accrued over the term of the agreement using the effective interest rate method.

#### **(2.8) Property, plant and equipment**

Property, plant and equipment include land, buildings, leasehold improvements, furniture and other equipment and vehicles, held by the Bank either for operational purposes or for administrative purposes. The acquisition cost includes expenses directly pertaining to acquisition of property, plant and equipment. Land and buildings are carried at fair value and residual values, based on valuations by independent valuers, regularly, and the difference arising from the valuation is credited to equity under revaluation reserve. The leasehold improvements, furniture and other equipment as well as vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenses are included in the assets value and on case bases are recognized as an individual asset only if case it is probable that future economic benefits will flow to the Bank and the aforementioned expenses can be reliably estimated.

Other restoration and maintenance expenses are recorded on the income statement during the year they were incurred.

*Depreciation:* Land is not depreciated. Depreciation on other property, plant and equipment assets is calculated using the straight-line method over their estimated useful lives, which is reviewed annually, as follows:

Buildings	30-50 years
Hardware	4-5 years
Furniture and other equipment	6-7 years
Vehicles	6-9 years

"Third party leasehold improvements" are depreciated over either the useful life of the improvement or the duration of the lease whichever is the shortest.

*Impairment:* The Bank reviews annually its property, plant and equipment for impairment. If there are indications of impairment the carrying value of the property, plant and equipment is reduced to its recoverable amount and the respective decrease is recognized as an expense in the income statement. However, impairment should be charged directly against any related revaluation reserve to the extent that the impairment does not exceed the amount held in the revaluation reserve in respect of that same asset. Gains or losses arising from assets impairment are recorded in the income statement and defined as from the difference between the disposal price and the depreciated value of the asset.

### ***(2.9) Investment property***

Investment property acquired through foreclosure for the settlement of uncollected receivables from loans and advances are initially measured at cost, which includes transaction costs. After initial recognition, investment property is carried at fair value. The difference between the fair value and cost of acquisition is recorded in profit and loss.

### ***(2.10) Intangible Assets***

Intangible assets include computer software. Computer software which is acquired and can be clearly identified is capitalized at the cost of acquisition. The expenses that improve or broaden the performance of the software beyond the initial technical characteristics are incorporated in the acquisition cost of intangible assets. There is also added to the acquisition cost of intangible assets any direct cost required for its creation, development and sound operation. Such direct cost items are:

- The fees of the employees when directly connected to the particular intangible asset in case they can be reliably estimated
- The fees of free lancers connected to the creation and development of intangible assets
- Administration expenses that are directly connected and can be reliably estimated at the stage of creating and developing of intangible assets.

Subsequently, intangible assets are carried at cost less any accumulated amortization and any impairment losses. Computer software is amortized in compliance with its useful life that cannot exceed 10 years. Bank management, on an annual basis, examines the fair value of intangible assets so as to conclude whether there exists an indication of impairment or whether the useful life should be amended. In the case when the carrying value of an intangible asset exceeds its recoverable value, a corresponding impairment is charged to the income statement.

### ***(2.11) Goodwill***

Goodwill represents the excess of the cost of the acquisition over the fair value of the share of the entity's equity at the date of acquisition.

At each balance sheet date, on annual basis, the carrying amount of goodwill is reviewed by the Bank management for evidence of impairment. In case that the recoverable value is lower than the carrying amount, then the goodwill is reduced to its recoverable amount.

### ***(2.12) Cash and cash equivalents***

Cash and cash equivalents include monetary assets with less than three months to maturity.

### ***(2.13) Loans and advances***

Loans and advances are recorded on the disbursement date at cost, which is the fair value of the capital, including the direct expenses and income, which relate to the loan. Subsequent to initial recognition, loans and advances are carried at amortized cost using the effective interest rate method.

### ***(2.14) Provisions for credit risks***

Loans and advances to customers are carried on the balance sheet after deducting provisions for losses.



The recoverability of loans and advances is reviewed on an individual basis for those loans, which the Bank considers as significant. The evaluation takes into account the financial position, credit standing, past repayment pattern, the transaction behaviour, the credit worthiness of guarantors and the realizable value of collaterals.

Loans and advances which are not considered significant as well as the ones which are considered significant but there are no impairment indications are grouped on the basis of similar credit risk characteristics, such as consumer loans, mortgage loans, credit card loans etc. The Bank examines on a collective basis the possible provision for loan losses. During the evaluation of each category the factors which are taken into account are the amount of non-performing or doubtful loans, the aging of overdue loans, the collectibility since they were categorized as doubtful, the existing financial status, the market conditions and historical losses.

When a loan is considered as doubtful, its carrying amount is reduced to its estimated recoverable amount, which is the present value of estimated future cash flows, including the amounts to be recovered from collaterals and guarantees held, discounted with the effective interest rate of the loan.

The differences in the recoverable amounts and the period that they are expected to be collected are compared with previous calculations and when a difference arises it is recorded to the income statement. The reverse of the provision for loan losses occurs only in the case that the credit standing of the customer has improved to an extent that the capital and interest will be collected according to the terms of the loan agreement.

No interest is accounted for on loans overdue from 3 to 6 months with regard to existence or non-existence of collaterals. In this case interest is presented in off-balance sheet accounts.

Loans and other advances are written off against the related provision, when it is considered uncollectible.

## **(2.15) Leases**

### **The Bank is the lessee**

#### Operating Leases

The Bank has entered into operating lease contracts where risks and rewards of ownership of the assets are retained by the lessor. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

#### Finance Leases

The Bank may enter into finance lease contracts where risks and rewards of ownership of the leased assets have been assumed by the Bank.

At inception finance leases are carried at the lower between the fair value of the lease payments and the present value of the minimum lease payments. Subsequently, the leased land and buildings are revalued at fair value.

The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the Bank will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a **lower** price, then the depreciable period is the asset's useful life.

Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement. There is no participation of the Bank in finance leases as in the financial statements of 2008 and 2007.

### **The Bank is the lessor**

The Bank operates as a lessor and the classification of the lease is based on the extent to which risks and rewards of ownership of the leased assets belong to the lessor or the lessee. A lease is classified as a finance lease if it transfers substantially all risks and rewards of ownership. A lease is classified as an operating lease in case it does not transfer all risks and rewards of ownership.

*Finance Leases:* In its Balance Sheet, the Bank records all the held assets that are under finance lease as assets whose value is equal to that of net lease investment.

Lease payments are carried as capital paying off (repayment) and as financial income.

The record and allocation of financial income is based on a model that reflects a stable periodical performance of the net investment over the outstanding part of the finance lease.

*Operating Leases:* The leases of this category in which then Bank participates pertain to investment property of the Bank.

Lease payment income less cost of services are charged to the income on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

### **(2.16) Derivative financial instruments and hedging**

Derivative financial instruments include forward foreign exchange contracts, interest rate swaps, foreign exchange swaps and other derivative financial instruments.

*Derivatives for trading purposes:* Derivatives that do not qualify for hedging purposes are considered as entered into for trading purposes. Initially, derivatives are recognized in the balance sheet at fair value (which is essentially the transaction cost) on the date on which the contract is entered into. Subsequently they are remeasured at fair value. Fair values are obtained from quoted market prices, 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.

A derivative may be a component of a financial instrument. The combined financial instrument includes both a derivative and a host contract and is known as embedded derivative. An embedded derivative should be separated from the host contract and accounted for as a derivative if all of the following conditions are met: a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and c) the hybrid (combined) instrument is not measured at fair value with changes in fair value reported in the income statement.

Changes in the fair value of derivatives are reported in the income statement.

*Hedging:* For the purposes of hedge accounting, hedging is designated as a fair value hedge, when the exposure to changes in the fair value of a recognized asset or liability is hedged or as cash flow hedge when the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability is hedged. For the derivatives that are used for hedging purposes the Bank applies hedge accounting which includes a description of the hedged item, of the hedging instrument, the nature of the risk being hedged and the enterprise's risk management strategy. Furthermore, it documents whether or not the hedging is effective at inception and throughout the life of the hedge. That is whether or not fair value changes derived from the hedged exposure are offset by the changes of the hedging instrument and are within a range of 80% to 125%.

In fair value hedge transactions which meet the criteria for hedge accounting, gains or losses which are due to the valuation of the hedging instrument to fair value are recorded in the income statement. The hedged item is valued at fair value and the gains or losses are recorded in the income statement.

Changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges and that prove to be highly effective in relation to the hedged risk, are recognized in the hedge reserve in equity. Otherwise, gains and losses which refer to the ineffective portion of the hedge are recorded in the income statement.

When the criteria for hedge accounting are no longer met, due to the hedging being no longer effective or due to the fact that the hedged exposure has been derecognised, then the related accumulated gains or losses recognized in the Bank's equity are transferred to the income statement.

**(2.17) Offsetting of assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal right to set off the recognized amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

**(2.18) Interest income and expense**

For all financial assets and liabilities, interest income and expense are recognized in the income statement using the effective interest rate method.

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

When a financial asset or a group of financial assets has been written down as a result of an impairment loss, interest income is recognized using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

**(2.19) Fee and commission income**

Fees and commissions are recognized in the income statement in the period that 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.

**(2.20) Provisions**

The Bank recognizes a provision for contingent liabilities and risks when:

- there is a present legal or constructive obligation as a result of past events,
- a reliable estimate of the amount of the obligation can be made and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

**(2.21) Income Tax**

Deferred income tax is calculated based on the temporary differences arising between the carrying amount of assets and liabilities included in the financial statements and their amounts as measured for tax purposes, according to tax law.

Deferred income tax is determined using tax rates that have been enacted or enacted at a date subsequent to that of the balance sheet.

The Bank recognizes deferred tax assets when it is probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized.

Deferred income tax is also recognized in cases that temporary differences arise from investments in subsidiaries and associates, except when the timing of the reversal of the temporary difference can be controlled by the Bank and it is probable that the temporary difference will not be reversed in the foreseeable future.

Income tax payable on profits, based on the applicable tax law is recognized as an expense in the income statement of the year. Tax losses available for carry forward for offsetting are recognized as an asset when it is probable that future taxable profits will be available and they will exceed the accumulated tax losses.

Deferred tax asset or liability arising from the re-measurement of fair value of available for sale securities and cash flow hedges, which are charged or credited directly to equity, is also charged directly to equity.

**(2.22) Employee benefits**

The Bank participates in various retirement benefit plans for its employees. Those include both defined benefit and defined contribution plans.

For defined contribution plans the Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that the obligation of the Bank is to define an amount of pension benefit that an employee will receive at retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses which can be derived from adjustments according to past experience, as well as changes in actuarial assumptions, are debited or credited to the income statement in compliance with the average remaining working life of the employees.

**(2.23) Derecognition of a financial instrument from the Financial Statements**

A financial instrument is derecognized from the Bank financial instruments when the Bank loses control of the contractual rights that comprise the financial instrument. The Bank loses such control if it realizes the rights to benefits specified in the contract, the rights expire, or the enterprise surrenders those rights.

**(2.24) Segment reporting**

A Business segment is the primary type of information. A Business segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is the secondary type of information. A geographical segment is engaged in providing services about the Group's activities within a particular economic environment that are subject to risks and returns that are different from those of segments of operating in other economic environments.

All the banking transactions entered into with related parties are made on substantially the same terms that are performed similar transactions with other non-related parties, in the same period.

**(2.25) Treasury shares**

Treasury shares held by the Bank are carried at cost and they are deducted from equity until they are cancelled. Where such shares are subsequently sold or reissued, the gain or loss from the sale is not recorded in the income statement but directly recognized in equity.

**(2.26) Borrowing costs**

Borrowing cost, according to IAS 23, is recognized as an expense in the income statement of the year in which it incurred.

**(2.27) Related party transactions**

Related parties are entities, which the Bank holds either directly or indirectly more than 50% of the share capital or has significant influence in making financial and operating decisions. Also, related parties are considered to be the members of the Bank's management, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating policies.

### **(2.28) Earnings per share**

Basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to ordinary Bank's shareholders by the weighted average number of ordinary shares outstanding during the year.

The diluted earnings per share ratio is computed using the same method as for basic EPS, the determinants are adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue ordinary shares were converted or exercised into ordinary shares.

### **(2.29) Custody services**

The Bank offers custody services to individuals and companies for their assets. These assets do not belong to the Bank. The gains or losses arising from them and from the investment of them are not represented in the financial statements of the Bank. Commissions which are collected from custody services are recognized in the income statement.

### **(2.30) Reclassification of assets and readjustment of the financial statements**

The financial statements for the year ended as at 31/12/2007 have been readjusted for the purposes of being comparable to those of the closing year 31/12/2008. In particular, the readjustments are as follows:

The Venture Capital Fund formed by the Bank together with the New Economy Fund, that are administrated by the Bank's subsidiary ATTICA VENTURES S.A. in the comparative year ended as at 31/12/2007 was classified into the category of "Investments at Fair Value Through Profit and Loss". In the closing year, they were reclassified into the category «investments in associates» and included in the consolidated financial statements under Equity method. The reason behind the above reclassification is presented in the disclosure «Interest in Associates» of the individual financial statements as at 31/12/2008.

It is to be noted that in certain disclosures, pertaining to the comparative year ended as at 31/12/2007, the analysis presented in the current financial statements is different as compared to the corresponding publication as at 31/12/2007, in the way that more item lines have been added. The disclosures in question are as follows: «interest and similar income», «fee and commission income», «fee and commission expense», «other income», «general operating expenses», «other assets» and «due to other Financial Institutions».

Correspondingly, pertaining to the chapter «Risk management», more analytical lines were added for the year 2007 concerning disclosures of liquidity risk, foreign exchange risk as well as interest rate risk.

### **(2.31) Reporting segments**

The Group has recognized the following reporting segments:

#### Retail Banking

The segment comprises the total of private individuals as well as professionals. Via the network of the Bank's branches and the central services, the Group provides its clients with the whole range of traditional services as well as the specialized investment services and products.

#### Corporate Banking

The segment comprises all the credit services offered to enterprises and corporations. The Bank provides the clients that belong to the above category with a wide range of products and services related to consulting, financial and investment nature of business as well as transactions.

#### Capital management / Treasury

The segment comprises the Bank's capital management, intermediary at mutual funds disposal, the Bank's securities management as well as treasury services and private individual securities management.

The other income that comprises real estate property management as well as loans to employees, interest from reduced assurance loans etc, has been allocated proportionally to the three aforementioned segments.

**(2.32) New standards, amendments and interpretations issued but not yet effective**

Up to the date of the approval of the financial statements certain new Standards, Interpretations and Revised Standards have been published and approved by the European Union, but they do not apply to these financial statements.

(a) IFRS 8, "Operating segments" (effective from 1 January 2009):

IFRS 8 replaces IAS 14 "Segment Reporting". The new IFRS requires a "management approach" to the Bank's presentation of financial information under segment reporting. Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement. Furthermore, the standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed. Its implementation is not expected to affect the presentation of the Bank's operations by business segment.

(b) IFRIC 13, "Customer Loyalty Programmes (effective for annual accounting periods beginning on or after 1 July 2008):

IFRIC 13 is applied on customer loyalty programmes. This interpretation is applicable to credit card customer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Bank's financial position.

(c) IAS 23: (Revised 2007) "Borrowing Costs" (effective from 1 January 2009):

The revised IAS 23 removes the option of immediately expensing borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The adoption of the revised IAS will have no significant impact on the Bank's financial statements.

(d) IAS 1: "Presentation of Financial Statements" – revised 2007 (effective from 1 January 2009):

The fundamental change in IAS 1 is concerned with the segregation of the presentation of owner changes in equity in those which are due to transactions with owners and because of their capacity as owners ( e.g. dividends, capital increase), from those which are due to other changes in equity (e.g. reserves). The revision of the Standard produces changes in both the terminology and the presentation of financial statements. However, the new terms do not affect the rules of recognition, measurements and disclosure of equity transactions and all other events which are required by other standards. The adoption of the revised standard is expected to transform the structure and description in the presentation of financial statements without, however, causing any alternations to the financial position of an entity.

(e) IFRS 2: "Share-based Payment" – Amendment 2008: Vesting Conditions and Cancellations (effective from 1 January 2009):

This amendment clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the grant date fair value. The Bank is currently assessing the implications from the adoption of the aforementioned amendment.

(f) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from 1 January 2009):

These amendments address the classifications of some puttable financial instruments as well as instruments or their components that impose to the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation. The above mentioned amendments are not applicable at present for Bank activities.

Moreover, the following standards, amendments and interpretations have been issued and are subject to endorsement by the European Union.

(g) IFRS 3: "Business Combinations" – Revised 2008 and subsequent amendments in IAS 27, 28 and 31 (effective the first annual reporting period beginning on or after 1 July 2009):

The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transaction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1st, 2009, while no consolidation adjustments are required for the period before the revised standard will become effective. Thus, the adoption of the revised standards will have no significant impact on the Bank's financial statements.

(h) I.F.R.I.C. 15: «Agreements for the Construction of Real Estate»

An entity shall apply I.F.R.I.C. 15 "Agreements for the Construction of Real Estate" for annual periods beginning on or after 1 January 2009. This Interpretation applies to the accounting for revenue which refer to the real estates' disposal.

This interpretation does not apply to the Bank's activities.

(i) I.F.R.I.C. 16 Hedges of a Net Investment in a Foreign Operation

An entity shall apply I.F.R.I.C. 16 for annual periods beginning on or after 1 October 2008. This Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with I.A.S. 39. The objective of I.F.R.I.C. 16 is to provide guidance concerning the nature of the hedged risk and the amount of the hedged item for which a hedging relationship may be designated, where in a group the hedging instrument can be held and what amounts should be reclassified from equity to profit or loss as reclassification adjustments on disposal of the foreign operation. This interpretation does not apply to Bank activities.

(j) I.F.R.I.C. 17 «Distribution of non-cash assets to owners »

Effective for annual periods beginning on or after 1/7/2009. This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners. The Bank is in the process of evaluating the potential effects of this interpretation.

(k) I.F.R.I.C. 18 «Transfer of assets from customers»

Effective for annual periods beginning on or after 1.7.2009. This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above. This interpretation does not apply to Bank activities.

(l) I.A.S. 39. Financial instruments: Recognition and Measurement

Eligible Hedged Items Amendment to I.A.S. 39. Amendment to I.A.S. 39 clarifies accounting hedges issues and, in particular, inflation and one-sided risk of a hedged item.

An entity shall apply those amendments to I.A.S. 39 for annual periods beginning on or after 1 July 2009. The adoption of the revised standards will have no significant impact on the Bank's financial statements.

**(2.33) Significant accounting judgment, estimates and assumptions.**

Use of available information and application of objective judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates, while the differences may be material to the Financial Statements.

Basic judgments made by the Group management that have the most significant effect on the amounts recognized in the financial statements mainly pertain to:

- **Classification of investments**

Under the investment acquisition, the management classifies its investments as held-to-maturity, held-for-trading, at fair value through profit or loss or available-for-sale. As far as held-to-maturity investments are concerned, the management examines whether they meet the criteria of IAS 39 and, in particular, the extent to which the Bank has the positive intention and ability to hold them to maturity. The Bank classifies investments as held-for-trading in case they have been acquired mainly for the purposes of generating short term profit. Classification of investments into assets at fair value through profit and loss depends on the way the management monitors the performance of the aforementioned investments. When investments are not classified as held-for-trading but their fair values are available and can be reliably estimated and changes in fair values are included in profit or loss of the management accounts, they are classified at assets at fair value through profit and loss. All the other investments are classified as held-for-trading.

- **Estimate of impairment of loans and other receivables**

In order to measure the impairment of loans, the group carries out an impairment test on every date of financial statements preparation. It is examined whether there are reliable indications of potential losses to the client receivables portfolio as well as to other receivables and the provision for impairment of receivables is made (More detailed analysis in Note 2.14).

- **Income taxes**

The Group is subject to income taxes by various tax authorities. Significant estimates are required in order to define provisions for income taxes. There are a lot of transactions and calculations for which the exact computation of income tax is uncertain in the regular course of the Group's operations. The Group recognizes liabilities for expected tax inspection issues based on the estimates of the amount of additional taxes that can be potentially imposed. When the final result pertaining to estimated taxes differs from the amount initially recognized in the financial statements, the differences affect the income tax and the provisions for deferred taxation of the period in which the aforementioned amounts are finalized.

- **Contingent events**

In the course of its regular operations, the Group gets involved in litigations and reimbursements. The management estimates that no litigation will have a material impact on the Group's financial position as at 31 December 2008. However, definition of contingent liabilities pertaining to litigations and receivables is a complex process including judgments concerning the potential repercussions and interpretations of laws regulations. Changes in judgments or interpretations can lead to an increase or a decreased in contingent liabilities of the Group in the future.

- **Useful life of depreciated assets**

Every year, the group examines the useful life of depreciated assets. As at 31<sup>st</sup> December 2008, the Bank estimates that the useful lives represent the expected usefulness of its assets. The amortized balances are analyzed in Notes 24 and 25.



### 3. SEGMENT REPORTING

(Amounts reported in €)	Retail Banking	Corporate Banking	Treasury	Total
<b>From 1 January to 31 December 2008</b>				
Net Income				
- interest	(7.614.216,49)	125.117.686,30	(14.369.749,23)	103.133.720,58
- commission	4.113.669,19	27.598.857,04	411.788,63	32.124.314,86
- trading financial transactions and other income	3.128.104,49	4.280.966,34	(231.058,41)	7.178.012,42
- results transferred among segments	38.952.462,32	(48.719.914,16)	9.767.451,84	0,00
<b>Net Total Income</b>	<b>38.580.019,51</b>	<b>108.277.595,52</b>	<b>(4.421.567,18)</b>	<b>142.436.047,86</b>
<b>Profit before taxes</b>	<b>3.271.397,32</b>	<b>18.565.451,01</b>	<b>(7.798.720,27)</b>	<b>14.038.128,06</b>
Taxes				(3.803.463,07)
<b>Profit after taxes</b>				<b>10.234.664,99</b>
<u>Other segment items</u>				
Provisions for credit risks	(9.768.905,16)	(24.820.833,48)	0,00	(34.589.738,64)
Depreciation	(1.343.871,12)	(3.414.507,65)	(177.701,99)	(4.936.080,76)
Total Assets on 31.12.2008	1.192.654.034,39	3.042.043.619,90	284.462.666,98	<b>4.519.160.321,27</b>
Total Liabilities on 31.12.2008	2.880.077.977,93	1.216.746.860,75	101.650.387,26	<b>4.198.475.225,94</b>
<b>From 1 January to 31 December 2007</b>				
Net Income				
- interest	1.899.316,52	89.411.229,64	1.811.218,24	93.121.764,40
- commission	3.751.996,55	28.305.805,61	479.647,64	32.537.449,81
- trading financial transactions and other income	3.802.889,62	6.948.303,72	7.822.983,89	18.574.177,23
- results transferred among segments	32.309.103,21	(34.972.521,10)	2.663.417,89	0,00
<b>Net Total Income</b>	<b>41.763.305,90</b>	<b>89.692.817,88</b>	<b>12.777.267,66</b>	<b>144.233.391,44</b>
<b>Profit before taxes</b>	<b>8.393.590,71</b>	<b>16.459.749,26</b>	<b>2.186.575,96</b>	<b>27.039.915,93</b>
Taxes				(7.011.389,55)
<b>Profit after taxes</b>				<b>20.028.526,38</b>
<u>Other segment items</u>				
Provisions for credit risks	(9.276.208,71)	(21.123.791,29)	0,00	(30.400.000,00)
Depreciation	(1.404.616,47)	(3.198.593,95)	(141.628,32)	(4.744.838,74)
Total Assets on 31.12.2007	1.121.925.247,48	2.558.313.329,03	224.389.303,83	<b>3.904.627.880,35</b>
Total Liabilities on 31.12.2007	2.042.087.538,29	1.396.968.564,17	149.128.778,16	<b>3.588.184.880,62</b>

#### 4. INTEREST AND SIMILAR INCOME

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
From loans and advances to customers (apart from finance leases)	213.696.055,68	169.029.241,60
Credit Institutions	12.640.752,50	17.606.151,55
From securities held at fair value through profit or loss and trading securities	59.359,07	241.060,61
From available for sale securities	4.093.483,99	2.491.896,90
From held to maturity securities	654.729,77	960.598,90
Interest from corporate bond loan	23.027.861,14	10.966.244,70
From finance Lease (Lessor)	12.597.277,23	8.103.078,32
Interest deposit accounts	398.874,13	364.500,35
Interest from factoring	3.559.993,10	2.703.213,78
Other	59.779,51	28.883,40
<b>Interest and Similar Income</b>	<b>270.788.166,12</b>	<b>212.494.870,11</b>

The analysis of interest and similar income of the prior year have been readjusted in order to be comparable to those of the closing year.

#### 5. INTEREST EXPENSE AND SIMILAR CHARGES

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Customers deposits	(135.389.348,48)	(99.026.231,44)
Repos	(3.025,93)	(244.464,67)
To credit institutions	(23.859.203,89)	(11.729.780,68)
Bond loan	(8.388.010,44)	(8.372.628,92)
Other	(14.856,80)	0,00
<b>Interest expense and similar charges</b>	<b>(167.654.445,54)</b>	<b>(119.373.105,71)</b>

The bond loan interests include the amount of € 6.307.412,31 pertaining to the bond loan of reduced reinsurance Tier II, that has been issued by the Bank's subsidiary whose registered office is in the United Kingdom. The remaining amount of 2.080.598,13 pertains to the bond loan of the Law 3156/2003 issued by the company «ATTICA VENTURES S.A.» that has been absorbed by the Bank through the bond holder Emporiki Bank. This loan has been fully repaid in August 2008. As a consequence, the abovementioned expenditure relates to the period from the beginning of year 2008 until August 2008. The corresponding amounts for the year 2007 come to € 5.602.698,51 for the first loan and € 2.769.930,41 for the second loan, including of course the whole year.

#### 6. FEE AND COMMISSION INCOME

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Loans and advances to customers	5.682.530,80	5.606.187,97
Credit cards	1.636.365,79	1.483.988,18
Custody services	100.153,78	74.552,78
Import-export	2.483.311,46	2.657.860,40
Letters of guarantee	5.504.901,65	5.486.739,42
Money transfers	12.217.619,59	11.840.677,46
Foreign exchange transactions	167.528,53	157.334,45
Factoring	532.343,35	568.451,98
Telephone-Telegraph-Swift	31.161,73	27.711,72
Mutual Funds	49.118,72	56.326,50
Securities	811.019,91	853.470,69
From stock exchange transactions	134.987,13	321.164,24

Commissions movement of deposit accounts	1.738.833,61	1.937.328,70
Community Programs management commissions	1.403.485,50	2.326.608,10
Commissions from finance leases	457.883,04	238.874,46
Other commissions	529.851,33	425.578,37
<b>Commission Income</b>	<b>33.481.095,92</b>	<b>34.062.855,42</b>

The analysis of fee and commission income of the prior year have been readjusted in order to be comparable to those of the closing year.

## 7. FEE AND COMMISSION EXPENSE

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Loans	(1.067.955,11)	(1.068.634,50)
Acquisition cost of trading stocks	(23.192,97)	(137.024,00)
Commissions paid for portfolio management	(175.987,22)	(78.013,42)
Other	(89.645,76)	(241.733,69)
<b>Commission expenses</b>	<b>(1.356.781,06)</b>	<b>(1.525.405,61)</b>

The analysis of fee and commission expense of the prior year have been readjusted in order to be comparable to those of the closing year.

## 8. DIVIDEND INCOME

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
From securities held at fair value through profit or loss / trading securities	153.935,88	381.216,87
From available for sale securities	85.398,21	0,00
From investment in Subsidiary (ATTICA BANK ASSURANCE AGENCY S.A.)	209.600,00	133.766,10
From investment in Subsidiary (ATTICA VENTURES S.A.)	90.000,00	48.000,00
From investment in Subsidiary (Attica Wealth Mutual Funds Management S.A.)	535.410,00	0,00
Other	115.118,75	25.976,35
<b>Dividend Income</b>	<b>1.189.462,84</b>	<b>588.959,32</b>

## 9. PROFIT (LOSS) FROM TRADING PORTFOLIO

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>TRADING PORTFOLIO</b>		
<b>Profits less loss</b>		
Derivative Financial instruments	20.291,17	(58.010,92)
<b>Foreign exchanges differences</b>		
From foreign currency	1.284.890,51	1.612.855,73
<b>From sales</b>		
Shares	(1.014.421,91)	2.574.604,12
Securities	8.507,80	132.025,95
<b>From valuation</b>		
Shares	(1.094.159,47)	(200.156,74)
<b>Net profit from trading portfolio transactions</b>	<b>(794.891,90)</b>	<b>4.061.318,14</b>

<b>HELD AT FAIR VALUE THROUGH PROFIT OR LOSS AT INITIAL RECOGNITION</b>		
<b>Profit less loss</b>		
<b>From sales</b>		
Securities	(102.842,34)	0,00
Mutual Funds	89.342,81	0,00
<b>From valuation</b>		
Securities	0,00	813.294,19
<b>Profit or loss from securities held at fair value through profit or loss at initial recognition</b>	<b>(13.499,53)</b>	<b>813.294,19</b>
<b>PROFIT FROM TRADING PORTFOLIO</b>	<b>(808.391,43)</b>	<b>4.874.612,33</b>

## 10. PROFIT (LOSS) FROM INVESTMENT PORTFOLIO

(Amounts reported in €)

<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>FINANCIAL ASSETS AVAILABLE FOR SALE</b>		
<b>Profit less loss</b>		
<b>From sales</b>		
Shares	18.538,91	0,00
Bonds	0,00	1.729.169,14
Mutual fund shares	272.273,92	213.151,36
Other	0,00	417.091,74
<b>Profit on disposal of available for sale securities</b>	<b>290.812,83</b>	<b>2.359.412,24</b>
Loss from bond impairment	(902.942,65)	0,00
<b>PROFIT (LOSS) FROM INVESTMENT PORTFOLIO</b>	<b>(612.129,82)</b>	<b>2.359.412,24</b>

In the year 2008 the Bank formed an allowance for impairment of the value of "Available for Sale" bonds which according to Management's estimations amounted to € 902.942,65.

## 11. OTHER OPERATING INCOME

(Amounts reported in €)

<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Adjudged court expenses	2.692.869,90	1.064.530,70
Subsidization of training and community programs	240.000,00	180.569,79
Amortized receivables collected	283.625,63	357.051,11
Rent of buildings	538.017,39	220.568,83
Receipt of communication fees	469.245,22	557.616,42
Investment property fair value	1.741.739,12	7.047.302,38
Other	1.443.573,57	1.323.554,11
<b>Other Operating Income</b>	<b>7.409.070,83</b>	<b>10.751.193,34</b>

The analysis of other operating income of the prior year have been readjusted in order to be comparable to those of the closing year.

## 12. OPERATING EXPENSES

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Salaries and wages	(40.516.323,01)	(36.571.409,84)
Social security contributions	(10.389.878,61)	(9.631.925,39)
Other charges	(4.835.758,80)	(4.412.101,51)
Other provisions for retirement benefits obligations	(1.114.191,13)	(1.099.656,30)
<b>Salaries</b>	<b>(56.856.151,55)</b>	<b>(51.715.093,04)</b>
Third party fees and expenses	(3.161.055,12)	(2.682.596,25)
Advertising and promotion expenses	(3.416.166,06)	(3.273.403,51)
Telecommunication expenses	(2.650.796,04)	(2.379.804,45)
Insurance premium fees	(723.169,18)	(744.710,67)
Repair and maintenance	(1.327.517,98)	(1.500.452,61)
Traveling expenses	(977.150,07)	(880.091,35)
Printing and stationery	(633.625,98)	(528.122,27)
Utility services	(1.164.482,62)	(1.008.990,16)
Rentals	(6.872.891,78)	(5.747.587,89)
Loss from sale of property, plant and equipment	(87.474,97)	0,00
Taxes other than income tax	0,00	(262.627,07)
Subscriptions – Memberships	(266.514,80)	(284.319,32)
Legal and out of court expenses	(2.439.769,13)	(2.489.578,79)
Expenses visa	(1.682.461,41)	(1.318.890,60)
Provisions for other risks	(507.164,94)	(305.158,82)
Donations– grants	(301.529,71)	(702.101,68)
Teiresias systems expenses	(576.230,41)	(610.984,03)
Cleaning staff expenses	(636.448,69)	(608.237,59)
Building security expenses	(541.928,91)	(473.633,91)
Other	(4.049.571,05)	(4.532.252,76)
<b>Operating Expenses</b>	<b>(32.015.948,85)</b>	<b>(30.333.543,73)</b>
Depreciation of property, plant and equipment	(2.984.929,65)	(2.949.908,45)
Amortization of intangible assets	(1.951.151,11)	(1.794.930,29)
<b>Depreciation</b>	<b>(4.936.080,76)</b>	<b>(4.744.838,74)</b>
<b>Total Operating Expenses</b>	<b>(93.808.181,16)</b>	<b>(86.793.475,51)</b>

### NUMBER OF EMPLOYEES

The average number of employees is: 1.139 1.112

The analysis of operating expenses of the prior year have been readjusted in order to be comparable to those of the closing year.

### 13. TAXES

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Current income tax	(1.813.283,63)	(3.093.515,27)
Deferred income tax	(1.990.179,44)	(3.917.874,28)
<b>Total</b>	<b>(3.803.463,07)</b>	<b>(7.011.389,55)</b>

The reconciliation between the tax arising based on the tax rate in effect and the tax expense recognized in the income statement for the year is set off as follows:

Profit/loss before tax	14.038.128,06	27.039.915,93
Tax rate	25%	25%
Income tax	(3.509.532,01)	(6.759.978,98)
Income not subject to tax	413.359,85	2.211.087,38
Expenses not deductible for tax purposes	(1.217.734,83)	(1.287.133,71)
Other adjustments	3.541.275,55	3.075.688,08
Extra taxation of reserves	(569.571,74)	0,00
Other taxes	(471.080,45)	(333.178,03)
<b>Total</b>	<b>(1.813.283,63)</b>	<b>(3.093.515,27)</b>

#### Deferred tax

Depreciation of assets	196.316,03	(258.685,46)
Provisions for impairment of loans and advances to customers	0,00	(2.002.250,00)
Employee retirement benefits	(2.423.816,47)	(1.914.561,84)
Provisions for contingent liabilities	42.001,35	(220.000,00)
Tax income for offsetting	(1.500.000,00)	0,00
Reserves for offsetting	2.604.144,66	0,00
Other temporary differences	(908.825,01)	477.623,02
<b>Total deferred income tax</b>	<b>(1.990.179,44)</b>	<b>(3.917.874,28)</b>

The year ended has been charged with a tax amount of € 569,6 thousand which corresponds to the taxation of reserves from tax-free or specially taxed income. Correspondingly, the prior year was charged with an amount of € 1,16 million from the taxation of reserves deriving from the same source.

### 14. PROFIT AFTER TAXES PER SHARE – BASIC (IN €)

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
Profit after taxes	10.234.664,99	20.028.526,38
Weighted average number of shares	134.204.454	107.901.802
<b>Profit after taxes per share – basic (in €)</b>	<b>0,0763</b>	<b>0,1856</b>

Profit after taxes per share has been computed in accordance with weighted average number of shares of the total shares arising from the number of shares in circulation at the beginning of the year with the addition of the shares that were issued in the duration of the year, weighted on time rate.

At the beginning of the year, there were 132.124.656 shares in circulation. Later on and after the Extraordinary General Assembly of the shareholders on 16.05.2008 decided on the increase of the Bank's share capital up to the amount of € 1.712.726,75 through the issue of up to 4.893.505 new shares, reinvesting the dividends distributed from the profits of the year 2007 at the discretion of the beneficiaries of the dividend, there were issued 3.543.603 new common nominal shares with voting rights.

Following the 16/04/2008 Ordinary General Assembly of the Bank's shareholders concerning the two- year stock option plan for shares acquisition by the administrative staff and employees of the Bank and its related companies, 379.282 new , nominal, common shares with voting rights were issued as 210 (out of 718) beneficiaries of the plan exercised their rights.

After the above, the number of shares in which the Bank's share capital is divided as at 31/12/2008 amounts to 136.047.541. The new shares that arose from the above share capital increase (379.282) are traded in the Athens Stock Exchange since 31/10/2008.

<b>Diluted earnings per share</b>	<b>1/1 - 31/12/2008</b>	<b>1/1 - 31/12/2007</b>
Profit/Loss after taxes	10.234.664,99	20.028.526,38
Weighted average number of shares for the year	134.204.454	107.901.802
Adjustment for share options	1.333.541	-
Weighted average number of shares for diluted earnings per share for the year	135.537.995	107.901.802
<b>Diluted earnings per share (in €)</b>	<b>0,0755</b>	<b>0,1856</b>

The calculation of diluted earnings per share takes under consideration all categories of potentially dilutive instruments. The category of potentially dilutive instruments that concerns the Bank, refers to the stock option plan for shares acquisition by the administrative staff and employees of the Bank and its related companies, which has been set by the Ordinary General Assembly of the Bank's shareholders as at 16/4/2008.

#### 15. CASH AND BALANCES WITH CENTRAL BANK

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Cash in hand	28.538.547,22	26.364.817,93
Cheques receivable	56.551.104,91	94.082.274,28
Balances with Central Bank (except for mandatory deposits)	35.353.190,70	42.935.123,95
Mandatory deposits at Central Bank	0,00	1.200.000,00
<b>Cash and balances with Central Bank</b>	<b>120.442.842,83</b>	<b>164.582.216,16</b>

#### 16. DUE FROM OTHER FINANCIAL INSTITUTIONS

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Domestic Credit Institutions	1.351.712,76	1.496.936,97
Foreign Credit Institutions	1.541.160,82	1.770.438,82
<b>Current Deposits with financial Institutions</b>	<b>2.892.873,58</b>	<b>3.267.375,79</b>
Domestic Credit Institutions	602.344.446,65	520.520.247,29
Foreign Credit Institutions	21.724.409,45	35.323.687,25
<b>Time Deposits with financial Institutions</b>	<b>624.068.856,10</b>	<b>555.843.934,54</b>
Other claims from financial Institutions	154.501,67	18.391,98
<b>Other claims</b>	<b>154.501,67</b>	<b>18.391,98</b>
<b>Due from other financial institutions</b>	<b>627.116.231,35</b>	<b>559.129.702,31</b>

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

### 17.1 SECURITIES AT FAIR VALUE THROUGH PROFIT AND LOSS AT INITIAL RECOGNITION

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Corporate Listed Bonds –Domestic	0,00	1.263.431,96
Corporate Non Listed bonds – Foreign	0,00	10.817.500,00
<b>Securities at fair value through profit and loss at initial recognition</b>	<b>0,00</b>	<b>12.080.931,96</b>

The are no bonds in the portfolio at fair value through profit and loss as at 31/12/2008, as they have either been sold or have matured during 2008.

### 17.2 INVESTMENTS AT FAIT VALUE THROUGH PROFIT AND LOSS

(Amounts reported in €)

<b>CLASSIFIED BY MARKET AND CATEGORY</b>	<b>31/12/2008 Fair Value</b>	<b>31/12/2007 Fair Value</b>
<b>TRADING PORTFOLIO</b>		
Listed equities - Domestic	0,00	5.182.283,49
Listed equities - Foreign	0,00	92.426,59
Mutual Corporate Funds	0,00	4.665.455,92
<b>Trading Securities portfolio</b>	<b>0,00</b>	<b>9.940.166,00</b>
<b>Financial assets at fair value through profit and loss</b>	<b>0,00</b>	<b>22.021.097,96</b>

As far as the closing year is concerned, the Venture Capital Fund are presented in the category «Investments in Associates» (Note 23). There are not presented the shares in the trading portfolio, since the balance of their fair value as at 30/06/2008 was reclassified in the “Available for Sale” portfolio (see Note 20).

## 18. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts reported in €)

<b>31/12/2008</b>			
<b>CLASSIFICATION PER TYPE OF INVESTMENT</b>	<b>Nominal Value</b>	<b>ASSETS Fair Value Profit</b>	<b>LIABILITIES Fair Value Loss</b>
Swaps	473.878.814,50	312.842,91	0,00
Forwards	2.562.314,54	0,00	(30.265,75)
<b>Derivative financial instruments for trading</b>	<b>476.441.129,04</b>	<b>312.842,91</b>	<b>(30.265,75)</b>
<b>31/12/2007</b>			
<b>CLASSIFICATION PER TYPE OF INVESTMENT</b>	<b>Nominal Value</b>	<b>Fair Value Profit</b>	<b>Fair Value Loss</b>
Swaps	3.464.252,10	0,00	(73.776,87)
Forwards	17.676.517,34	35.775,70	0,00
<b>Derivative financial instruments for trading</b>	<b>21.140.769,44</b>	<b>35.775,70</b>	<b>(73.776,87)</b>

The above Derivative Financial Instruments are not listed in an active stock exchange market. Furthermore, the nominal value of swaps for the year 2008 includes interest rate exchange agreements between the bank and UBS, of € 387 million total nominal value, within the frame of securitization of mortgages with Stegasis Mortgage Finance plc.



**19. LOANS AND ADVANCES TO CUSTOMERS (AFTER PROVISIONS)**

**19.1 LOANS AND ADVANCES TO CUSTOMERS (AFTER PROVISIONS)**

(Amounts reported in €)

<b>19.1 DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Credit cards	68.149.808,16	72.261.441,45
Consumer loans	327.053.468,74	294.028.655,52
Mortgages	582.097.235,35	481.779.181,49
Other	16.157.498,47	72.123.735,56
<b>Loans to private individuals</b>	<b>993.458.010,72</b>	<b>920.193.014,02</b>
Agricultural sector	30.466.936,68	21.359.526,47
Merchantry	788.666.802,25	685.759.477,02
Industrial sector	378.642.780,61	357.744.434,47
Small industry	118.972.123,36	116.289.556,59
Tourism	82.337.729,32	66.078.819,36
Shipping	24.481.607,77	10.316.508,50
Construction sector	488.392.518,97	383.075.469,53
Other	381.380.542,88	302.059.544,20
<b>Loans to corporate entities</b>	<b>2.293.341.041,84</b>	<b>1.942.683.336,14</b>
<b>Public sector</b>	<b>2.215.641,62</b>	<b>3.246.801,88</b>
<b>Net investment in finance lease</b>	<b>228.621.352,92</b>	<b>149.534.266,82</b>
<b>Loans and advances to customers (before provisions)</b>	<b>3.517.636.047,10</b>	<b>3.015.657.418,86</b>
<b>Provisions for impairment of loan losses</b>	<b>(131.821.409,29)</b>	<b>(115.050.939,30)</b>
<b>Loans and advances to customers (after provisions)</b>	<b>3.385.814.637,81</b>	<b>2.900.606.479,56</b>

All the categories of loans and advances are carried at amortized cost, which does not significantly differ from their fair value.

In November 2008, the Bank completed the first securitization of mortgages amounting to € 388 million through the issuance of bonds amounting to € 353 million. The issuance of bonds was carried out by a special purpose company headquartered in London that was founded for this particular purpose under the title «Stegasis Mortgage Finance plc.». The objective of the securitization was to reduce the capital cost and, at the same time, positively affect the maintenance of the Bank adequate liquidity levels and the bond was used as a pledge for refinancing by the European Central Bank.

## 19.2 FINANCE LEASE ASSETS (LESSOR)

(Amounts reported in €)

CLASSIFICATION PER CATEGORY		
Description	31/12/2008	31/12/2007
	Contract Volume	Contract Volume
Land	42.484.394,39	17.687.569,74
Buildings	106.209.949,97	56.206.116,68
Machinery	34.659.338,11	34.808.674,88
Transport equipment	18.533.913,26	21.585.683,21
Technological equipment	6.100.003,31	7.615.291,58

(Amounts reported in €)

Duration	NET INVESTMENT IN FINANCE LEASE					
	31/12/2008			31/12/2007		
	Gross investment (Future lease payments)	Unearned financial revenue	Net investment in finance lease	Gross investment (Future lease payments)	Unearned financial revenue	Net investment in finance lease
Up to 1 year	33.695.016,80	(5.772.174,95)	27.922.841,85	34.521.783,46	(8.865.162,93)	<b>25.656.620,53</b>
From 1 to 5 years	87.767.201,23	(15.035.090,92)	72.732.110,31	80.707.601,74	(21.831.181,08)	<b>58.876.420,66</b>
Over 5 years	154.419.455,17	(26.453.054,41)	127.966.400,76	96.336.790,46	(31.335.564,84)	<b>65.001.225,62</b>
<b>Total</b>	<b>275.881.673,20</b>	<b>(47.260.320,28)</b>	<b>228.621.352,92</b>	<b>211.566.175,67</b>	<b>(62.031.908,85)</b>	<b>149.534.266,82</b>

Making use of provision given by the Law 3483/2006, the Bank extended its operations in the sector of finance lease investments. For this purpose, it formed a special Department whose objective was approbation, management and monitoring of the aforementioned category investments. In the frame of this policy and in order to create scaled economies, in the duration of the prior year, the Bank has absorbed its Subsidiary entity ATTIKI LEASING S.A. The absorption was carried out in compliance with the requirements of Law 2166/1993.

<b>19.3 PROVISIONS FOR LOAN IMPAIRMENT TO CUSTOMERS</b>					
<b>(Amounts reported in €)</b>					
	<b>Loan current accounts for Individuals</b>	<b>Credit cards</b>	<b>Statutory maturity loans</b>	<b>Mortgages</b>	<b>Total</b>
<b>a) Loans to private individuals</b>					
<b>Balance as at January 1<sup>st</sup>, 2007</b>	<b>14.503.050,53</b>	<b>25.466.238,27</b>	<b>15.245.389,24</b>	<b>5.954.019,22</b>	<b>61.168.697,26</b>
Provision for loan impairment	2.530.740,86	3.529.261,78	3.717.389,43	2.646.093,86	12.423.485,93
Write-offs	(2.821.395,97)	(12.170.380,96)	(1.595.477,09)	(438.966,40)	(17.026.220,42)
<b>Balance as at December 31<sup>st</sup>, 2007</b>	<b>14.212.395,42</b>	<b>16.825.119,09</b>	<b>17.367.301,58</b>	<b>8.161.146,68</b>	<b>56.565.962,77</b>
<b>Balance as at January 1<sup>st</sup> 2008</b>	<b>14.212.395,42</b>	<b>16.825.119,09</b>	<b>17.367.301,58</b>	<b>8.161.146,68</b>	<b>56.565.962,77</b>
Provision for loan impairment	2.000.073,79	1.806.635,32	4.490.440,91	4.622.982,36	12.920.132,38
Write-offs	(710.307,07)	(1.466.301,26)	(1.026.930,29)	0,00	(3.203.538,62)
<b>Balance as at December 31<sup>st</sup>, 2008</b>	<b>15.502.162,14</b>	<b>17.165.453,15</b>	<b>20.830.812,20</b>	<b>12.784.129,04</b>	<b>66.282.556,53</b>
<b>b) Corporate loans</b>					
<b>Balance as at January 1<sup>st</sup>, 2007</b>					<b>53.875.106,30</b>
Provision for loan impairment					17.976.514,07
Write-offs					(13.366.643,84)
<b>Balance as at December 31<sup>st</sup>, 2007</b>					<b>58.484.976,53</b>
<b>Balance as at January 1<sup>st</sup> 2008</b>					<b>58.484.976,53</b>
Provision for loan impairment					21.669.606,26
Write-offs					(14.615.730,03)
<b>Balance as at December 31<sup>st</sup>, 2008</b>					<b>65.538.852,76</b>

The Bank has already placed in application a system for measuring the credit risk, which takes into account all the factors that may affect the regular repayment of the loan and therefore assures the correct presentation of the size of their impairment through the set up of a respective provision. This provision is the difference between the carrying amount of the claim and the loan amount awaited to be collected.

## 20. FINANCIAL ASSETS AVAILABLE FOR SALE

(Amounts reported in €)

<b>CLASSIFICATION BY TYPE AND MARKET</b>	<b>31/12/2008 Fair Value</b>	<b>31/12/2007 Fair Value</b>
Government Bonds-Domestic	64.406.000,00	18.638.000,00
<b>Government Bonds</b>	<b>64.406.000,00</b>	<b>18.638.000,00</b>
Corporate Listed –Domestic	0,00	111.432,00
Corporate Listed –Foreign	18.477.500,00	17.158.975,00
<b>Corporate Listed Bonds</b>	<b>18.477.500,00</b>	<b>17.270.407,00</b>
Corporate Non Listed –Domestic	803.612,67	480.000,00
Corporate Non Listed –Foreign	738.076,37	787.310,50
<b>Corporate Non Listed Bonds</b>	<b>1.541.689,04</b>	<b>1.267.310,50</b>
<b>Bonds</b>	<b>84.425.189,04</b>	<b>37.175.717,50</b>
Listed shares-Domestic	2.770.254,04	636.898,96
Listed shares- Foreign	13.074,27	0,00
Non Listed shares-Domestic	296.724,62	298.558,17
<b>Shares</b>	<b>3.080.052,93</b>	<b>935.457,13</b>
Mutual fund shares - Domestic	4.082.192,39	3.307.037,08
Mutual fund shares - Foreign	22.898.188,52	25.828.615,15
<b>Mutual fund shares</b>	<b>26.980.380,91</b>	<b>29.135.652,23</b>
<b>Financial assets available for sale</b>	<b>114.485.622,88</b>	<b>67.246.826,86</b>

In compliance with the amendments to IAS 39 issued following the decision of the International Accounting Standards Board (IASB) as at 13<sup>th</sup> October 2008, the Bank transferred from «Trading Portfolio Securities» to «Available for Sale Securities» of the Investing Portfolio the shares, listed on Athens Stock Exchange amounting to € 3,6 million, since, since, due to specific conditions existing in the financial market during this period, it is estimated that the prices of ASE listed companies do not represent the real value of the above companies. It is the Bank's intention to hold these shares and not to proceed to their disposal in the nearest future. The measurement of the shares in question for the period from 1/7/2008 to 31/12/2008 inclusively stood at a loss of € 1,34 million that was recorded in the reserves «Available for sale portfolio» as in compliance with the aforementioned decision. The segment of the loss arising from the measurement of the aforementioned shares pertaining to the period from 1/1 to 30/6/2008 amounting to € 1,02 million has been included in profit and loss from trading portfolio the closing year.

(Amounts reported in €)

<b>Change in Financial assets available for sale</b>	
<b>Balance as at January 1<sup>st</sup>, 2007</b>	<b>96.927.947,95</b>
Additions	8.259.284,89
Sales/decreases/maturity	(35.823.057,40)
Premium / discount	110.912,03
Adjustment at fair value carried directly to reserves	(2.228.260,61)
<b>Balance as at December 31<sup>st</sup>, 2007</b>	<b>67.246.826,86</b>

<b>Balance as at January 1<sup>st</sup>, 2008</b>	<b>67.246.826,86</b>
Additions	72.787.424,42
Sales/decreases/maturity	(14.123.831,03)
Foreign exchange differences	(9.380,25)
Premium / discount	(800.085,91)
Adjustment at fair value carried directly to reserves	(14.616.182,85)
Transfers	4.000.851,64
<b>Balance as at December 31<sup>st</sup>, 2008</b>	<b>114.485.622,88</b>

## 21. INVESTMENTS HELD TO MATURITY

(Amounts reported in €)

CLASSIFICATION BY TYPE AND MARKET	31/12/2008	31/12/2007
	Amortized cost	Amortized cost
Government Bonds- Domestic	0,00	10.006.521,85
<b>Government Bonds</b>	<b>0,00</b>	<b>10.006.521,85</b>
Corporate Listed Bonds- Foreign	11.957.862,55	11.954.684,38
Corporate Non Listed Bonds-Foreign	0,00	0,00
<b>Corporate Listed Bonds</b>	<b>11.957.862,55</b>	<b>11.954.684,38</b>
<b>Investments held to maturity</b>	<b>11.957.862,55</b>	<b>21.961.206,23</b>

Held to maturity investment securities are carried at amortized cost. Their fair value as at 31/12/2008 amounts to € 9.615 thousand and as at 31/12/2007 amounts to € 19.879 thousand.

(Amounts reported in €)

Changes in held to maturity portfolio	
<b>Balance as at January 1<sup>st</sup>, 2007</b>	<b>26.972.283,82</b>
Additions	-
Sales/decreases/maturity	(5.000.000,00)
Premium / discount	(11.077,59)
Adjustment at fair value carried directly to reserves	-
<b>Balance as at December 31<sup>st</sup>, 2007</b>	<b>21.961.206,23</b>
<b>Balance as at January 1<sup>st</sup>, 2008</b>	<b>21.961.206,23</b>
Additions	-
Sales/decreases/maturity	(10.000.000,00)
Premium / discount	(3.343,68)
Adjustment at fair value carried directly to reserves	-
<b>Balance as at December 31<sup>st</sup>, 2008</b>	<b>11.957.862,55</b>

**22. INVESTMENTS IN SUBSIDIARIES**

(Amounts reported in €)

Company	Country of incorporation	Number of shares	Participation %	31/12/2008		
				Equity (% participation of the Bank)	Acquisition value	Book value
1. ATTICA WEALTH MANAGEMENT MUTUAL FUNDS MANAGEMENT S.A.	Greece	198.300	100,00%	2.988.295,01	2.326.499,58	2.326.499,58
2. ATTICA VENTURES S.A.	Greece	15.000	99,99%	891.887,95	599.960,00	599.960,00
3. TECHNICAL AND TRADING COMPANY FOR SOFTWARE SUPPORT AND HIGH TECHNOLOGY S.A.	Greece	45.000	99,99%	377.302,34	353.153,01	353.153,01
4. ATTICA FUNDS PLC	United Kingdom	17.500	99,99%	269.188,00	18.372,44	18.372,44
5. ATTICA BANK ASSURANCE AGENCY S.A.	Greece	10.000	99,90%	576.446,28	99.900,00	99.900,00
6. ATTICABANK PROPERTIES S.A.	Greece	10.600	100,00%	982.996,91	1.060.000,00	1.060.000,00
7. STEGASIS MORTGAGE FINANCE PLC	United Kingdom	-	-	-	-	-
<b>Investments in subsidiaries</b>					<b>4.457.885,03</b>	<b>4.457.885,03</b>

Company	Country of incorporation	Number of shares	Participation %	31/12/2007		
				Equity (% participation of the Bank)	Acquisition value	Book value
1. ATTICA WEALTH MANAGEMENT MUTUAL FUNDS MANAGEMENT S.A.	Greece	198.300	100,00%	2.917.349,91	1.359.736,44	1.359.736,44
2. ATTICA VENTURES S.A.	Greece	15.000	99,99%	879.287,35	599.960,00	599.960,00
3. TECHNICAL AND TRADING COMPANY FOR SOFTWARE SUPPORT AND HIGH TECHNOLOGY S.A.	Greece	45.000	99,99%	1.354.100,60	1.320.631,51	1.320.631,51
4. ATTICA FUNDS PLC	United Kingdom	17.500	99,99%	200.900,00	23.862,75	23.862,75
5. ATTICA BANK ASSURANCE AGENCY S.A.	Greece	10.000	99,90%	327.350,31	99.900,00	99.900,00
6. ATTICABANK PROPERTIES S.A.	Greece	600	100,00%	60.000,00	60.000,00	60.000,00
<b>Investments in subsidiaries</b>					<b>3.464.090,70</b>	<b>3.464.090,70</b>

In December 2007, there was established the company «AtticaBank Properties S.A.», which was for the first time included in the consolidated financial statements of the closing year, using full consolidation method. The aforementioned company was not included in the consolidation as at 31/12/2007, since the sizes of the newly established company had no material effect on them.

On March 31st, 2008, the parent company (the Bank) purchased from its subsidiary «Technical and Trading Company for Software Support and High Technology S.A.» the percentage it held in the subsidiary company of the Bank, Attica Wealth Management Mutual Funds Management S.A. Following the aforementioned

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acquisition, the direct participation percentage of the Bank in its subsidiary Attica Wealth Management Mutual Funds Management S.A. comes to 100%. The aforementioned percentage that was purchased by the Bank does not change the total investment of the Bank in the subsidiary company Attica Wealth Management Mutual Funds Management S.A., given that the percentage in question had been held by a company of the Group, 100% controlled by the Bank.

Stegasis Mortgage Finance plc whose registered office is in the United Kingdom, is a special purpose company in which the Bank has no direct interest. The company was established within the year 2008. The purpose of the company's establishment is securitization of a part of mortgages.

### 23. INVESTMENTS IN ASSOCIATES

(Amounts reported in €)

Investment in associates	Country of incorporation	31/12/2008		
		Number of shares	Participation %	Acquisition value
Zaitech Innovation Venture Capital Fund	Greece	77.394	50%	7.290.457,03

Zaitech Innovation Venture Capital Fund was recognized as investment in associates according to IAS 27 during the period ended on 31/12/2008 and it was consolidated for the first time using Equity method as at 31/3/2008. In the corresponding prior year it was classified as financial assets at fair value through profit and loss.

The reason for this reclassification was due to the fact that the Bank as the main shareholder of Zaitech Innovation Venture Capital Fund exercises dominant influence on the investing committee of the Venture Capital that has the exclusive responsibility for the investments made as well as their liquidation. This dominant influence is the result of an agreement between the Bank that is the trustee and its subsidiary Attica Ventures S.A., that has the management of the Capital Fund and the shareholders of the Fund, Attica Bank and the New Economy Development Fund (TANEO). During the year, the Bank's participation percentage increased by an amount of € 2.625.001,11 and the number of shares that the Bank possesses as at 31/12/2008 amounts to 77.394.

**24. INTANGIBLE ASSETS**

(Amounts reported in €)

DESCRIPTION	Software
<b>Opening balance</b>	
Cost	13.846.192,88
Accumulated Depreciation and Impairment	(6.554.700,90)
<b>Net Book Value 01/01/2007</b>	<b>7.291.491,98</b>
<b>Plus:</b>	
Acquisitions	2.332.362,11
Sales	(2.623,28)
<b>Less:</b>	
Depreciation charge for the year	(1.794.930,29)
Impairment charge for the year	2.344,17
<b>Net Book Value 31/12/2007</b>	<b>7.828.644,69</b>
Cost	16.175.931,71
Accumulated Depreciation and Impairment	(8.347.287,02)
<b>Net Book Value 31/12/2007</b>	<b>7.828.644,69</b>
<b>Plus:</b>	
Acquisitions	6.734.231,65
Impairment/Sales	(35.388,57)
<b>Less:</b>	
Depreciation charge for the year	(1.951.151,11)
Impairment/sales charge for the year	35.388,57
<b>Net Book Value 31/12/2008</b>	<b>12.611.725,23</b>
Cost	22.874.774,79
Accumulated Depreciation and Impairment	(10.263.049,56)
<b>Net Book Value 31/12/2008</b>	<b>12.611.725,23</b>



## 25. PROPERTY, PLANT AND EQUIPMENT

(Amounts reported in €)

DESCRIPTION	Land	Buildings	Motor Vehicles	Furniture and other Equipment	Leasehold improvement on third party	Under Construction	Total
<b>Opening net book amount</b>							
Cost	9.672.564,17	13.619.414,25	109.657,74	22.341.743,75	11.201.470,70	125.566,21	<b>57.070.416,82</b>
Accumulated Depreciation and Impairment	(59.418,56)	(730.214,01)	(92.041,52)	(15.944.536,74)	(7.294.382,72)	0,00	<b>(24.120.593,55)</b>
<b>Opening Net Book Value 01/01/2007</b>	<b>9.613.145,61</b>	<b>12.889.200,24</b>	<b>17.616,22</b>	<b>6.397.207,01</b>	<b>3.907.087,98</b>	<b>125.566,21</b>	<b>32.949.823,27</b>
<b>Plus:</b>							
Acquisitions/ Revaluations		79.166,17		2.296.018,30	1.949.049,65		<b>4.324.234,12</b>
Sales				(2.306.736,92)			<b>(2.306.736,92)</b>
<b>Less:</b>							
Depreciation charge		(262.683,48)	(9.847,37)	(1.814.845,17)	(862.532,43)		<b>(2.949.908,45)</b>
Impairment Charge				2.301.441,19			<b>2.301.441,19</b>
Other		261.241,24				(83.692,60)	<b>177.548,64</b>
<b>Net Book Value 31/12/2007</b>	<b>9.613.145,61</b>	<b>12.966.924,17</b>	<b>7.768,85</b>	<b>6.873.084,41</b>	<b>4.993.605,20</b>	<b>41.873,61</b>	<b>34.496.401,85</b>
Cost	9.672.564,17	13.698.580,42	109.657,74	22.331.025,13	13.150.520,35	41.873,61	59.004.221,42
Accumulated Depreciation and Impairment	(59.418,56)	(731.656,25)	(101.888,89)	(15.457.940,72)	(8.156.915,15)	0,00	(24.507.819,57)
<b>Net Book Value 31/12/2007</b>	<b>9.613.145,61</b>	<b>12.966.924,17</b>	<b>7.768,85</b>	<b>6.873.084,41</b>	<b>4.993.605,20</b>	<b>41.873,61</b>	<b>34.496.401,85</b>
<b>Plus:</b>							
Acquisitions		425.905,97		2.385.576,06	2.157.278,34	121.380,00	<b>5.090.140,36</b>
Impairment/Sales		(9.996,06)	(87.228,17)	(320.242,73)	(209.446,02)		<b>(626.912,98)</b>
Revaluations	4.161.854,39	1.863.551,39					<b>6.025.405,78</b>
<b>Less:</b>							
Depreciation charge		(258.182,02)	(5.045,81)	(2.122.679,11)	(599.022,71)		<b>(2.984.929,65)</b>
Impairment/sales charge		9.996,06	85.054,71	320.242,74	209.446,02		<b>624.739,53</b>
Adjustment of depreciation due to revaluation		(194.683,42)					<b>(194.683,42)</b>
<b>Net Book Value 31/12/2008</b>	<b>13.775.000,00</b>	<b>14.803.516,09</b>	<b>549,58</b>	<b>7.135.981,37</b>	<b>6.551.860,83</b>	<b>163.253,61</b>	<b>42.430.161,47</b>
Cost	13.834.418,56	15.978.041,72	22.429,57	24.396.358,46	15.098.352,67	163.253,61	69.492.854,58
Accumulated Depreciation and Impairment	(59.418,56)	(1.174.525,63)	(21.879,99)	(17.260.377,09)	(8.546.491,84)	0,00	(27.062.693,11)
<b>Net Book Value 31/12/2008</b>	<b>13.775.000,00</b>	<b>14.803.516,09</b>	<b>549,58</b>	<b>7.135.981,37</b>	<b>6.551.860,83</b>	<b>163.253,61</b>	<b>42.430.161,47</b>

The Bank revalued its property, plant and equipment (land and buildings). The valuation was performed at fair value by an independent valuer. For further analysis please refer to note 36 that refers to reserves.

## 26. INVESTMENT PROPERTY

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>21.091.014,34</b>	<b>7.049.697,61</b>
Additions	5.934.961,36	6.994.014,35
Revaluation at fair value	1.741.739,12	7.047.302,38
<b>Closing balance</b>	<b>28.767.714,82</b>	<b>21.091.014,34</b>

Investment property is carried at fair value. The valuation was performed by an independent valuer on annual basis.

Income from investment property rents amounts to € 538.017,39 for 2008 and € 220.568,83 for 2007 respectively.

## 27. OTHER ASSETS

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Prepaid expenses	1.249.175,86	3.806.287,21
Tax advances and other tax receivables	4.947.754,57	1.869.529,21
Accrued interest and commissions	29.747.174,28	23.093.930,82
Other receivables from public sector	3.289.098,63	1.199.357,61
Stationery	658.533,47	660.624,50
Other payable	13.138.602,69	16.969.358,01
Guarantees	3.603.080,62	2.913.300,85
Temporary accommodations to employees	1.118.486,86	3.284.346,12
Down payments for finance lease investment products	295.088,45	2.943.608,37
Doubtful accounts other than loans	8.683.615,24	8.614.584,96
Receivables from mortgages securitization	54.250.093,38	0,00
Contribution to Deposit Guarantee Fund	11.440.952,00	0,00
Prepaid interest of time deposits	3.713.319,27	408.158,34
Due from clients for public register of lands fees	506.107,32	0,00
Other	5.209.551,79	20.602.824,70
<b>Other assets</b>	<b>141.850.634,43</b>	<b>86.365.910,70</b>

Other doubtful accounts apart from loans include an amount of € 7,9 million pertaining to irregularities in the Bank network branches that took place in the previous years. The Bank has made a sufficient provision for the above amount as in compliance with the expertise of the Legal Services.

The category of «Receivables from securitization of mortgages» includes the amounts that the Bank has deposited as collateral for the mortgages securitization plan that was carried out within the year 2008.

The category «Contribution to Deposit Guarantee Fund» includes the additional contribution paid by the Bank to Deposit Guarantee Fund (TEKE) in compliance with the Law 3746/2009.

It is to be noted that analysis of other assets of the prior year have been readjusted in order to be comparable to those of the closing year.

## 28. DUE TO OTHER FINANCIAL INSTITUTIONS

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Current deposits	7.095.958,83	6.479.034,04
Interbank time deposits	1.061.000.000,00	440.000.000,00
Time deposits other than interbank	0,00	1.353.500,00
Other	129.382,65	231,98
<b>Due to other financial institutions</b>	<b>1.068.225.341,48</b>	<b>447.832.766,02</b>

The analysis of due to other financial institutions of the prior year have been readjusted in order to be comparable to those of the closing year.

## 29. DUE TO CUSTOMERS

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Current accounts	49.930.328,59	90.187.645,02
Saving accounts	395.299.628,59	400.927.191,04
Time deposits	1.604.691.756,45	1.202.165.774,70
Blocked	809,27	809,27
<b>Deposits from individuals</b>	<b>2.049.922.522,90</b>	<b>1.693.281.420,03</b>
Current accounts	232.455.073,09	298.880.759,71
Time deposits	461.372.795,49	553.376.147,16
Blocked	75.550.738,26	76.693.620,38
<b>Deposits from legal entities</b>	<b>769.378.606,84</b>	<b>928.950.527,25</b>
Current accounts	45.445.216,62	139.606.387,14
Time deposits	51.454.209,13	101.331.241,91
Blocked	2.729.875,83	2.864.902,97
<b>Public sector deposits</b>	<b>99.629.301,58</b>	<b>243.802.532,02</b>
Current accounts	6.770.067,64	10.130.907,45
Saving accounts	1.865.492,47	3.152.672,34
<b>Other deposits</b>	<b>8.635.560,11</b>	<b>13.283.579,79</b>
Repos from legal entities	1.500.000,00	0,00
<b>Repos</b>	<b>1.500.000,00</b>	<b>0,00</b>
<b>Other due to customers</b>	<b>27.487.090,99</b>	<b>40.465.997,55</b>
<b>Due to customers</b>	<b>2.956.553.082,42</b>	<b>2.919.784.056,64</b>

### 30. ISSUED BONDS

(Amounts reported in €)				
DESCRIPTION	31/12/2008		31/12/2007	
	Average interest	Carrying amount	Average interest	Carrying amount
1. SUBORDINATED LOAN (LOWER TIER II)	6,18%	99.540.552,36	5,45%	99.478.126,16
2. BOND LOAN Law 3156/2003	-	0,00	5,61%	49.650.652,00
<b>Issued bonds</b>		<b>99.540.552,36</b>		<b>149.128.778,16</b>

The first loan refers to the subordinated loan (Lower Tier II) that was issued on 24/03/2005 with a term of 10 years and the option to redeem in 5 years. It is designated for capital adequacy calculation purposes. The interest payment schedule is quarterly and the interest rate is Euribor plus a spread of 1,32%. The subordinated loan has been issued by ATTICA FUNDS PLC (subsidiary) and the securities are listed in the Luxemburg Stock Exchange.

Within the closing year, in March, the Bank redeemed bonds amounting to 10.000.000,00 € as a contractual obligation and in August it proceeded to advanced redemption of bonds amounting to 40.000.000,00 € to Emporiki Bank, by which, the bond loan issued by the company «Attica Leasing S.A.» (already absorbed by the bank) was fully covered.

The amount of interest that charged the results of the closing year for the purposes of the aforementioned bond loan came to € 2.080.598,13.

### 31. DEFERRED TAX ASSETS - LIABILITIES

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Provision for impairment of loan losses	2.997.750,00	2.997.750,00
Employee retirement benefits	4.380.777,29	6.804.593,76
Available for sale securities	4.736.664,58	0,00
Tax-free reserves from securities' sales from offsetting losses	2.604.144,66	0,00
Other temporary differences	6.902.366,40	5.996.169,53
<b>Deferred tax Assets</b>	<b>21.621.702,93</b>	<b>15.798.513,29</b>
Revaluation of intangible assets	(793.490,05)	(595.813,07)
Revaluation of property, plant and equipment	(1.554.913,00)	(162.872,39)
Provisions for contingent liabilities	(1.597.961,00)	(820.000,00)
Other temporary differences	(80.636,46)	(769.973,54)
<b>Deferred Tax Liabilities</b>	<b>(4.027.000,51)</b>	<b>(2.348.659,00)</b>
<b>Deferred Tax Asset, net</b>	<b>(17.594.702,42)</b>	<b>(13.449.854,29)</b>

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled. If the tax rate changes at the year that deferred tax asset is realized or deferred tax liability is settled, then the difference is recognized in the income statement.

## 32. PROVISIONS FOR RETIREMENT BENEFIT OBLIGATION

The table below presents the total amount of pension obligations which is recognized in the financial statements:

<b>(Amounts reported in €)</b>					
	<b>Note</b>	<b>Balance Sheet 31/12/2008</b>	<b>Income Statement 1/1-31/12/2008</b>	<b>Balance Sheet 31/12/2007</b>	<b>Income Statement 1/1-31/12/2007</b>
Defined benefit plan	32.1	11.802.677,70	0,00	20.499.232,99	0,00
Defined contribution plans (full)	32.2	196.936,73	1.064.191,13	596.936,73	452.487,30
Retirement benefits according to employment regulation	32.3	5.698.479,30	50.000,00	6.121.030,60	647.169,00
<b>Total</b>		<b>17.698.093,73</b>	<b>1.114.191,13</b>	<b>27.217.200,32</b>	<b>1.099.656,30</b>

### 32.1 DEFINED BENEFIT PLAN

The amounts as at 31/12/2008 have been introduced following the actuarial survey, the results of which are included in the Law 3554/2007. The amounts of the comparative year ended as at 31/12/2007 have been introduced following the actuarial survey, the results of which are included in the Law 3554/2007.

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Balance Sheet</b>		
Present value of defined benefit obligation	47.370.035,96	54.430.555,29
(Fair value of plan assets)	(35.567.358,26)	(33.931.322,30)
<b>Total</b>	<b>11.802.677,70</b>	<b>20.499.232,99</b>

The Extraordinary General Meeting of the shareholders of the Bank, held on 16<sup>th</sup> September 2005, as it arises from its minutes decided the rescission of the Group insurance contract between the Bank, the Employees' Association and ETHNIKI GENERAL INSURANCE CO. S.A., concerning the section Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), and its subject to the regulations of L. 3371/2005. In the frame of this decision the Bank recognized in the Financial Statements of 1 January 2004 (making use of the relevant option of IFRS 1), a liability of € 26.958 thousand, which was directly charged to Equity. During the period from 1.1 to 31.12.2004 the additional charge of the Bank through the Income Statement amounted to € 644 thousand. For the six month period of 2005, the plan existing at the Bank for defined benefits, the charge of the results amounted to € 220 thousand.

The above amounts arose from a special financial study realized by a group of independent actuaries. The accounting treatment followed is in accordance with L. 3371/2005, which enabled the credit institutions to present in the financial statements of 2005 the financial result of the subject to these provisions of law.

Upon resolution of the aforementioned Extraordinary General Meeting, the BoD of the Bank at its session held on 14/12/2005, proceeded in an appeal against the relative contract. Afterwards, in accordance with its appeal of 28/04/2006, the Bank required the subject of the account for Insurance Cover of the employees of the Bank to the Unified Fund of Bank Employees Insurance (E.T.A.T.) as well as to Law 3371/2005, as it is applied following the amendment of the Law 3455/2006.

The Law 3554/2007 as taking into account the content of Article 9, publicized on April 16, 2007, regulated in the particular way the requirements due concerning the insured and retired employees of Attica Bank. In

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compliance with the aforementioned Article, those insured until 31/12/1992, as well as those retired who are subject to the same category belonging to Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), are introduced as from 1.1.2007 to the Unified Fund of Bank Employees Insurance (E.T.A.T.). The relevant decision of E.T.A.T. N. 67 of the 61<sup>st</sup> session as at 8.5.2007 was publicized.

In accordance with the aforementioned, the Bank deposited to E.T.A.T. up to 31/12/2008 the amount of its two first installments due to E.T.A.T., an amount of € 7.625.000,00 for the year 2007 and the same amount for 2008. There were further deposited by the Bank to E.T.A.T. the lump sum amounting to € 770 thousand that pertains to the return of tax contributions of 1.01.1993 insured in L.A.K. The aforementioned amounts arose from the special financial research carried out by the Ministry of Economy and Finance.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into ETAT, there was made a reversal claim N. 4686/2006 by the Association of Attica Bank Employees as against the N 22/23/17-5-2006 decision of ETAT. Furthermore, there were made reversal claims Num 4635/2007 by the Greek Association of Attica Bank Pensioners as against the decision of E.T.A.T. 61/8-5-2007 and 4693/2007 reversal claim by the Capital Management of Additional Insurance and Complementary Pension Benefits as against the decision of E.T.A.T. 61/8-5-2007. The aforementioned reversal claims were heard in the Supreme Court of the Council of State on 26.9.2008 and the decision is pending.

Furthermore, there are pending the reversal claims made by the associations of employees of third party banks as against the PD 209/2006 making provisions for the E.T.A.T. operation. The Bank has exercised the claim in favor of the PD on E.T.A.T. The aforementioned claims were also heard in the Supreme Court of the Council of State on 26.9.2008 and the decision is pending.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into ETAT claim made by the Association of Attica Bank Employees etc, it was overruled following Num. 2970/2008 decision of the First Instance Court of Athens. Potentially, an appeal will be made as against the aforementioned decision.

According to the expertise carried out by university professors, the legal position held by the Bank concerning the constitutional legality of LAK introduction into ETAT is legally sound. The above expertise is further reinforced following the relative expertise of scientific committee of the Parliament on Article 9 of the Law 3554/2007 as well as on protocol 240/2006 of the 5<sup>th</sup> Department of the Council of State. However, the arising legal issues are novel and particularly difficult, since there is no possibility of reliable estimate for the final outcome of the proceedings, which may last for a long time. There have also arisen in court the legal issues beyond the issues specifically described in the expertise, which judgment could lead to reversal of the integration of LAC in ETAT.

### 32.2 DEFINED CONTRIBUTION PLANS (FULL)

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>Balance Sheet</b>		
Present value of defined benefit obligation	15.912.617,73	14.910.180,69
(Fair value of plan assets)	(15.715.681,00)	(14.313.243,96)
<b>Total Balance Sheet obligation</b>	<b>196.936,73</b>	<b>596.936,73</b>

The change in the current value of liabilities is analyzed as follows:

	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>14.910.180,69</b>	<b>16.072.103,00</b>
Service cost	938.507,00	612.000,00
Interest expenses	820.060,00	365.720,00
Actuarial gains/losses	(91.509,96)	(1.294.890,00)
Contributions paid within the year	(664.620,00)	(844.752,31)
<b>Closing balance</b>	<b>15.912.617,73</b>	<b>14.910.180,69</b>

The change in the current value of the assets is analyzed as follows:

	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>14.313.243,96</b>	<b>14.527.997,27</b>
Expected performance	357.831,00	388.600,00
Contributions	2.108.435,23	2.124.450,57
Actuarial gains/losses	(399.209,19)	(1.883.051,57)
Contributions paid within the year	(664.620,00)	(844.752,31)
<b>Closing balance</b>	<b>15.715.681,00</b>	<b>14.313.243,96</b>
<b>Balance Sheet liabilities</b>	<b>196.936,73</b>	<b>596.936,73</b>

The amounts burdening the profit and loss of the period are as follows:

	31/12/2008	31/12/2007
Service cost	938.507,00	612.000,00
Interest expenses	820.060,00	365.720,00
Expected performance	(357.831,00)	(388.600,00)
Actuarial gains/losses	307.699,23	588.161,57
Less: employees' contributions	(644.244,10)	(724.794,27)
<b>Charge to the income statement</b>	<b>1.064.191,13</b>	<b>452.487,30</b>

It concerns additional full benefit plans, which are granted by the Account Insurance Cover. According to the resolution of the Extraordinary General Meeting held on 16<sup>th</sup> September 2005, the specific plan which concerns full benefits, that are granted to the Banks' employees during the time of their retirement, continues to operate as a defined benefit plan according to that set in IAS 19.

### 32.3 RETIREMENT BENEFITS ACCORDING TO EMPLOYMENT REGULATION

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>Balance Sheet</b>		
Present value of non defined benefit obligation (Fair value of plan assets)	5.698.479,30 -	6.121.030,60 -
<b>Total</b>	<b>5.698.479,30</b>	<b>6.121.030,60</b>

The change in the current value of liabilities is analyzed as follows:

	31/12/2008	31/12/2007
<b>Opening balance</b>	<b>6.121.030,60</b>	<b>6.249.975,00</b>
Service cost	522.420,00	519.990,00
Interest expenses	336.657,00	279.443,00
Actuarial gains/losses	(809.077,00)	(152.264,00)
Contributions paid within the year	(472.551,30)	(776.113,40)
<b>Closing balance</b>	<b>5.698.479,30</b>	<b>6.121.030,60</b>

The amounts burdening the profit and loss of the period are as follows:

	31/12/2008	31/12/2007
Service cost	522.420,00	519.990,00
Interest expenses	336.657,00	279.443,00
Actuarial gains/losses	(809.077,00)	(152.264,00)
<b>Charge to the income statement</b>	<b>50.000,00</b>	<b>647.169,00</b>

The above items concern, based on the Bank's Regulations, provided employee retirement obligation as well as the liability arising from L. 2112/1920.

The size of the obligation of the above plans, was determined based on an actuarial valuation, which has been prepared by independent actuaries.

The main assumptions made in order to carry out the actuarial valuations are presented on the following table:

	31/12/2008	31/12/2007
Discount rate	6,0%	5,5%
Expected returns on plan assets	6,0%	5,5%
Future salary increase	3,0%	3,5%



### 33. OTHER PROVISIONS FOR RISKS AND LIENS

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Provision for litigious claims	1.308.005,39	1.100.000,00
Provisions for extraordinary losses coverage	4.000.000,00	4.000.000,00
Provisions for losses apart from loans	42.773,93	40.156,13
Other provisions	1.253.534,55	1.320.000,00
<b>Other provisions for risks and liens</b>	<b>6.604.313,87</b>	<b>6.460.156,13</b>

### 34. OTHER LIABILITIES

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Taxes and duties payable (except income tax)	2.617.101,66	2.998.483,14
Income tax payable	535.855,59	99.639,50
Dividends payable	33.953,01	44.770,86
Creditors and suppliers	5.884.981,70	11.203.863,63
Liabilities to insurance institutions	2.268.635,60	1.963.554,61
Expenses payable	8.373.835,19	2.392.345,11
Commissions and interest payable	21.935.541,87	15.977.308,58
Liabilities due to collection on behalf of public sector	57.174,41	304.891,97
Liabilities due to collection on behalf of third parties	1.371.604,14	126.670,82
Other liabilities	2.717.892,65	227.959,26
<b>Other liabilities</b>	<b>45.796.575,82</b>	<b>35.339.487,48</b>

### 35. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND ACCUMULATED PROFIT/LOSS

(Amounts reported in €)		
DESCRIPTION	31/12/2008	31/12/2007
Paid up	47.616.639,35	46.243.629,60
<b>Share capital</b>	<b>47.616.639,35</b>	<b>46.243.629,60</b>
<b>Less: treasury shares</b>	<b>(10.516,00)</b>	<b>0,00</b>
Paid up	249.610.876,79	238.538.533,95
<b>Share premium</b>	<b>249.610.876,79</b>	<b>238.538.533,95</b>
<b>Accumulated profit/loss</b>	<b>21.580.010,87</b>	<b>29.658.144,63</b>

The share capital of the Bank amounts to € 47.616.639,35, and is subdivided into 136.047.541 ordinary shares of nominal value € 0,35 each and is fully paid. The changes in share capital, in share premium and in treasury shares during the year in question are as follows:

#### A) Increase in share capital through reinvestment of dividends

On 16/05/2008 the Extraordinary General Assembly of the shareholders decided on the increase of the Bank's share capital up to the amount of € 1.712.726,75 by issuing up to 4.893.505 new shares through the reinvestment of the dividends distributed from the profits of the year 2007 at the discretion of the beneficiaries of the dividend. The price of each share would equal the average of the market price at the first four days of trade without right to the dividend, decreased by 10%. The disposal price was settled at € 3,17.

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Consequently, the Bank's share capital was increased by € 1.240.261,05, with the issue of 3.543.603 new common nominal shares with voting right and amounted to € 47.483.890,65 divided into 135.668.259 shares with nominal value of € 0,35 each. The total amount of the share premium of the new shares paid € 9.992.960,46 was classified in the "Share Premium" account which was increased by this amount minus the expenses that occurred due to the increase of the share capital amounting to € 1.240,26.

On 24/06/2008 the number K2-6772 decision of the Deputy Minister of Development was entered in the Societé Anonyme register, by which the aforementioned amendment of article 5 of bank's charter was approved. The reason for this approval was the share capital increase which was decided by the Extraordinary General Assembly of bank's shareholders on 16/5/2008 and by the Board of Directors meeting on 13/6/2008, which at the same date was entered in the Societé Anonyme register.

On 10/7/2008 the Board of Directors of the Athens Stock Exchange approved the admission to stock exchange market of the new shares and since Thursday, 17 July 2008 trading at the Athens Stock Exchange has started.

#### B) Increase in share capital through implementation of stock option plan

The Ordinary General Assembly of the bank's shareholders which took place at 16/4/2008 set the stock option plan for shares acquisition by the administrative staff and employees of the Bank and its related companies. The number of rights cannot exceed the 1,5% of the shares in circulation. The price of exercised rights was set at 80% of the weighted average market value of the first semester for each year that the plan lasts. The exercise period is from 1<sup>st</sup> July to 31<sup>st</sup> of August for each year that the plan lasts.

The rights mature as follows: a) On 1<sup>st</sup> July 2008 (i.e. the first year of the plan) 50% of the granted rights mature. b) On 1<sup>st</sup> July 2009 (second year of the plan) matures the remaining 50% of the rights. The exercise of the rights arises as follows: a) Up to 50% of the rights are exercised from 1<sup>st</sup> July 2008 to 31<sup>st</sup> August 2008 for the first year of the plan. b) The remaining 50% as well as every non-exercised percentage of rights are exercised accumulatively for the term between the 1<sup>st</sup> July 2009 and the 31<sup>st</sup> August 2009 i.e. the second year of the plan. In case of existence of non exercised rights until the 31<sup>st</sup> August 2009, these rights are written off.

In order to avoid any change upon the beneficiaries' rights, the number of shares that is issued in accordance with the certificates is adjusted mathematically when the Share Capital of the bank changes, as for example by the issuing of free or by cash payment new shares, or when the nominal value of the share changes or other corporate events take place as for example merger etc. In that case the Board of Directors sets the adjusted equivalence between the number of shares and the acquisition value for each share.

Following the 16.07.2008 BoD decision, as far as the stock option plan is concerned, made at the Ordinary General Assembly of the shareholders held on 16.04.2008, coupled with the BoD Decision as at 30.06.2008, a term is added defining that the rights, not exercised due to withdrawal, resignation or disputing the beneficiary's contract, in order to be distributed, through a new decision of the BoD, to personnel recruited after 31.12.2007.

For the first year of the program implementation, the distribution price of the new shares was settled at € 2,90 , thus corresponding to 80% of weighed average price of the Bank's share of the first semester of 2008.

Within the frame of the implementation of the aforementioned stock option plan, there were distributed to the executive BoD members of the Bank and employees of the Bank and its related companies the options for the purchase of up to 1.009.385 shares of the Bank at a price of € 2,90 per share. The total of options over the shares for the two years of the plan duration amounts to 2.018.769.

In compliance with the aforementioned, up to 31 August 2008, out of 718 beneficiaries of the plan, 210 exercised their rights for the purchase of a total of 379.282 shares (out of the total of 1.009.385 shares pertaining to the first year of the plan duration), at the acquisition price of € 2,90 per share.

As a result of the above stock option plan exercise, in compliance with as of 01.09.2008 decision of the BoD, the share capital of the Bank increased by € 132.748,70 with the issue of a total of 379.282 new, nominal common shares with voting rights and amounted to €47.616.639,35, divided into 136.047.541 shares of nominal value of € 0,35 each. The total share premium value of the aforementioned shares amounting to € 967.169,10

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was credited to the account «Share Premium», which increased by the amount in question less the relevant share capital expenses following the implementation of the stock option plan for the first year amounting to € 34.466,44. Furthermore, the balance of the account «Share Premium» was increased by the amount of € 147.919,98 that pertains to payroll expenses that burden the Bank within the frame of the implementation of the aforementioned plan.

At its meeting held on 03.09.2008, the BoD verified the payment of the amount of the aforementioned increase and on 6.10.2008, following the announcements num. K2-12224 and K2-12224 (2), the aforementioned increase as well as its verification was registered in the Société Anonyme register of the Ministry of Development.

The BoD of Athens Stock Exchange at its meeting as at 23.10.2008 approved introduction for trading of the aforementioned new shares and trading on ASE started on Friday, 31 October 2008.

### C) Treasury shares

Following the resolution of the Extraordinary General Assembly of the Shareholders as at 20<sup>th</sup> November 2008, it was decided that for the purposes of shares distribution to the beneficiaries of the stock option plan in the second effective year or for the purposes of any other potential distribution of shares or options to the personnel, the Bank will by 31.8.2009 acquire up to one million (1,000,000) own shares which correspond to 0,73% of the Bank's current share capital, at the upper and lower price of € 4,50 and € 1,30 correspondingly.

In case the shares as at the upper limit remain undistributed, The Board of Directors will present to the future General Assembly of the Bank's Shareholders the issue of using the aforementioned shares within the frame of the future stock option plan distributions to the personnel of the Bank or related companies as in compliance with the requirements of Article 16, par. 3 b of the CL 2190/1920.

Following the implementation of the above decision, in December 2008, the commenced the own shares acquisition plan of the Bank through the acquisition, up to 31/12/2008 of a total of 5.700 shares of the "ATTICA BANK S.A" by the Bank of total acquisition value of € 10.516 that represent 0,0042% of total shares.

A recent amendment, included in the directive «Securities, Capital Market provisions, tax issues and other provisions» does not allow the banks, participating in the government plan of improvement of economy liquidity to proceed to acquisition of treasury shares during the period they participate in the plan.

The change in the number of shares of the Bank is analyzed in the following table:

<b>Number of shares</b>	<b>Issued shares</b>	<b>Treasury shares</b>	<b>Net number of shares</b>
<b>Balance as at 01/01/2007</b>	82.577.910	-	82.577.910
Share capital increase by cash payment	49.546.746	-	49.546.746
<b>Closing balance 31/12/2007</b>	<b>132.124.656</b>	-	<b>132.124.656</b>

  

<b>Number of shares</b>	<b>Issued shares</b>	<b>Treasury shares</b>	<b>Net number of shares</b>
<b>Balance as at 01/01/2008</b>	132.124.656	-	132.124.656
Share capital increase through the reinvestment of dividends	3.543.603	-	3.543.603
Stock option plan	379.282	-	379.282
Purchase of treasury shares within the stock option plan	-	(5.700)	(5.700)
<b>Closing balance 31/12/2008</b>	<b>136.047.541</b>	<b>(5.700)</b>	<b>136.041.841</b>

### 36. RESERVES

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Legal reserves	6.046.182,56	5.044.756,24
Taxed reserves	15.233.652,64	13.524.937,44
Securities sales and securities measurement reserve	(8.198.799,51)	(10.588.991,14)
Available for sale portfolio revaluation reserve	(15.857.529,26)	(5.978.010,99)
Reserve for revaluation of property, plant and equipment	4.664.577,89	0,00
<b>Reserves</b>	<b>1.888.084,32</b>	<b>2.002.691,55</b>

According to article 44 of the Codified Law 2190/1920 the Bank is required to appropriate at least 5% of its net annual profits to a legal reserve until this reserve equals or is maintained at a level equal to at least one-half of the Bank's share capital. Concerning the reserves that have been taxed, the Bank can proceed to their distribution or capitalisation without any further tax burden.

During the current year a revaluation at fair value of Bank's property, plant and equipment was conducted. The amount from the aforementioned revaluation reached €5,83 million. This amount has been reduced by the deferred tax which is equal to €1,16 million.

<b>Changes in Available for sale revaluation reserves</b>		
<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Opening balance for the year</b>	<b>(5.978.010,99)</b>	<b>(1.492.954,52)</b>
Reserves carried to profit and loss	884.461,98	(2.256.795,86)
Net gains/(losses) from changes in fair value	(10.763.980,25)	(2.228.260,61)
<b>Closing balance for the year</b>	<b>(15.857.529,26)</b>	<b>(5.978.010,99)</b>

### 37. CASH AND CASH EQUIVALENTS

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Cash and balances with Central Bank	120.442.842,83	164.582.216,16
Due from other financial institutions	627.116.231,35	559.129.702,31
<b>Cash and cash equivalents</b>	<b>747.559.074,18</b>	<b>723.711.918,47</b>

### 38. OPERATING LEASES

Leased buildings are used by the Bank either as branches or for administrative purposes.

The table below presents the total of future minimum lease payments of the Bank:

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Future minimum lease payments of the Bank as lessee:		
Up to 1 year	6.615.194,42	5.681.830,30
1 to 5 years	20.273.858,20	15.996.762,78
More than 5 years	18.664.461,10	14.477.317,46
<b>Total of future minimum lease payments</b>	<b>45.553.513,72</b>	<b>36.155.910,54</b>

The total amount which is charged to the income statement for the year from 01.01.2008 to 31.12.2008 and refers to lease payments is € 6.468.553,39. The corresponding amount of the comparative year 2007 is € 5.478.333,26.

### 39. RELATED PARTY TRANSACTIONS

<b>(Amounts reported in €)</b>		
<b>DESCRIPTION</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>A. TRANSACTIONS WITH SUBSIDIARIES</b>		
A1. Assets	11.767.660,54	3.403.666,30
Liabilities	104.832.735,55	103.421.024,00
A2. Revenues	52.722,32	44.440,44
Expenses	6.630.447,82	5.583.040,79
<b>B. TRANSACTIONS WITH MEMBERS OF THE BANK'S MANAGEMENT</b>		
B1. Receivables (Loans)	180.068,55	198.531,17
Liabilities (Deposits)	1.914.340,60	1.882.000,00
B2. Income interest	8.120,00	7.323,23
Interest expenses	108.420,32	75.856,95
B3. Salaries and wages	468.482,97	454.681,01
Directors' fees	139.264,04	170.669,41
<b>Total fees of members of the bank's management</b>	<b>607.747,01</b>	<b>625.350,42</b>

#### 40. CONTINGENT LIABILITIES AND COMMITMENTS

##### 40.1 OFF BALANCE SHEET LIABILITIES AND PLEDGED ASSETS

(Amounts reported in €)

DESCRIPTION	31/12/2008	31/12/2007
<b>Contingent liabilities</b>		
Guarantee letters	495.485.208,66	494.615.372,63
Letters of credit	25.657.889,30	53.440.702,76
Contingent liabilities from forward contracts	197.019.360,63	55.189.449,71
	<b>718.162.458,59</b>	<b>603.245.525,10</b>
<b>Unused credit limits</b>		
- Up to 1 year maturity	507.841.721,54	496.546.299,73
- Over 1 year maturity	85.464.075,32	92.865.737,01
	<b>593.305.796,86</b>	<b>589.412.036,74</b>
<b>Pledged assets</b>		
<u>Central Bank</u>		
- Held to maturity investment securities	0,00	6.500.000,00
- Available for sale investment securities	6.500.000,00	0,00
<u>European Central Bank</u>		
- Held to maturity investment securities	7.000.000,00	0,00
- Available for sale investment securities	63.550.000,00	0,00
- Bond from mortgages securitization	310.640.000,00	0,00
<u>ADECH</u>		
- Held to maturity investment securities	0,00	3.500.000,00
- Available for sale investment securities	3.800.000,00	0,00
	<b>391.490.000,00</b>	<b>10.000.000,00</b>
<b>Off balance sheet liabilities and pledged assets</b>	<b>1.702.958.255,45</b>	<b>1.202.657.561,84</b>

Out of the pledged assets an amount of € 3.800.000,00 relates to government bonds pledged to secure the insurance margin to the Clearance Transactions on Derivatives S.A. (ADECH) in connection with transactions on derivatives and an amount of € 6.500.000,00 relates to government bonds pledged to the Bank of Greece to cover intra-day transactions. Furthermore, an amount of € 70.550.000,00 concerns government bonds pledged to European Central Bank for liquidity reasons and an amount of € 310.640.000,00 relates to a bond from mortgages securitization that has been pledged for liquidity reasons.

##### 40.2 TAX LIABILITIES

The Bank has been tax inspected up to the year 2005. As far as unaudited years 2006, 2007 and 2008 are concerned, the Bank has made a provision amounting to € 1.597.961,00 which is considered adequate to cover any contingent additional future liabilities which may arise from tax inspection. The aforementioned amount has charged profit / (loss) after taxes.

In compliance with the Law 3697/2008, as from the year 2010 and onwards, the tax rate is decreased by 1 proportional unit till its establishment at 20% in 2014.

##### 40.3 LEGAL CASES

According to the legal department of the Bank, the amount expected to arise from litigious cases against the Bank is € 1.308.005,39 for which a relevant provision has been made.

#### **40.4 OTHER PROVISIONS**

As far as this category is concerned, the provision made amounts to € 5.296.308,48 out of which the amount of € 4.000.000,00 pertains to coverage of extraordinary losses that arose in the branch of the Bank's network. The remaining amount of €1.296.308,48 pertains to coverage of extraordinary losses that might arise from other losses from doubtful accounts apart from loans.

#### **41. RISK MANAGEMENT**

The Bank is exposed to a variety of risks the most important of which are credit risk, market risk which refers to the exchange rate risk and interest rate risk, and, liquidity risk. The Bank has established various control mechanisms in order to identify, measure and monitor these risks and avoid undue risk concentrations.

##### **CREDIT RISK**

Credit risk is the most significant risk for the Bank. For that reason Bank's main target is the risk monitoring as well as the effective management. For the purpose of better management of the credit risk, there is a constant reassessment of the Bank credit policies and monitoring of compliance of the corresponding service departments with the above policies.

As far as consumer loans are concerned, there is implemented the system of customers' creditworthiness evaluation - credit scoring - that covers the credit cards and credit products.

Main attention is paid to portfolio quality assessment in the domain of corporate loans as well as in the domain of consumer loans and mortgages. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on quality and quantity criteria, the credit risks involved are evaluated and faced in a timely and efficient way.

As far as corporate loans are concerned, there are taken into account the external credit evaluations of the ICAP Group S.A. that was recognized by the Bank of Greece following the decision 262/8/26.6.2008. The particular way of assessment classifies the companies into creditworthiness rating categories, thus assisting sound evaluation in view of the undertaken risk

Responsible for the approval of loan portfolio are the Bank's departments that are independent from the Bank's business units. Loans and advances that exceed the approval limits of the aforementioned departments are approved by the Bank's credit board or the BoD.

##### **Impairment risk**

Provisions for impairment risks of loans provided to beneficiaries are made when there is objective evidence that a payment of a part or a total of the amounts due is doubtful. The trigger events that give grounds for impairment tests are as follows:

- failure to meet contractual loan obligations by the customers,
- renegotiating the loan based on the terms that the Bank would not have considered under normal circumstances ,
- event that will affect non-regular handling of loans (worsening of the financial position of the debtor, bankruptcy declaration, etc)
- loan collateral active market cessation.

In order to measure the impairments of the grants, the Bank carries out an impairment test on every date of financial statements preparation. It is examined whether there are reliable indications of potential losses to the client receivables portfolio as well as to other receivables and the provision for impairment of receivables is made. Collectability of grants is assessed per debtor for all the loans regarded as significant. The assessment is

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carried out based on the financial position of the debtor, operating maintenance sources, repayment records, liquidating value of collaterals and possibility of support rendered by sound guarantors.

Concerning the loans, the sample examination of which did not present impairment as well as concerning the loans of smaller value, the potential losses are examined and assessed as a total. For such lending, loans and receivables are classified into groups with similar credit risk characteristics that are examined for impairment based on the Bank's assessment of historic experience of losses presented by the above groups.

### **Concentration risk**

The definition of the limits in the Bank Portfolio is made following the criterion of sound allocation of the Bank capital for the purposes of avoiding of capital concentration in a certain geographical region or type of business, taking into account as follows:

- Segment surveys pertaining to credit danger rate in order to locate endangered segments where credit expansion shall be limited.
- Assessment of concentration risk that can arise from spreads towards particular customers or groups of customers and/or spreads to subcontractors groups standing high possibility of failing contractual loan obligations arising from factors, such as: macroeconomic environment, geographical position, operating segment, currency, use of risk decreasing tools.
- Carrying out stress tests and using their results under definition of limits system.

### **MARKET RISK**

The Bank is exposed to market risk arising because of adverse changes in the fair value of financial instruments due to changes in equity prices, interest rates, foreign exchange rates, commodity prices or other market factors.

The Bank has established internal procedures for the negotiation margin pertaining to market risk control. Within the scope of market risk management special activities are adopted for market risk hedging. Furthermore the Bank monitors the effectiveness of hedging and the effectiveness of reducing market risk which refers to the policy and the management of the limits that have been determined by the Assets Liabilities Committee (ALCO).

Transaction portfolio includes investments held for trading. The items in question comprise securities purchased for the purposes of direct profit arising from short term increases/decreases of prices. Bank's portfolio includes also the available for sale investments.

### **INTEREST RATE RISK**

For the interest rate risk the Bank uses methods for the measurement of the aforementioned risk which are related to repricing risk, yield curve risk, basis risk and optionality risk.

Furthermore the Bank in order to measure the change in fair value of portfolios that arise from various scenarios of interest rate curve changes, applies extreme scenarios and sensitivity analysis at a regular basis.



## **LIQUIDITY RISK**

The objective of the Bank through liquidity risk management is to ensure, to the best possible extent, the availability of satisfactory liquidity level so that it could meet its payment obligations, including the due course obligations and those that arise in extreme circumstances without incurring major additional costs.

The Bank gives priority to customers' deposits and tries to maintain them as the major source of finances through the policy it applies. Furthermore, within 2008 the Bank proceeded to the first securitization of mortgages, thus decreasing its dependence on the third parties for liquidity provision.

The liquidity management is applied by the Treasury Department according to policies and procedures which are investigated and approved by ALCO. Furthermore at a regular basis various simulated extreme scenarios are applied according to special characteristics of the Group as well as the changes in characteristics and market conditions.

## **CAPITAL ADEQUACY**

The Bank has established special services monitoring its capital adequacy at regular time intervals and presenting the results of their calculations every three months to the Bank of Greece that acts as a supervising body of Credit Institutions.

The capital adequacy rate is defined as the proportion between supervisory equity and the assets as well as off balance sheet items weighted as against the risk involved.

The basic aim of the Bank is to maintain its capital receivables in compliance with the regulatory framework as it is set by the supervisory authorities of the country so that Attica Bank is capable of continuing the course of its normal operation and maintaining its capital basis at such a level that does not prevent the realization of its business plan.

Apart from minimal capital requirements, the Bank has at its disposal reliable, efficient and complete strategies and procedures for the purposes of assessing and maintaining at constant basis the sizes, organization and allocation of equity regarded as adequate in order to cover the nature and the extent of the risks it undertakes (internal capital).

Within the frame of this The Internal Capital Adequacy Assessment Process (ICAAP) there are examined from the quality and quantity point of view the following items:

1. Level, structure and stability of regulatory capital
2. Profitability and maintenance
3. Credit risk component of concentration risk
4. Market risk
5. Interest rate risk
6. Liquidity risk
7. Operating risk
8. Legal compliance risk
9. Level and allocation of internal capital

#### 41.1 LIQUIDITY RISK

Liquidity risk is the risk that the Bank is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity. This risk includes the possibility that the bank may have to raise funding at cost or sell assets on a discount. The monitoring of liquidity risk is concentrated on the managing of the time lag between cash inflows and outflows, as well as to ensure the existence of adequate cash reserves for the day-to-day transactions. The regulatory authorities have defined liquidated indexes, on their own criteria, in order to control liquidated gap. The following tables depict a liquidity gap analysis, providing an idea for the expected cash flows of assets and liabilities for each period. In those instances that there is no contractual expiration of the assets and liabilities then these are classified in the up to one month category.

##### LIQUIDITY RISK (Amounts reported in €)

DESCRIPTION	31/12/2008					Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 year	
Cash and balances with Central Bank	120.442.842,83					120.442.842,83
Due from other financial institutions	622.391.821,90	4.724.409,45				627.116.231,35
Derivative financial instruments - assets		312.842,91				312.842,91
Loans and advances to customers (after provisions)	48.185.294,68	50.669.520,84	1.479.626.002,35	859.025.820,26	948.307.999,68	3.385.814.637,81
Financial assets available for sale	803.612,65		15.386.824,54	17.376.884,68	80.918.301,01	114.485.622,88
Investments held to maturity			5.000.000,00		6.957.862,55	11.957.862,55
Investments in subsidiaries					4.457.885,03	4.457.885,03
Investments in associates					7.290.457,03	7.290.457,03
Property, plant and equipment					42.430.161,47	42.430.161,47
Investment property				28.767.714,82		28.767.714,82
Intangible assets					12.611.725,23	12.611.725,23
Deferred tax assets	4.181,35	8.362,71	3.414.889,99	17.080.900,22	1.113.368,66	21.621.702,93
Other assets	39.704.240,39	22.618.439,87	34.435.971,49	41.060.450,28	4.031.532,40	141.850.634,43
<b>Total Assets</b>	<b>831.531.993,80</b>	<b>78.333.575,78</b>	<b>1.537.863.688,37</b>	<b>963.311.770,26</b>	<b>1.108.119.293,06</b>	<b>4.519.160.321,27</b>
Due to other financial institutions	1.068.225.341,48					1.068.225.341,48
Due to customers	1.783.979.730,18	794.171.030,60	378.402.321,64			2.956.553.082,42
Derivative financial instruments - liabilities		30.265,75				30.265,75
Issued bonds					99.540.552,36	99.540.552,36
Provisions for retirement benefits	16.725,41	33.450,82	7.751.267,91	5.268.190,36	4.628.459,23	17.698.093,73
Other provisions for risks and liens				6.604.313,87		6.604.313,87
Deferred tax liabilities			113.355,72	2.132.020,35	1.781.624,44	4.027.000,51
Other liabilities	32.868.963,88	2.697.384,18	9.924.338,99	268.185,18	37.703,59	45.796.575,82
<b>Total liabilities</b>	<b>2.885.090.760,95</b>	<b>796.932.131,35</b>	<b>396.191.284,26</b>	<b>14.272.709,76</b>	<b>105.988.339,62</b>	<b>4.198.475.225,94</b>
<b>Liquidity gap</b>	<b>(2.053.558.767,15)</b>	<b>(718.598.555,57)</b>	<b>1.141.672.404,11</b>	<b>949.039.060,50</b>	<b>1.002.130.953,44</b>	<b>320.685.095,33</b>

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**LIQUIDITY RISK**  
**(Amounts reported in €)**

DESCRIPTION	31/12/2007					Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 year	
Cash and balances with Central Bank	163.382.216,16	1.200.000,00				164.582.216,16
Due from other financial institutions	559.129.702,31					559.129.702,31
Financial assets at fair value through profit and loss			22.021.097,96			22.021.097,96
Derivative financial instruments - assets		35.775,70				35.775,70
Loans and advances to customers (after provisions)	87.156.619,77	26.822.858,81	1.386.550.044,33	769.962.558,24	630.114.398,41	2.900.606.479,56
Financial assets available for sale			16.141.670,20	18.657.313,01	32.447.843,65	67.246.826,86
Investments held to maturity			10.006.521,85	5.000.000,00	6.954.684,38	21.961.206,23
Investments in subsidiaries					3.464.090,70	3.464.090,70
Property, plant and equipment					34.496.401,85	34.496.401,85
Investment property				21.091.014,34		21.091.014,34
Intangible assets					7.828.644,69	7.828.644,69
Deferred tax assets	4.515,22	9.030,44	1.907.744,54	10.261.774,82	3.615.448,27	15.798.513,29
Other assets	16.093.424,73	29.283.928,48	30.686.737,20	7.648.809,19	2.653.011,10	86.365.910,70
<b>Total assets</b>	<b>825.766.478,19</b>	<b>57.351.593,43</b>	<b>1.467.313.816,08</b>	<b>832.621.469,60</b>	<b>721.574.523,05</b>	<b>3.904.627.880,35</b>
Due to other financial institutions	446.479.266,02	1.353.500,00				447.832.766,02
Due to customers	2.331.723.514,46	497.519.075,11	89.784.785,06	756.682,01		2.919.784.056,64
Derivative financial instruments - liabilities		73.776,87				73.776,87
Issued bonds				49.650.652,00	99.478.126,16	149.128.778,16
Provisions for retirement benefits	18.060,88	36.121,76	2.414.042,55	10.288.356,78	14.460.618,35	27.217.200,32
Other provisions for risks and liens				6.460.156,13		6.460.156,13
Deferred tax liabilities			85.116,15	1.930.438,15	333.104,70	2.348.659,00
Other liabilities	19.062.550,44	10.917.130,62	5.089.962,83	222.704,15	47.139,44	35.339.487,48
<b>Total liabilities</b>	<b>2.797.283.391,80</b>	<b>509.899.604,36</b>	<b>97.373.906,59</b>	<b>69.308.989,22</b>	<b>114.318.988,64</b>	<b>3.588.184.880,62</b>
<b>Liquidity gap</b>	<b>(1.971.516.913,61)</b>	<b>(452.548.010,93)</b>	<b>1.369.939.909,49</b>	<b>763.312.480,38</b>	<b>607.255.534,41</b>	<b>316.442.999,73</b>

## 41.2 FOREIGN EXCHANGE RISK

As “foreign exchange risk” is defined the investment risk that arises from the exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Bank sets limits on the level of exposure by currency and in total both overnight and intra-day positions, which are monitored daily. The Bank often hedges the largest part of this risk, by maintaining corresponding liabilities in the same currency. In the tables below is shown, categorized by currency, the level of exposure of the Bank to foreign exchange risk.

### FOREIGN EXCHANGE RISK (Amounts reported in €)

DESCRIPTION	31/ 12/2008					
	EUR	USD	GBP	JPY	OTHER	Total
Cash and balances with Central Bank	120.202.919,42	111.798,62	34.939,64	5.406,69	87.778,46	120.442.842,83
Due from other financial institutions	570.767.435,23	49.777.933,95	4.957.327,98	153.478,66	1.460.055,53	627.116.231,35
Derivative financial instruments - assets	(1.287.735,25)	24.226.893,26	115,74	(3.370.048,34)	(19.256.382,50)	312.842,91
Loans and advances to customers (after provisions)	3.353.508.794,73	7.121.302,74		2.934.036,77	22.250.503,57	3.385.814.637,81
Financial assets available for sale	114.472.548,61		13.074,27			114.485.622,88
Investments held to maturity	11.957.862,55					11.957.862,55
Investments in subsidiaries	4.439.512,59		18.372,44			4.457.885,03
Investments in associates	7.290.457,03					7.290.457,03
Property, plant and equipment	42.430.161,47					42.430.161,47
Investment property	28.767.714,82					28.767.714,82
Intangible assets	12.611.725,23					12.611.725,23
Deferred tax assets	21.621.702,93					21.621.702,93
Other assets	140.449.125,32	1.346.382,02	27.174,03	4.270,78	23.682,28	141.850.634,43
<b>Total Assets</b>	<b>4.427.232.224,68</b>	<b>82.584.310,59</b>	<b>5.051.004,10</b>	<b>(272.855,44)</b>	<b>4.565.637,34</b>	<b>4.519.160.321,27</b>
Due to other financial institutions	1.068.140.365,45	84.976,03				1.068.225.341,48
Due to customers	2.863.721.861,41	83.150.544,86	5.150.939,90	5425,08	4524311,17	2.956.553.082,42
Derivative financial instruments - liabilities	375.879,31	(345.613,56)				30.265,75
Issued bonds	99.540.552,36					99.540.552,36
Provisions for retirement benefits	17.698.093,73					17.698.093,73
Other provisions for risks and liens	6.604.313,87					6.604.313,87
Deferred tax liabilities	4.027.000,51					4.027.000,51
Other liabilities	45.523.353,23	190.554,83	46.753,25		35.914,51	45.796.575,82
<b>Total liabilities</b>	<b>4.105.631.419,87</b>	<b>83.080.462,16</b>	<b>5.197.693,15</b>	<b>5.425,08</b>	<b>4.560.225,68</b>	<b>4.198.475.225,94</b>
<b>Net exchange position</b>	<b>321.600.804,81</b>	<b>(496.151,57)</b>	<b>(146.689,05)</b>	<b>(278.280,52)</b>	<b>5.411,66</b>	<b>320.685.095,33</b>

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31/12/2008, in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of €44 thousand for the Bank.

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**FOREIGN EXCHANGE RISK**

(Amounts reported in €)

DESCRIPTION	31/12/2007					
	EUR	USD	GBP	JPY	OTHER	Total
Cash and balances with Central Bank	164.305.474,21	116.772,64	45.658,95	3.935,00	110.375,36	164.582.216,16
Due from other financial institutions	511.500.703,41	36.284.994,98	5.458.761,65		5.885.242,27	559.129.702,31
Financial assets at fair value through profit and loss	21.928.671,37		92.426,59			22.021.097,96
Derivative financial instruments - assets	(1.446.203,81)	1.361.795,98	60.045,00		60.138,54	35.775,70
Loans and advances to customers (after provisions)	2.878.186.163,06	18.450.233,85		1.775.284,91	2.194.797,74	2.900.606.479,56
Financial assets available for sale	67.246.826,86					67.246.826,86
Investments held to maturity	21.961.206,23					21.961.206,23
Investments in subsidiaries	3.440.227,95		23.862,75			3.464.090,70
Property, plant and equipment	34.496.401,85					34.496.401,85
Investment property	21.091.014,34					21.091.014,34
Intangible assets	7.828.644,69					7.828.644,69
Deferred tax assets	15.798.513,29					15.798.513,29
Other assets	84.768.904,41	1.592.045,17	2.672,08	366,10	1.922,94	86.365.910,70
<b>Total Assets</b>	<b>3.831.106.547,86</b>	<b>57.805.842,62</b>	<b>5.683.427,02</b>	<b>1.779.586,01</b>	<b>8.252.476,85</b>	<b>3.904.627.880,35</b>
Due to other financial institutions	447.765.299,83	67.466,19				447.832.766,02
Due to customers	2.846.789.642,29	61.234.046,85	5.831.140,78	3.212,64	5.926.014,08	2.919.784.056,64
Derivative financial instruments - liabilities		(3.464.252,10)		2.281.312,75	1.256.716,22	73.776,87
Issued bonds	149.128.778,16					149.128.778,16
Provisions for retirement benefits	27.217.200,32					27.217.200,32
Other provisions for risks and liens	6.460.156,13					6.460.156,13
Deferred tax liabilities	2.348.659,00					2.348.659,00
Other liabilities	34.535.642,14	555.679,47	96.602,71	2.822,93	148.740,23	35.339.487,48
<b>Total liabilities</b>	<b>3.514.245.377,87</b>	<b>58.392.940,41</b>	<b>5.927.743,49</b>	<b>2.287.348,32</b>	<b>7.331.470,53</b>	<b>3.588.184.880,62</b>
<b>Net exchange position</b>	<b>316.861.169,99</b>	<b>(587.097,79)</b>	<b>(244.316,47)</b>	<b>(507.762,31)</b>	<b>921.006,32</b>	<b>316.442.999,73</b>

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31/12/2007, in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of €239 thousand for the Bank.

### 41.3 INTEREST RATE RISK

As “interest rate risk” is defined the investment risk that arises from the changes in market interest rates. Such changes in interest rates can affect the financial position of the Bank, since it can change also:

- The net interest rate result
- The value of income and expenses, sensitive to interest rate changes
- The value of Assets and Liabilities. The present value of future cash flows (and often the cash flows itself) is changed since the interest rates change.

The Bank follows on a systematic basis the interest rate risk and uses various derivative financial instruments for its hedging.

The attached table presents the Bank’s exposure to interest rate risks with the analysis of the interest rate gap.

#### INTEREST RATE RISK

(Amounts reported in €)

DESCRIPTION	31/12/2008					Accounts no subject to interest rate risk	Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years		
Cash and balances with Central Bank	35.353.190,69					85.089.652,14	120.442.842,83
Due from other financial institutions	619.344.446,65	4.724.409,45	1.351.712,76			1.695.662,49	627.116.231,35
Derivative financial instruments - assets						312.842,91	312.842,91
Loans and advances to customers (after provisions)	2.144.828.670,44	579.674.125,68	185.400.858,76	548.275.776,37	59.456.615,85	-131.821.409,29	3.385.814.637,81
Financial assets available for sale	7.553.612,67	2.138.076,39	54.300.000,00	2.227.500,00	18.206.000,00	30.060.433,82	114.485.622,88
Investments held to maturity	6.994.928,62	4.962.933,93					11.957.862,55
Investments in subsidiaries						4.457.885,03	4.457.885,03
Investments in associates						7.290.457,03	7.290.457,03
Property, plant and equipment						42.430.161,47	42.430.161,47
Investment property						28.767.714,82	28.767.714,82
Intangible assets						12.611.725,23	12.611.725,23
Deferred tax assets						21.621.702,93	21.621.702,93
Other assets	35.568.267,24	13.705.130,35	10.684.715,30	17.893.549,60	325.472,32	63.673.499,62	141.850.634,43
<b>Total assets</b>	<b>2.849.643.116,31</b>	<b>605.204.675,80</b>	<b>251.737.286,82</b>	<b>568.396.825,97</b>	<b>77.988.088,17</b>	<b>166.190.328,20</b>	<b>4.519.160.321,27</b>
Due to other financial institutions	1.061.000.000,00		6.020.971,52			1.204.369,96	1.068.225.341,48
Due to customers	1.756.492.639,19	794.171.030,60	378.402.321,64			27.487.090,99	2.956.553.082,42
Derivative financial instruments - liabilities						30.265,75	30.265,75
Issued bonds			99.540.552,36				99.540.552,36
Provisions for retirement benefits						17.698.093,73	17.698.093,73
Other provisions for risks and liens						6.604.313,87	6.604.313,87
Deferred tax liabilities						4.027.000,51	4.027.000,51
Other liabilities	18.697.647,68	3.568.584,30	97.177,78			23.433.166,06	45.796.575,82
<b>Total liabilities</b>	<b>2.836.190.286,87</b>	<b>797.739.614,90</b>	<b>484.061.023,30</b>	<b>0</b>	<b>0</b>	<b>80.484.300,87</b>	<b>4.198.475.225,94</b>
<b>Interest rate risk gap</b>	<b>13.452.829,44</b>	<b>(192.534.939,10)</b>	<b>(232.323.736,48)</b>	<b>568.396.825,97</b>	<b>77.988.088,17</b>	<b>85.706.027,33</b>	<b>320.685.095,33</b>

The Bank estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Bank on the balances of the accounts as at 31/12/2008, in case of interest rate increase by 100 basis point, the loss for the Bank will reach €3,20 million.

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**INTEREST RATE RISK**  
**(Amounts reported in €)**

DESCRIPTION	31/12/2007						Accounts no subject to interest rate risk	Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years			
Cash and balances with Central Bank	42.935.123,94						121.647.092,22	<b>164.582.216,16</b>
Due from other financial institutions	555.843.934,44		1.496.936,97				1.788.830,90	<b>559.129.702,31</b>
Financial assets at fair value through profit and loss			1.263.431,96				20.757.666,00	<b>22.021.097,96</b>
Derivative financial instruments - assets							35.775,70	<b>35.775,70</b>
Loans and advances to customers (after provisions)	2.130.522.595,77	170.161.498,85	44.305.959,98	631.519.427,96	39.147.936,30	(115.050.939,30)		<b>2.900.606.479,56</b>
Financial assets available for sale	9.035.000,00	2.000.000,00	22.826.785,50	3.313.932,00			30.071.109,36	<b>67.246.826,86</b>
Investments held to maturity	6.994.523,96	14.966.682,27						<b>21.961.206,23</b>
Investments in subsidiaries							3.464.090,70	<b>3.464.090,70</b>
Property, plant and equipment							34.496.401,85	<b>34.496.401,85</b>
Investment property							21.091.014,34	<b>21.091.014,34</b>
Intangible assets							7.828.644,69	<b>7.828.644,69</b>
Deferred tax assets							15.798.513,29	<b>15.798.513,29</b>
Other assets	13.639.816,89	1.025.751,77	906.713,01	2.635.332,21			68.158.296,82	<b>86.365.910,70</b>
<b>Total assets</b>	<b>2.758.970.995,00</b>	<b>188.153.932,89</b>	<b>70.799.827,42</b>	<b>637.468.692,17</b>	<b>39.147.936,30</b>		<b>210.086.496,57</b>	<b>3.904.627.880,35</b>
Due to other financial institutions	440.000.000,00		5.156.696,38				2.676.069,64	<b>447.832.766,02</b>
Due to customers	2.291.257.516,91	497.519.075,11	89.784.785,06	756.682,01			40.465.997,55	<b>2.919.784.056,64</b>
Derivative financial instruments - liabilities							73.776,87	<b>73.776,87</b>
Issued bonds	49.650.652,00		99.478.126,16					<b>149.128.778,16</b>
Provisions for retirement benefits							27.217.200,32	<b>27.217.200,32</b>
Other provisions for risks and liens							6.460.156,13	<b>6.460.156,13</b>
Deferred tax liabilities							2.348.659,00	<b>2.348.659,00</b>
Other liabilities	9.184.946,54	2.010.032,06	135.777,78				24.008.731,10	<b>35.339.487,48</b>
<b>Total liabilities</b>	<b>2.790.093.115,45</b>	<b>499.529.107,17</b>	<b>194.555.385,38</b>	<b>756.682,01</b>	<b>0,00</b>		<b>103.250.590,61</b>	<b>3.588.184.880,62</b>
<b>Interest rate risk gap</b>	<b>(31.122.120,45)</b>	<b>(311.375.174,28)</b>	<b>(123.755.557,96)</b>	<b>636.712.010,16</b>	<b>39.147.936,30</b>		<b>106.835.905,96</b>	<b>316.442.999,73</b>

The Bank estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Bank on the balances of the accounts as at 31/12/2007, in case of interest rate increase by 100 basis point, the loss for the Bank will reach €4,10 million.

#### 41.4 CREDIT RISK

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The bank's management defines credit policy. Credit exposures from related accounts are aggregated and are monitored on a consolidated basis. The methods for evaluating the credit rating of the counterparties differ depending on the categories of the borrowers and rely on quantity as on quality data. Portfolio monitoring is carried out on the basis of customers' creditworthiness, sector of the economy and guarantees from the customers and is regularly audited by Credit Department and Risk Management Department. The Bank's credit risk is spread out in various sectors of the economy. The Bank's general policy is to require from its customers as guarantee certain types of collaterals such as mortgages over real estate, pledges and assignment of receivables.

##### 41.4.1 Highest exposure to credit risk prior to calculation of collaterals & other credit risk protection measures

The table below presents the highest exposure of the Bank to credit risk for the year ended as at 31/12/2008 as well as for the comparative year 2007. It is noted that there have not been taken into account collaterals or other credit risk protection measures.

<b>Highest exposure to credit risk</b>		
<b>(Amounts reported in €)</b>		
	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Exposure to credit risk of the Balance Sheet items</b>		
Due from other financial institutions	627.116.231,35	559.129.702,31
Loans and advances to customers (after provisions)		
Loans to private individuals:		
-Loan current accounts for individuals	123.789.987,46	192.329.250,31
-Credit cards	50.984.355,01	55.436.322,36
-Statutory maturity loans	181.312.799,23	142.243.443,77
-Mortgages	585.698.987,92	473.618.034,81
Corporate loans:	2.444.028.508,19	2.036.979.428,31
Trading portfolio		
- Bonds	0,00	12.080.931,96
Derivative financial instruments	312.842,91	35.775,70
Investment portfolio		
-Bonds	96.383.051,59	59.136.923,71
Other assets	170.618.349,25	107.456.925,04
<b>Exposure to credit risk pertaining to off Balance Sheet items is as follows:</b>		
Letters of guarantee	495.485.208,66	494.615.372,63
Credit guarantees	25.657.889,30	53.440.702,76
Unused credit limits	593.305.796,86	589.412.036,74
<b>Total as at December 31<sup>st</sup></b>	<b>5.394.694.007,73</b>	<b>4.775.914.850,41</b>



#### 41.4.2 Loans and receivables

	31/12/2008		31/12/2007	
(Amounts reported in €)				
	Loans and advances to customers	Due from other financial institutions	Loans and advances to customers	Due from other financial institutions
Loans without impairment	3.236.165.528,75	627.116.231,35	2.793.555.850,47	559.129.702,31
Loans and receivables delayed more than 1 day without impairment	46.639.077,43	-	23.702.933,09	-
Loans and receivables with impairment	234.831.440,92	-	198.398.635,30	-
<b>Total before provisions</b>	<b>3.517.636.047,10</b>	<b>627.116.231,35</b>	<b>3.015.657.418,86</b>	<b>559.129.702,31</b>
Less: Provisions for impairment	(131.821.409,29)	-	(115.050.939,30)	-
<b>Total after provisions</b>	<b>3.385.814.637,81</b>	<b>627.116.231,35</b>	<b>2.900.606.479,56</b>	<b>559.129.702,31</b>

#### A) Loans without impairment

Loans and advances to customers						
(Amounts reported in €)						
	Loans to individuals				Corporate loans	Total loans and advances to customers
	Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgages		
<b>31 December 2008</b>						
<b>Grading</b>						
Satisfactory grading	98.414.484,39	38.010.212,25	167.871.964,08	561.611.413,87	2.350.372.218,60	<b>3.216.280.293,19</b>
Special monitoring	1.710.989,26	908.415,84	3.321.957,38	7.138.802,13	6.805.070,95	<b>19.885.235,56</b>
<b>Total</b>	<b>100.125.473,65</b>	<b>38.918.628,09</b>	<b>171.193.921,46</b>	<b>568.750.216,00</b>	<b>2.357.177.289,55</b>	<b>3.236.165.528,75</b>
<b>31 December 2007</b>						
<b>Grading</b>						
Satisfactory grading	174.905.869,01	45.300.461,90	131.802.477,81	470.327.722,91	1.950.190.869,94	<b>2.772.527.401,57</b>
Special monitoring	2.279.508,59	1.012.187,10	1.664.372,09	3.894.720,28	12.177.660,84	<b>21.028.448,90</b>
<b>Total</b>	<b>177.185.377,60</b>	<b>46.312.649,00</b>	<b>133.466.849,90</b>	<b>474.222.443,19</b>	<b>1.962.368.530,78</b>	<b>2.793.555.850,47</b>

<b>Due from other financial institutions</b>	
<b>(Amounts reported in €)</b>	
<b>31 December 2008</b>	
<b>Grading</b>	
Exceptional grading	69.411.950,69
High grading	195.526.238,04
Satisfactory grading	362.178.042,62
<b>Total</b>	<b>627.116.231,35</b>
<b>31 December 2007</b>	
<b>Grading</b>	
Exceptional grading	867.773,06
High grading	327.237.642,61
Satisfactory grading	231.024.286,64
<b>Total</b>	<b>559.129.702,31</b>

<b>B) Loans and advances to customers – delayed more than 1 day without impairment</b>						
<b>(Amounts reported in €)</b>						
	<b>Loan current accounts for individuals</b>	<b>Credit cards</b>	<b>Statutory maturity loans</b>	<b>Mortgages</b>	<b>Corporate loans</b>	<b>Total loans and advances to customers</b>
<b>31 December 2008</b>						
Up to 30 days	10.241.219,54	4.540.366,01	752.691,66	264.876,71	12.184.904,10	27.984.058,02
30 - 60 days	5.513.995,07	2.467.664,70	222.238,55	177.021,07	3.206.849,51	11.587.768,90
60 - 90 days	3.417.388,54	1.410.760,27	302.862,29	151.506,96	1.784.732,45	7.067.250,51
<b>Total</b>	<b>19.172.603,15</b>	<b>8.418.790,98</b>	<b>1.277.792,50</b>	<b>593.404,74</b>	<b>17.176.486,06</b>	<b>46.639.077,43</b>
Collateral fair value			<b>1.751.908,09</b>	<b>6.316.607,17</b>	<b>30.637.990,15</b>	<b>38.706.505,41</b>
<b>31 December 2007</b>						
Up to 30 days	4.651.366,87	2.564.044,18	474.376,98	185.657,05	3.725.227,73	11.600.672,81
30 - 60 days	2.710.656,14	1.420.291,96	324.774,68	189.635,22	2.324.222,82	6.969.580,82
60 - 90 days	1.779.587,96	860.884,36	285.689,77	164.039,68	2.042.477,69	5.132.679,46
<b>Total</b>	<b>9.141.610,97</b>	<b>4.845.220,50</b>	<b>1.084.841,43</b>	<b>539.331,95</b>	<b>8.091.928,24</b>	<b>23.702.933,09</b>
Collateral fair value			<b>1.514.754,97</b>	<b>6.253.306,49</b>	<b>23.730.174,09</b>	<b>31.498.235,55</b>

The collaterals mentioned in the mortgages, include property for which the Bank has issued A'attachment.

<b>C) Loans and advances to customers – with impairment</b>						
<b>(Amounts reported in €)</b>						
	<b>Loan current accounts for individuals</b>	<b>Credit cards</b>	<b>Statutory maturity loans</b>	<b>Mortgages</b>	<b>Corporate loans</b>	<b>Total loans and advances to customers</b>
<b>31 December 2008</b>						
Loans and advances to customers with impairment	19.994.072,80	20.812.389,09	29.671.897,47	29.139.496,22	135.213.585,34	<b>234.831.440,92</b>
Collateral fair value				26.701.510,58	85.005.346,98	<b>111.706.857,56</b>
<b>31 December 2007</b>						
Loans and advances to customers with impairment	19.120.910,28	20.759.564,63	25.059.054,02	22.169.774,66	111.289.331,71	<b>198.398.635,30</b>
Collateral fair value				19.073.332,40	68.950.179,14	<b>88.023.511,54</b>

#### 41.4.3 Exposure to credit risk of the assets per operation segment

<b>(Amounts reported in €)</b>	<b>Credit institutions</b>	<b>Industry</b>	<b>Shipping</b>	<b>Public sector</b>	<b>Commerce</b>	<b>Construction</b>	<b>Other sectors</b>	<b>Private individuals</b>	<b>Total</b>
Due from other financial institutions	627.116.231,35								627.116.231,35
Loans and advances to customers (after provisions)									0,00
Loans to private individuals:									0,00
- Loan current accounts for individuals								123.789.987,46	123.789.987,46
-Credit cards								50.984.355,01	50.984.355,01
-Statutory maturity loans								181.312.799,23	181.312.799,23
-Mortgages								585.698.987,92	585.698.987,92
Corporate loans:		360.652.985,90	24.481.607,77	2.215.641,62	764.207.564,34	477.422.237,27	815.048.471,29		2.444.028.508,19
Trading portfolio									0,00
- Bonds									0,00
Derivative financial instruments	312.842,91								312.842,91
Investment portfolio									0,00
-Bonds	30.435.362,55			64.406.000,00		803.612,67	738.076,37		96.383.051,59
Other assets	45.149.705,00			19.677.805,20			105.790.839,05		170.618.349,25
<b>Total exposure as at 31.12.2008</b>	<b>703.014.141,81</b>	<b>360.652.985,90</b>	<b>24.481.607,77</b>	<b>86.299.446,82</b>	<b>764.207.564,34</b>	<b>478.225.849,94</b>	<b>921.577.386,71</b>	<b>941.786.129,62</b>	<b>4.280.245.112,91</b>
<b>Total exposure as at 31.12.2007</b>	<b>583.844.137,39</b>	<b>342.655.310,53</b>	<b>10.141.053,57</b>	<b>33.760.852,94</b>	<b>667.863.074,20</b>	<b>384.818.901,49</b>	<b>751.736.356,91</b>	<b>863.627.051,25</b>	<b>3.638.446.738,28</b>

#### 41.4.4 Bonds and other securities

The table below presents the analysis of the fair value of bonds and other securities of investment and trading portfolio. As far as the category of held to maturity is concerned, the fair value is considered as amortized cost. The value of investments held to maturity is included in investment portfolio. The categories of credit grading follow the classification of grading adopted by the internationally acknowledged companies (Moody's, Fitch).

<b>Analysis of bonds and other securities per grading</b>			
<b>(Amounts reported in €)</b>			
	<b>Investment portfolio securities</b>	<b>Trading portfolio securities</b>	<b>Total</b>
<b>31 December 2008</b>			
AAA	10.757.862,55		10.757.862,55
AA- to AA+	0,00		0,00
A- to A+	65.144.076,37		65.144.076,37
Lower than A-	7.377.500,00		7.377.500,00
Non graded	13.103.612,67		13.103.612,67
<b>Total</b>	<b>96.383.051,59</b>		<b>96.383.051,59</b>
<b>31 December 2007</b>			
AAA	10.356.159,36		<b>10.356.159,36</b>
AA- to AA+	0,00		<b>0,00</b>
A- to A+	29.431.832,35		<b>29.431.832,35</b>
Lower than A-	9.322.500,00		<b>9.322.500,00</b>
Non graded	10.026.432,00	12.080.931,96	<b>22.107.363,96</b>
<b>Total</b>	<b>59.136.923,71</b>	<b>12.080.931,96</b>	<b>71.217.855,67</b>

#### 41.5 MARKET RISK

Market Risk is the risk of losses arising because of adverse changes in the value of derivatives due to changes in equity prices, interest rates, foreign exchange rates, commodity prices or other market factors. As a rule, the Bank invests in Stock Exchange securities which are classified for the investment purposes into the corresponding portfolio (trading or investing).

The Bank estimates the prices risk, taking into account the adverse effect that can be caused to the annual results by a change in share prices.

Based on the corresponding measurements, made by the Bank concerning the balances of the accounts as at 31/12/2008, it was established that in the event the share prices decrease by 30%, the Bank will suffer losses amounting to € 649 thousand.

Correspondingly, concerning the comparative year 2007, in the event the share prices had decrease by 30%, the Bank would have suffered losses amounting to € 1,5 million.

#### 41.6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the book as well as the fair values of financial instruments (financial assets and liabilities) which are not measured at fair value in the Bank's balance sheet.

Fair value of balance sheet items	Book value		Fair value	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
<b>Financial Assets</b>				
Due from other financial institutions	627.116.231,35	559.129.702,31	627.116.231,35	559.129.702,31
Loans and advances to customers (after provisions)	3.385.814.637,81	2.900.606.479,56	3.399.354.629,91	2.900.162.273,51
Investments held to maturity	11.957.862,55	21.961.206,23	9.615.000,00	19.879.000,00
<b>Financial Liabilities</b>				
Due to other financial institutions	1.068.225.341,48	447.832.766,02	1.068.225.341,48	447.832.766,02
Due to customers	2.956.553.082,42	2.919.784.056,64	2.956.470.668,83	2.919.565.539,65
Issued bonds	99.540.552,36	149.128.778,16	85.000.000,00	149.750.652,00

The fair value of due from and due to other financial institutions carried at amortized cost does not substantially differ from the corresponding carrying amount since the maturity of the majority is that under a month.

The fair value of loans and advances to customers and due to customers is calculated discounting the expected future cash flows (outflows and inflows correspondingly) using as discounting rate the current interest rate for every maturity category.

The fair value of issued bonds represents the price at which the liability can be settled between knowledgeable contractual parties willing to carry out the transaction at fair price.

The fair values presented in the table above reflect the estimates as at financial statements preparation date. These estimated are subject, among others, to adjustments made in compliance with the market conditions that will be outstanding at the certain period of measurement. The above calculations represent the best possible estimates and are based on particular provisions. Taking into account the fact that these calculations include the uncertainty element, it is probable that the fair values might not represent the price at which such financial instruments can be sold or settled in the future.

Practically, on the basis of going concern principle, the total value of the above financial instruments may not be settled through a direct transaction.

#### **42. CAPITAL ADEQUACY**

The Bank has established special services monitoring its capital adequacy at regular time intervals and presenting the results of their calculations every three months to the Bank of Greece that acts as a supervising body of Credit Institutions

The capital adequacy rate is defined as the proportion between regulatory equity and the assets as well as off balance sheet items weighted as against the risk involved.

The basic aim of the Bank is to maintain its capital receivables in compliance with the regulatory framework as it is set by the supervisory authorities of the country so that Attica Bank is capable of continuing the course of its normal operation and maintaining its capital basis at such a level that does not prevent the realization of its business plan.

In compliance with the decision of the Bank of Greece, the regulatory equity is divided into:

- Upper Tier I and
- Upper Tier II

The table below presents Upper Tier I and Upper Tier II as well as the adjustments they are subject to prior to the finalizing of their calculation.

(in thousand Euro)	31.12.2008	31.12.2007
<b>Upper Tier I Capital</b>		
Share capital	47.616,64	46.243,63
Share Premium	249.610,88	238.538,53
Reserves	1.888,08	2.002,70
Accumulated profit/loss	21.580,01	22.610,84
Available for sale revaluation reserves	10.579,57	5.479,88
Provision for dividends	0,00	(6.606,23)
Analogy of actuarial deficit of defined benefit plans	8.269,14	13.781,90
Treasury shares	(10,52)	0,00
Fair value adjustments of investment property	(1.741,78)	0,00
<b>Equity subtraction items</b>		
Intangible assets amortized value	(12.611,72)	(7.828,64)
<b>Upper Tier I Capital</b>	<b>325.180,30</b>	<b>314.222,61</b>
<b>Upper Tier II Capital</b>		
Revaluation reserve of property, plant and equipment		
Fair value adjustment of Investment property	783,80	3.171,29
Analogy of actuarial deficit of defined benefit plans	(8.269,14)	(13.781,90)
<b>Lower Tier II Capital</b>		
Lower tier obligations of certain duration	99.540,55	99.478,13
<b>Tier II</b>	<b>92.055,21</b>	<b>88.867,52</b>
<b>Less:</b>		
Shares of credit & financial institutions less than 10% of the institutions' capital that as an aggregate surpass 10% of equity of F.I.		
<b>Total Capital</b>	<b>417.235,51</b>	<b>403.090,13</b>
Weighted as against credit risk	2.959.092,50	
Weighted as against market risk	124.759,88	
Weighted as against operational risk	239.211,88	
Further Assets (internal capital evaluation)	348.242,75	
<b>CAPITAL ADEQUACY RATIO (TIER I)</b>	<b>9,8%</b>	<b>9,9%</b>
<b>TOTAL CAPITAL ADEQUACY RATIO</b>	<b>11,4%</b>	<b>12,6%</b>
<b>SOLVENCY RATIO</b>	<b>12,6%</b>	<b>13,2%</b>

Data regarding the publication of regulatory disclosures about capital adequacy and risk management (Basel II, Pillar III – PD/BOG 2592/07), will be available at Bank's website.



### **43. EVENTS SUBSEQUENT TO 31<sup>st</sup> DECEMBER 2008**

In compliance with the decision K2-15053 / 2.1.2009 of the Ministry of Development, there were approved the amendments to Articles one (1), four (4) and eight (8) of the Articles of Incorporation of the Bank pertaining to the change of its title into «ATTICA Bank S.A.» as well the prolongation of its term 50 years, i.e. as till 4<sup>th</sup> February, 2075, following the resolution of the Extraordinary General Assembly of the Shareholders of the Bank as at 20/11/2008.

The Extraordinary General Assembly of the Shareholders held on 8/1/2009 decided the Bank's share capital increase by €100.200.000 according to the provisions of law 3723/2008 "On the enhancement of the liquidity of the economy and the management of the consequences of the international financial crisis and other provisions" (art.1 par.1). This amount corresponds to 286.285.714 preferred shares bearing voting rights at the General Meeting of the holders of preferred shares. The nominal value of each share is € 0,35. The issue of the preferred shares will be covered entirely by the Greek State, as provided for by law 3723/2008 which refers to the liquidity enhancement of the economy for the management of the consequences of the international financial crisis.

Following the share capital increase the share capital of the Bank will amount to €147.816.639,35 and will be divided into a) 136.047.541 common, registered shares with a nominal value of €0,35 each and b) 286.285.714 preferred registered shares with a nominal value of € 0,35 each.

Within the frame of the maintenance of sufficient liquidity plan for the purposes of facing the repercussions of the global financial crisis, the Bank received a bond amounting to € 200 million. The amount attributed to the Bank in the frame of this government plan comes to € 628,6 million.

The Bank will not distribute dividends from the earnings for the year 2008 through reinvestment as it did in the previous year. Distribution of dividends in the form of cash payments is not permitted in compliance with the recent regulation issued by the Ministry of Economy and Finance.

**ATTICA BANK S.A.**

Company Registration Number: 6067/06/B/86/06

Head office: 23 Omirou Street, 106-72 Athens

**FINANCIAL DATA AND INFORMATION FOR THE YEAR FROM 1 JANUARY 2008 TO 31st DECEMBER 2008**

(In accordance with Codified Law 2190/20, article 135, concerning businesses that prepare annual financial statements, consolidated or not, in accordance with International Accounting Standards)

The data and information presented below, which derive from the annual financial statements at a general information about the financial position and results of Attica Bank S.A. and the Group of Attica Bank S.A. We therefore recommend the reader, prior to making any investment decision or other transaction concerning the companies of the Group of Attica Bank S.A., to visit the Bank's web site, where the annual financial statements are posted, as well as the auditor's report.

**COMPANY PROFILE**

<b>Prefecture</b>	Prefecture of Athens	
<b>Website</b>	www.atticabank.gr	
<b>Date of approval by the Board of Directors of the annual financial statements (through which financial data and information derived)</b>	At the meeting of the Board of Directors held on March 17, 2009	
<b>The certified auditors</b>	Athanasia M. Arabatzis SOEL Reg. No. 12821	George N. Deligiannis SOEL Reg. No. 15791
<b>Auditing Firm</b>	GRANT THORNTON S.A.	
<b>Type of review report</b>	Unqualified opinion-Point of Emphasis	

**MEMBERS OF THE BOARD OF DIRECTORS**

<b>Executive Members</b>	
Tryphon E. Kollintzas	Chairman of the Board of Directors & Chief Executive Officer
Ioannis P. Gavrilidis	Vice Chairman of the Board
<b>Non Executive Members</b>	
Agostinos M. Vitzilaios	Member
Argyrios G. Zafetopoulos	Member
Antonios D. Kaminaris	Member
Athanasios E. Prevelos	Member
Athanasios D. Stathopoulos	Member
Athanasios H. Trakopoulos	Member
Aggelos I. Philippides	Member
<b>Independent Non Executive Members</b>	
Althia I. Athanasiadou	Member
Georgios K. Tsoukalas	Member
<b>Representative of the Greek State in the Board of Directors</b>	
Georgios Ch. Rizos	

**BALANCE SHEET INFORMATION**

(amounts reported in euro)

ASSETS	GROUP (reformed amounts)		BANK	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Cash and balances with Central Bank	120,744,161.34	164,929,241.55	120,442,842.83	164,582,216.16
Due from other financial institutions	627,124,553.33	599,655,603.33	627,116,231.35	599,229,702.31
Financial assets at fair value through Profit and Loss	0.00	22,621,097.96	0.00	22,621,097.96
Derivative financial instruments - assets	312,842.91	315,775.70	312,842.91	315,775.70
Loans and advances to customers (after provisions)	3,385,814,637.81	2,960,664,479.56	3,385,814,637.81	2,960,664,479.56
Financial assets available for sale	114,798,655.23	67,248,826.86	114,854,822.48	67,248,826.86
Investments held to maturity	11,957,862.55	21,961,206.23	11,957,862.55	21,961,206.23
Investments in subsidiaries	0.00	60,000.00	4,457,885.03	3,464,690.70
Investments in associates	9,334,521.84	0.00	7,290,871.03	0.00
Property, plant and equipment	42,449,048.35	34,518,972.04	42,430,161.47	34,496,401.85
Investment property	28,767,714.82	21,091,614.34	28,767,714.82	21,091,614.34
Intangible assets	12,627,594.07	7,828,644.71	12,611,732.23	7,828,644.69
Deferred tax assets	21,658,908.55	15,830,963.27	21,621,702.93	15,798,513.29
Other assets	144,678,390.83	87,865,786.77	141,850,634.43	86,365,910.70
<b>TOTAL ASSETS</b>	<b>4,528,268,891.63</b>	<b>3,963,751,812.52</b>	<b>4,519,166,212.27</b>	<b>3,964,627,880.35</b>
<b>EQUITY</b>				
Share capital	47,616,639.35	46,213,629.60	47,616,639.35	46,213,629.60
Share premium	249,610,876.79	238,535,533.95	249,610,876.79	238,535,533.95
Less: treasury shares	(10,316.00)	0.00	(10,316.00)	0.00
Accumulated profits/loss	24,173,844.41	30,917,708.16	21,580,010.87	29,658,144.63
Reserves	1,966,536.80	2,034,274.47	1,888,484.32	2,002,691.55
Net equity of the Company's shareholders	324,357,381.35	317,750,666.18	320,685,695.33	316,442,999.73
Minority interest	762.32	548.47	0.00	0.00
<b>Total Equity</b>	<b>324,358,163.67</b>	<b>317,751,214.65</b>	<b>320,685,695.33</b>	<b>316,442,999.73</b>
<b>LIABILITIES</b>				
Due to other financial institutions	1,068,225,341.49	447,832,621.49	1,068,225,341.49	447,832,621.49
Due to customers	2,951,270,064.43	2,915,849,884.19	2,956,551,082.42	2,919,794,056.64
Derivative financial instruments - liabilities	30,266.75	0.00	30,266.75	33,736.87
Issued bonds	99,962,623.00	149,566,602.00	99,540,552.36	149,128,778.16
Provisions for retirement benefits	17,812,685.44	27,306,673.65	17,809,693.73	27,217,200.32
Other provisions for risks and losses	4,631,007.69	6,498,536.15	6,498,536.15	6,440,154.35
Deferred tax liabilities	4,031,686.03	2,348,659.00	4,027,000.51	2,348,659.00
Other liabilities	47,947,054.13	36,523,800.01	45,796,575.82	35,339,487.48
<b>Total liabilities</b>	<b>4,193,918,727.76</b>	<b>3,585,997,717.87</b>	<b>4,198,475,252.94</b>	<b>3,588,184,880.62</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,528,268,891.63</b>	<b>3,963,751,812.52</b>	<b>4,519,166,212.27</b>	<b>3,964,627,880.35</b>

**INCOME STATEMENT INFORMATION OF THE YEAR**

(amounts reported in euro)

EXPENSES	GROUP (reformed amounts)		BANK	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Interest and similar income	270,890,544.30	212,738,048.48	270,890,544.30	212,738,048.48
Less: Interest expense and similar charges	(187,423,062.61)	(119,348,289.78)	(187,423,062.61)	(119,348,289.78)
<b>Net interest income</b>	<b>83,467,481.69</b>	<b>93,389,758.70</b>	<b>83,467,481.69</b>	<b>93,389,758.70</b>
Fee and commission income	36,381,205.71	36,853,354.64	33,481,095.92	34,062,855.42
Less: Fee and commission expense	(11,212,579.64)	(1,864,063.80)	(11,212,579.64)	(1,864,063.80)
<b>Net fee and commission income</b>	<b>25,168,626.07</b>	<b>35,000,000.00</b>	<b>22,268,516.28</b>	<b>32,198,791.62</b>
Dividend income	354,662.44	407,193.22	354,662.44	407,193.22
Profit/(loss) from financial activities	1,311,378.70	7,269,937.53	1,311,378.70	7,269,937.53
Other income	7,367,854.46	10,716,248.03	7,367,854.46	10,716,248.03
<b>Operating income</b>	<b>145,126,385.96</b>	<b>147,717,810.88</b>	<b>143,416,047.86</b>	<b>144,233,391.44</b>
Provision for credit risks	(34,589,738.64)	(30,400,000.00)	(34,589,738.64)	(30,400,000.00)
Salaries, wages and personnel expenses	(57,908,767.00)	(52,737,415.19)	(56,586,151.55)	(51,715,993.64)
General operating expenses	(32,908,996.64)	(31,077,268.54)	(32,015,948.85)	(30,333,343.73)
Depreciation	(4,877,100.00)	(4,752,048.12)	(4,877,100.00)	(4,752,048.12)
<b>Total operating expenses</b>	<b>(130,284,602.28)</b>	<b>(118,967,373.85)</b>	<b>(128,397,919.80)</b>	<b>(117,193,475.51)</b>
Income from investments in associates	2,044,064.81	0.00	0.00	0.00
<b>Profit before taxes</b>	<b>16,815,688.41</b>	<b>28,284,232.03</b>	<b>14,038,128.86</b>	<b>27,039,915.93</b>
Taxes	(4,205,358.91)	(7,356,730.13)	(4,205,358.91)	(7,356,730.13)
<b>Profit after taxes</b>	<b>12,610,329.50</b>	<b>20,927,501.90</b>	<b>9,832,769.95</b>	<b>19,683,185.80</b>
<b>Distributions</b>				
Shareholders of the Bank	12,609,864.55	20,847,472.52	12,609,864.55	20,847,472.52
Minority Shareholders	464.95	229.38	464.95	229.38
<b>Earnings per share (in €)</b>				
Basic	0.0940	0.1932	0.0763	0.1856
Diluted	0.0930	0.1932	0.0755	0.1856
<b>Suggested dividend per share (in €)</b>			0.0000	0.1000

**STATEMENT OF CHANGES IN EQUITY INFORMATION**

(amounts reported in euro)

Total Equity at the beginning of the year	GROUP		BANK	
	1 Jan 31 December 2008	1 Jan 31 December 2007	1 Jan 31 December 2008	1 Jan 31 December 2007
317,751,234.65	153,731,962.38	316,442,999.73	153,242,799.48	
Profit of the year after tax	12,610,329.50	20,927,501.90	10,234,664.99	20,822,528.38
Share capital increase by cash payment	0.00	148,640,230.00	0.00	148,640,230.00
Share capital increase through dividends reinvestment	11,233,221.51	0.00	11,233,221.51	0.00
Share capital decrease	(21,499.00)	0.00	0.00	0.00
Stock option plan	1,099,917.80	0.00	1,099,917.80	0.00
Employees stock option	0.00	350,000.00	0.00	350,000.00
Share capital increase expenses	(46,306.70)	(1,358,477.93)	(35,706.30)	(1,358,477.93)
Stock Option plan payroll expenses	147,919.98	0.00	147,919.98	0.00
(Partially) sale of treasury shares	(193,116.00)	0.00	(193,116.00)	0.00
Net income recorded directly in equity	(14,616,182.85)	(4,485,056.47)	(14,616,182.85)	(4,485,056.47)
Tax attributable to differences recognized directly in equity from available for sale reserve	4,736,664.58	24,919.27	4,736,664.58	24,919.27
Dividends paid	(13,212,615.20)	0.00	(13,212,615.20)	0.00
Minority dividends paid	0.00	(133.90)	0.00	0.00
Revaluation of own property, plant and equipment	5,830,723.36	0.00	5,830,723.36	0.00
Tax attributable to differences recognized directly in equity from property revaluation	(1,166,144.47)	0.00	(1,166,144.47)	0.00
Other temporary differences	0.00	30.19	0.00	0.00
<b>Total Equity at the end of the year</b>	<b>324,358,163.67</b>	<b>317,751,234.65</b>	<b>320,685,695.33</b>	<b>316,442,999.73</b>

**CASH FLOW STATEMENT INFORMATION**

(amounts reported in euro)

Total inflows/(outflows) from operating activities	GROUP (reformed amounts)		BANK	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
138,140,886.29	51,036,264.34	139,505,730.07	52,422,104.02	
Total inflows/(outflows) from investing activities	(64,009,240.06)	21,417,913.81	(64,722,207.52)	21,428,029.60
Total inflows/(outflows) from financing activities	(50,947,176.44)	147,281,626.17	(50,936,366.84)	147,281,760.07
<b>Total inflows/(outflows) for the year</b>	<b>23,184,469.79</b>	<b>219,735,804.32</b>	<b>23,847,155.71</b>	<b>221,131,893.50</b>
Cash and cash equivalents at the beginning of the year	724,684,244.88	504,948,440.56	723,711,918.47	502,580,024.97
Plus cash and cash equivalents of company consolidated for the first time	60,000.00	0.00	0.00	0.00
<b>Cash and cash equivalents at the end of the year</b>	<b>747,868,714.67</b>	<b>724,684,244.88</b>	<b>747,559,074.18</b>	<b>723,711,918.47</b>

**ADDITIONAL FIGURES AND INFORMATION**

- Point of emphasis: The compliance of the account for Insurance Cover of the employees of the Bank (L.A.K.) with laws 3371/2005 and 3554/2007 as well as the probable impact that might arise for the Bank from the contingent future legal case. For further analysis refer to note 32.1 of the individual and consolidated annual financial statements.
- Consolidation as at December 31<sup>st</sup>, 2008 comprises the subsidiaries Attica Wealth Management Mutual Funds Management S.A., Attica Ventures S.A., Technical and Trading Company for Software Support and High Technology S.A., Attica Funds PLC, Attica Assurance Agency S.A., Attica Bank Properties S.A. and Stegasis Mortgage Finance plc, through the full consolidation method. Stegasis Mortgage Finance plc is consolidated as a special purpose company. Consolidation as at December 31<sup>st</sup>, 2008 comprises the Zaltich Innovation Venture Capital Fund through the equity method. Analytical information about the country of incorporation and the percentage of participation is provided in notes 22, 23 of the individual and consolidated annual financial statements and in note 40 of the consolidated annual financial statements.
- The consolidated financial statements of Attica Bank S.A. are included in the consolidated financial statements prepared by TT Hellenic Postbank S.A. headquartered in Greece, under the equity method. As at 31/12/2008, TT Hellenic Postbank S.A. participated in the share capital of Attica Bank S.A. with the participating interest of 21.024%.
- The Accounting Principles adopted by the International Financial Reporting Standards (IFRS) have been applied by the Bank and the Group, as at the previous year.
- The capital assets of the Group are free from liens.
- The amount expected to arise from litigious cases against the companies of the Bank, according to the legal department, is € 1,308,005.39, for which a relevant provision has been made. The amount of the provision is expected to arise as a subsequent deposit liability. There are no such cases against other companies of the Group. As far as the provisions made for other cases are concerned, apart from litigious cases and unaudited tax years, they amount to € 5,200,708.48 and € 5,296,708.48 for the Group and the Bank respectively. For further analysis refer to notes 40.3 and 40.4 of the individual and 41.3 and 41.4 of the consolidated annual financial statements.
- The Bank has been tax inspected up to and including the year 2005. As far as the unaudited tax years are concerned, the Bank and its subsidiaries have made a provision in compliance with IFRS amounting to € 1,620,254.82, out of which an amount of € 1,597,961.00 concerns the Bank. Analytical information about unaudited tax years is provided in note 40.2 of the individual and 41.2 of the consolidated annual financial statements.
- The number of staff employed by the companies of the Group at the end of the current year was 1,217, whereas for the Bank it was 1,198. At the end of the comparative year, the number of staff employed by the companies of the Group was 1,124, whereas for the Bank it was 1,108.
- The transactions of the Group with related parties comprising only the members of the Management are as follows: a) receivables € 1,914,340.60, income € 8,120.00, expenses € 1,142,611.99 out of which the amount of € 1,034,191.67 refers to salaries and wages, while the remaining amount of € 108,420.32 refers to interest expenses for the Group. As far as the provisions made for other cases are concerned, apart from litigious cases and unaudited tax years, they amount to € 5,200,708.48 and € 5,296,708.48 for the Group and the Bank respectively. For further analysis refer to notes 40.3 and 40.4 of the individual and 41.3 and 41.4 of the consolidated annual financial statements.
- The net income recorded directly in equity in the current as well as in the previous year and amounted to € 14,616,182.85 and € 4,485,056.47 for year 2008 and year 2007 respectively, exclusively refers to the losses arising from the valuation of the Available for Sale Portfolio.
- In compliance with IASB decision of 13/10/2008, the Bank proceeded to a transfer of shares portfolio to Available for Sale Portfolio from trading portfolio amounting to € 8 million. During the period from 1/7 to 31/12/2008, in compliance with the aforementioned decision, the loss arising from the valuation of the portfolio in question amounting to € 1,24 million was recorded directly in Equity. For the period from 1/1 to 30/06/2008 the valuation of shares portfolio amounting to € 1,02 million has charged the income statement of the period.
- The financial statements for the year ended as at 31/12/2008, the Group proceeded to certain modifications of the items in the comparative balance sheet of the year 2007, so that the presented amounts are fully comparable. Specifically, the Consolidated Balance Sheet and the consolidated Cash Flow Statement of the comparative year have been adjusted by an amount of € 11,855,212.82 that decreased the category "Due from other financial institutions" as well as the category "Other liabilities". Analytical information is provided in notes 2.30 and 44 of the consolidated annual financial statements. The above modifications have not affected the Group's operating income, profit after taxes and minority interest, or its equity.
- Consolidation through the full consolidation method as at 31/12/2008, 2008 includes, using the full consolidation method, the company Attica Bank Properties S.A. and the company Stegasis Mortgage Finance plc, which had not been included in the consolidation as at 31/12/2007, as Attica Bank Properties S.A. was formed within the last month of 2007 and Stegasis Mortgage Finance plc was formed within 2008 for the implementation of mortgages securitization program. Furthermore, on 31<sup>st</sup> December, 2008 the Zaltich Innovation Venture Capital Fund was consolidated with the equity method as an acquisition of dominating influence, while in the comparative prior year it had been included in financial assets at fair value through Profit and Loss.
- In November 2008, the Bank successfully completed the first securitization of mortgages amounting to € 388 million through the issuer "Stegasis Mortgage Finance plc", a special purpose company, headquartered in London. UBS Investment Bank was the issuance consultant and Eurobank was deputy mortgage portfolio manager.
- In December 2008, the Bank started the treasury shares repurchase plan in compliance with the € 200 million decision of the Regular General Assembly as well as the decisions of the Extraordinary General Assembly as at 2011/2008 and B.O.D as at 31.8.2009. Within the frame of this plan, by 31.8.2009 the Bank will purchase up to one million (1,000,000) treasury shares at the upper and lower price of € 4.50 and € 1.30, respectively. As at 31/12/2008, the Bank held 7,700 treasury shares of total book value of € 10,516, which represent 0.0042% of the total number of shares. The subsidiaries of the Group held no treasury shares of the parent as at the same date. In compliance with the recent amendment issued by the Ministry of Economy and Finance, the banks participating in the government plan of improving the economy liquidity are not allowed to proceed to acquisition of own shares during the period they participate in the plan.
- Following the resolution of the Extraordinary General Assembly of the Shareholders of the Bank as at 2011/2008, the title of the Bank was changed to "Attica Bank S.A.", the Company's term was prolonged by 50 years, i.e. as till 4th February, 2075 and it was decided to set various categories of shares.
- The Extraordinary General Assembly of the Shareholders held on 8/1/2009 decided that the share capital of the Bank be increased by € 100,200,000, through the issuance of 286,285,714 preferred, redeemable, nominal shares, bearing voting rights, of nominal value of € 0.35 each. The issue of the preferred shares will be covered entirely by the Greek State with the waiver of the old shareholders according to the provisions of the liquidity of the economy and the management of the consequences of the international financial crisis. Following the share capital increase, the share capital of the Bank amounts to € 147,816,839.35 and it is divided into a) 136,047,541 common, registered shares of a nominal value of € 0.35 each and b) 286,285,714 preferred, redeemable, registered shares of a nominal value of € 0.35 each.
- There have been no discontinued operations as far as both the Group and the Bank are concerned.

ATHENS, 17 MARCH 2009

**THE CHAIRMAN OF THE BOARD & CHIEF EXECUTIVE OFFICER**

 TRYPHON E. KOLLINTZAS  
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## **Information of article 10 law 3401/2005**

The corporate announcements of 2008 are available at Bank's website:

[http://www.atticabank.gr/index.asp?a\\_id=73&newsyear=2008](http://www.atticabank.gr/index.asp?a_id=73&newsyear=2008)

During the year 2008 the following announcements have been published:

<b>Subject</b>	<b>Date</b>
Disclosure as at 24-12-2008	24.12.2008
Disclosure as at 23-12-2008	23.12.2008
Transaction disclosure	18.12.2008
Attica Bank: New time deposit with interest rate up to 7,50%.	17.12.2008
Notice of Extraordinary General Meeting	16.12.2008
Purchase of treasury shares	15.12.2008
Purchase of treasury shares	12.12.2008
Announcement about the 25% limit on the purchase of own shares	11.12.2008
Measures of Attica Bank for SMEs that suffered losses.	10.12.2008
Beginning of treasury shares purchase plan	5.12.2008
Attica Bank – Announcement	4.12.2008
Announcement	24.11.2008
New mortgage loan with fixed interest rate 4,5% for three years	21.11.2008
Attica Bank: Conclusion of the first residential mortgage-backed securitization	20.11.2008
Resolutions of the Extraordinary General Meeting of Shareholders	20.11.2008
Participation in development Forum	14.11.2008
Attica Bank: Measures for the protection of households and SMEs	11.11.2008
Participation of Attica Bank in SMEs protection through TEMPME	10.11.2008
Operation of a new branch in Ano Glifada (Athens)	10.11.2008
Financial Figures and Results, Q3 2008	5.11.2008
Invitation of Attica Bank S.A. shareholders to Extraordinary General Assembly	29.10.2008
Listing of new shares on the ASE following a stock options scheme	24.10.2008
Announcement – Brochure of advice information	16.10.2008
Payment of unifies duty natural persons property through DIASDEBIT system	10.10.2008
Announcement – Publication for AtticaBank Properties S.A.	3.10.2008
Disclosure: Changes in the composition of the BoD and the audit committee.	2.10.2008
Adjustment of various loan interest rates.	1.10.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	1.10.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	29.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	25.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	24.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	23.9.2008

Special products for members and employees of “Engineers & Public Constructors Pension Fund” – “TSAΥ” –“ Lawyers Insurance Fund (TAN)”	23.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	22.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	19.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	18.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	16.9.2008
Attica Early Profit : New deposit product with privileged high interest rate & interest prepayment	16.9.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	15.9.2008
Disclosure: Changes in the composition of the BoD	28.8.2008
News release: Significant increase in financial figures and results of Q2 2008	27.8.2008
Classification: TOP 1000 BANKERS	6.8.2008
Announcement Attica Bank: Changes in interest rates of mortgage loans & Margin Account	31.7.2008
Operation of a new branch in Piraeus	28.7.2008
Announcement – Modification of Stock Option plan	18.7.2008
Beginning of new shares trading by share capital increase through dividend reinvestment 2007	11.7.2008
Attica Bank: Adjustments on deposits’ and loans’ interest rates	10.7.2008
Attica Bank: New six-month time deposit, attica X-PROFIT 6.10%	8.7.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	4.7.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	1.7.2008
Announcement for Stock Option Plan	1.7.2008
Disclosure of transactions according to law N. 3340/2005 and decision 3/347/2005 BoD of Capital Market Committee	27.6.2008
Information provision brochure on the introduction of shares’ listing trading	26.6.2008
Announcement of Ministry of Development about stock option plan	23.6.2008
New time deposit with return 5,75%	19.6.2008
Disclosure: Changes in the composition of the BoD	18.6.2008
Payment of fixed duty on cadastre registration of new areas	18.6.2008
Operation of a new branch on Athinon Avenue (Athens)	11.6.2008
Reliefs to earthquake victims of Achaia and Ilia area	11.6.2008
Announcement about the dividend reinvestment plan for the year 2007	9.6.2008
Visa Contest	21.5.2008
Mr. Theodoros Glavas,the new Chief Executive Officer of AtticaBank Properties S.A.	19.5.2008
Decisions of Bank’s Extraordinary General Assembly as at 16 <sup>th</sup> May 2008	16.5.2008
Information brochure law 3401-2005	16.5.2008
Announcement for the ex dividend and dividend payment for the year 2007	16.5.2008
Announcement about dividend reinvestment for the year 2007	16.5.2008
Q1 2008, Increased profits and over doubled results, on consolidated basis	6.5.2008
Free bill payment of “Public Power Corporation SA (DEI)”, Hellenic Telecommunications	2.5.2008

SA” (OTE), “Athens water supply and sewerage company (EYDAP SA)” and “Thessaloniki supply and sewerage company (EYATH SA)”, through fixed standing order	
Invitation of Attica Bank S.A. shareholders to Extraordinary General Assembly	23.4.2008
Decisions of Bank’s annual Ordinary General Assembly as at 16 <sup>th</sup> April 2008	17.4.2008
Readjustment of various loan interest rates	9.4.2008
Invitation of Attica Bank S.A. shareholders to Ordinary General Assembly	20.3.2008
Operation of banking Sector at 21 <sup>st</sup> & 24 <sup>th</sup> March 2008	18.3.2008
Attica Ventures S.A. invests in Beer’s market.	26.2.2008
Hire of an executive	21.2.2008
Attica Bank Group: Impressive improvement in Group’s profitability for the year ended on 2007	20.2.2008
Attica Bank: New time deposit with return 4,85%	18.2.2008
Operation of a new branch in Thessaloniki	4.2.2008
Vote of Attica Bank BoD	28.1.2008
Operation of a new branch on Panormou Street (Athens)	16.1.2008
Winners of Attica Gift Card Visa competition	14.1.2008

Note: the majority of the aforementioned announcements are available at the Bank’s web site, only in the Greek language.

### **Availability of Annual Financial Report**

The Annual Financial Report which includes the:

- Statement of the Members of the Board
- Independent Auditors’ Report
- Board of Directors’ Annual Management Report
- Board of Directors’ Explanatory Report
- Annual Financial Statements of the Group and the Bank
- Financial Data and Information of the Group and the Bank

is available at the Bank’s website:

<http://www.atticabank.gr>

(Investor Information/ Financial Result/ Attica Bank/ 2008)

*This Annual Financial Report has been translated from the original which was prepared in the Greek language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original Greek language version of the financial statements takes precedence over this translation.*