GREEK POSTAL SAVINGS BANK S.A.

Annual Report

for the year 2006

In accordance with the decision No 5/204/14.11.2000 of the Hellenic Capital Market Commission

MARCH 2007

CONTENTS

1. LETTER FROM THE PRESIDENT

Dear Investors,

2006 was a very good year for the international, the European and the Greek economy. In particular, in Greece, the economy continued developing at a high growth rate, which reached 4.3%, from 3.7% in 2005, surpassing initial estimates. At the same time, other significant economic indicators demonstrated very positive results, such as employment which presented a substantial increased of 1.9%, whereas the unemployment rate decreased to 8.9% from 9.9% in 2005 and 12.1% in 1999. Productivity increased almost by 2.5%, while inflation decreased slightly to 3.3% from 3.5% in 2005 despite the significant increase of oil prices.
These conditions create positive prospects for the current year, as it is estimated that economic rate of growth will remain high -around 4%- whereas inflation is expected to decrease marginally, and possibly level at approximately 3%.

For the Greek Postal Savings Bank, 2006 was yet another successful year since it continued with a fast development pace its transformation into a Bank, focusing on Retail Banking providing low cost mortgages and consumer loans, with transparent conditions and without “fine print”. This past year was undoubtedly very significant, a milestone year for the Greek Postal Savings Bank, its shareholders and personnel, since a series of strategic events and developments materialized, which practically engraved the future course, thus turning a page in a 104 year old history.

More specifically and in particular, in the context of development and materialization of the main pillar of our strategy, which constitutes our loan portfolio, within 2006, approximately Euro 1.8 billion of new loans were granted strictly from payments in full, of which 63% concerned new mortgage loans and 37% concerned consumer loans and credit cards. This represents an approximate 60% increase in respect to the outstanding loans of December 31, 2005.

Respectively, deposits presented an increase of approximately 772 million Euro, which corresponds to 7.8%, reaching the amount of 10.73 billion Euro, compared to 9.95 billion Euro on December 31, 2005.

It’s worth mentioning that in the end of 2006 and according to the Economic Bulletin of Bank of Greece, Greek Postal Savings Bank covers, in terms of loans, 6.28% of Greek market mortgage loans (compared to 4.98% in 2005) and 6.88% of consumer loans (compared to 4.24% in 2005). In terms of deposits, at year end 2006, the Greek Postal Savings Bank covers 9.89% of savings deposits (compared to 9.59% in 2005), 3.31% in time deposits (compared to 2.45% in 2005), 37.58% in Repos (compared to 34.28% in 2005) and 6.13% of total Greek market deposits.

Regarding profitability, profit before taxes as of 31st December 2006 reached on a consolidated basis approximately 185.44 mil Euro, whereas after tax profits amounted to approximately 137.17 mil Euro, which represent 0,97 Euro earnings per share versus 0,74 Euro as of 31st December 2005. This increase represents a percentage increase of 23.72% before taxes and 11.93% after income taxes. It is worth noting that if the extraordinary tax charged on corporate reserves during 2006 is excluded, the post tax profits would have increased by approximately 15.97 million Euros and the corresponding percentage increase would have amounted to approximately 24.96%.

Very concrete progress steps have taken place in the Greek Postal Savings Bank in critical sectors and they will continue to take place. Despite the fact that market conditions continue to be extremely competitive, the Greek Postal Savings Bank, with the efforts of its people and its shareholders confidence, shall achieve its goal, as set by the Management during the bank's IPO on the Athens Exchange, in a shorter time frame than initially anticipated, mainly by increasing its market share as well as the Loans to Deposits ratio to 80%.

Our target, apart from high profitability for the benefit of the shareholders, is to establish the Greek Postal Savings Bank as a trustworthy and contemporary Banking Institution, offering a series of products and solutions that will cover all the needs of a Greek family.

Above and beyond the business activity, the Greek Postal Savings Bank successfully continued in 2006, for the second consecutive year, the Program of Corporate Social Responsibility, which is based on the central idea of "We support the unsung heroes that are backing this country", initiated in 2005, thus enforcing the GPSB's social role.

This program developed around the pillars of families with many children, health with donations to hospitals, education, the support of local communities and traditions, the support of disabled persons, sports events, culture events and the re-enforcement of tradition and cultural legacy.

The amount dedicated in 2006 to Corporate Social Responsibility reached 2.6 million Euros, stressing the Bank's actions and initiatives in all previously mentioned areas.

During the current year, the Greek Postal Savings Bank, by adopting the principle of Corporate Social Responsibility in its business activity, continues its collaboration with a broader complex of organizations, forums, associations and foundations. The Bank listens to the social needs providing social work, while at the same time seeks new directions and activities to further promote Corporate Social Responsibility.

Closing this letter, I would like to thank all personnel, which, through its dedication and through the quality of its work, transforms the Greek Postal Savings Bank into a contemporary Financial Institution to the best interest of the Greek economy, of our shareholders, our costumers and to the benefit of the GPSB itself.

Thank you,

Panayiotis Tsoupidis,
Chairman of the Board of Directors

2. FINANCIAL FIGURES & RATIOS

Figures (in mil. €)	**31/12/2006**	**31/12/2005**	**Change**
Total assets	12.336,70	11.564,59	6,68%
Loans	4.862,81	3.044,67	59,72%
Deposits & Repos	10.725,96	9.953,84	7,76%
Shareholder’s equity	869,42	864,93	0,52%

Results (in mil. €)	**2006**	**2005**	**Change**
Net interest income	253,58	242,28	4,66%
Net fee and commission Income	24,81	3,53	603,42%
Trading Income	126,4	30,32	316,93%
Dividend Income	4,66	5,11	(8,81)%
Other Operating Income	7,89	15,15	(47,91)%
Total Operating Income	**417,33**	**296,38**	**40,81%**
Personnel Expenses	84,72	56,27	50,55%
Administrative expenses	85,19	52,90	61,04%
Depreciation	9,14	6,18	47,75%
Other Operating Expenses	23,55	12,15	93,89%
Operating Expenses	**202,59**	**127,50**	**58,90%**
Provisions for Loan Losses+	29,28	18,91	54,81%
Share Profit/(Loss) from associates	0,29	0,00	-
Results before taxes	**185,44**	**149,89**	**23,72%**
Regular Income Tax+	32,30	27,34	18,14%
Extraordinary Tax on reserves(L.3513/06, art. 10)	15,97	0,00	-
Καθαρά κέρδη μετά από φόρους	**137,17**	**122,55**	**11,93%**

Financial Ratios	**31/12/2006**	**31/12/2005**
Return on Asset (ROA)	1,11%	1,06%
Return on Asset (ROA) *	1,24%	1,06%
Return on Equity (ROE)	15,79%	14,17%
Return on Equity (ROE) *	17,62%	14,17%
Loans / (Deposits & Repos)	45,34%	30,59%
NPL / Gross Loans	0,46%	0,23%
Cost / Income	48,54%	43,02%
Capital adequacy ratio	13,33%	14,60%
Earrings per Share	0,97 €	0,74 €
Earrings per Share *	1,08 €	0,74 €

AVAILABILITY OF THE FINANCIAL STATEMENTS
The annual financial statements of the Bank and of the Group and Board of Directors’ Report are available at the web site address www.ttbank.gr

* Adjusted figures exclude the extraordinary reserves taxation, which amounted to 15.97 million Euros

3. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY WITH THE NAME "GREEK POSTAL SAVINGS BANK S.A." ON STAND ALONE AND CONSOLIDATED BASIS

MANAGEMENT REPORT
OF THE BOARD OF DIRECTORS OF THE COMPANY NAMED
"GREEK POSTAL SAVINGS BANK S.A."
ON STAND ALONE AND CONSOLIDATED BASIS

TO THE

GENERAL MEETING OF SHAREHOLDERS,
ON THE ACTIVITIES OF THE FISCAL YEAR
1.1.2006 TO 31.12.2006

Dear Shareholders,

The fiscal year of 2006, was the fourth consecutive year for the Greek Postal Savings Bank that operated under the form of a banking institute, according to the relevant transition based on L. 3082/16.12.2002.

As you all know, 2006 was a very important year, a landmark for Greek Postal Savings Bank, its shareholders and its personnel. A series of events and developments have actually set out its future course, changing a history of 104 years.

I hereby provide you with of some of these events, and at the same time I wish to deeply thank the personnel for its continuous and restless contribution, as well as the main and other shareholders for their trust in the efforts to modernise the Bank.

- On **19 April 2006** we acquired the credit institution licence and since then we have been operating under the supervision of the Bank of Greece,
- On **5 June 2006** we listed our stocks to the Athens Stock Exchange through public offering, following which the free float acquired **34.84%** of the Bank's stocks. Today, following the free stocks offering on behalf of the Greek State that was carried out in the framework of the "provision of stock holdings incentive of the Bank" approximately **35%** of the stocks is in free float.
- In **October 2006**, the prior systems used by the Bank were put aside and a new, modern and Integrated Information System was put in full operation, thus upgrading the overall banking processes both internally and as far as transactions with customers.
- On **1 December 2006** the Bank presenting high capitalisation was introduced to the FTSE 20 index of the Athens Stock Exchange, one of the most important reference indexes for investments in the Athens Stock Exchange.
- Finally, it is worthy to note the successful development and continuous enhancement of our co-operation with the Hellenic Post.

During the fiscal year under consideration, the Greek Postal Savings Bank has continued its steady course of organisational restructuring and fast development of its figures (a course that the Bank has been following for the past three years). The course of continuous development and profitability is based on the stable basis of high capital adequacy, high portfolio quality, expanding customer base of both loans and deposit accounts and is reflected in the Bank's results. With reference to this policy we wish to point out the following:

Assets on a consolidated basis amounted to € 12.34 billion, showing an increase of 6.74% compared to 31.12.2005. Loans and receivables from customers amounted to € 4.86 billion increased by 59.87%. Deposits and Repos amounted to € 10.73 billion increased by 7.73%, while the total equity amounted to € 869.42 million. Net profits of the fiscal year before income taxes amounted to € 185.44 million while profits after taxes amounted to € 137.17 million. Capital adequacy Ratio (TIER 1) index and total capital adequacy index were set at 13.33% and 11.23% respectively and are found in levels much higher than the minimum levels required by the Bank of Greece (4% and 8% respectively) thus providing us the possibility to further develop our activities in all sectors the following years and most of all towards the development of the loans portfolio, which constitutes the axis of our main strategy.

- **As far as the Individuals Credit section** is concerned we have successfully applied a new strategy, throughout the fiscal year aiming at turning the Savings Bank into a banking institute that shall serve all clients' financial needs with modern products, adapted to the market' needs and at the same time simple and with the most favourable terms possible.

  More specifically:

  a) New forms of mortgage loans were created and promoted, tailored on the one hand to the specific and ever changing customers' needs and on the other hand the changing market conditions, such as, the issue of mortgage loans with a three-year fixed interest rate compared to the one year period that applied for the fiscal year 2005. At the same time the range of mortgage credit beneficiaries has expanded following the issue of loans for the acquisition, erection or improvement of business premises and to professionals.
  The result of such effort was the net increase of the entire mortgage loans portfolio (existing and new), approximately by 53% compared to the prior year, reaching the amount of increase of € 1,143.72 million, in absolute numbers.
  Moreover, the net increase of new mortgage loans during 2006 was impressive, reaching the amount of € 1,430.32 million, i.e. an increase rate of 227.71%.
  This increase is almost triple in size compared to the one of 2005 and almost 78% greater than forecasted for the fiscal year 2006. For the current year of 2007, disbursement of new mortgage loans are also expected to amount to € 1,400.00 million.

  b) The issue of personal – consumer loans has continued at an intense pace. The same applies for pre-approved personal loans to employees of organizations that belong to the wider Public Sector, with impressive results. In particular, during 2006 approximately 14,000 personal-consumer loans were issued along with approximately 60,000 pre-approved personal loans, presenting an overall net increase of 116.70% and reaching an increase amount of € 662.70 million, in absolute values. It is worth noting that 81% of the personal – consumer loans portfolio refers to the specific category of pre-approved loans, of which the repayment is carried out through withholding the monthly instalments from the borrowers' remuneration.

c) Loans to large-scale businesses and Public Organisations have remained stable as far as the number of borrowers is concerned, while the amount of loans issued has continued to decrease, since such loans are not part of the development strategy applied by the Greek Postal Savings Bank.

d) During the year 2006 sales of credit cards have continued their upward movement, that had began since 2005, thus once again signalling a great increase compared to the prior year, mainly due to the continued promotional activities, through cross-selling, telemarketing and through the enhancement of the current sales networks, i.e. the Greek Postal Savings Bank branches network and the alternative Hellenic Post network. The advertising campaign that was applied throughout the fiscal year had also contributed to these particular efforts.

Credit cards in circulation had reached 87,871 during the fiscal year under consideration compared to 53,154 of the prior year, thus increased by 65.31%. The relevant procedures were completed towards the end of 2006 and the new credit card "MasterCard" was launched. The particular product is expected to bring an increase in the number of credit cards issued during the coming year.
The loan balances of credit cards on 31.12.2006 have amounted to 128.27 million euro, compared to 70.82 million euro of the prior year, presenting an increase of 81.13%.

The increase of the "T.T. Visa Electron" debit cards was also significant. The particular cards are issued to deposit account holders. The number of these cards, at the end of the year amounted to 118,370 compared to 68,661 during the prior year, presenting an increase of 72.40%.

Based on the aforementioned information, the total net increase of the Bank's loan portfolio during the year 2006, in the field of Retail Banking, has amounted to 59.72% and in absolute values this increase has reached the amount of € 1,818.14 million.

These increases in respective portfolios are particularly satisfactory, given the credit discipline applied by the Greek Postal Savings Bank to such financing. This fact is also verified through the large number of declined customers.

In particular, the increase of pre-approved personal loans is considered absolutely satisfactory not only due to its absolute size but mainly due to the quality of the portfolio that is being formed, due to the almost zero credit risk involved, provided that these loans are repaid through withholding of instalments from the borrowers' remuneration.

This dynamic development is also observed in the beginning of 2007 at least as far as the applications for mortgage and consumer loans are concerned, thus creating expectations for the preservation of their upward movement during the current year and a further increase of the market share. At the same time, the loan portfolio is enriched with new type of loans such as Subsidised Mortgage Loans by the OEK (Workers Housing Organisation) and the Greek State, the open credit Personal Loans, as well as the Loans to free-lancers, the development and allocation of which is currently in progress since the beginning of 2007 and shall be implemented gradually during the year.

- **Concerning the field of relations development with Hellenic Post** since the prior year the Bank has began its efforts for intense and full implementation of the terms of the 10-year partnership agreement, according to which 820 of the total number of branches of the Hellenic Post throughout Greece, would be used as an alternative network for the provision of financial products and services.

  The particular partnership has continued during the year under consideration mainly in services related to savings accounts, collection of credit card instalments and issue of credit cards. Since the summer of 2006 a pilot project has been applied in a restricted number of stores of the particular network, concerning the promotion of loan products. This project has had a very satisfactory development and it has thus expanded in order to cover a larger number of stores until the end of the under consideration year. Due to this development, the agreement signed between the two companies was also amended accordingly. The success of this effort is considered significant, provided that it shall enhance the increasing rate of the retail loans portfolio, which is currently one of the main strategy axes of the Greek Postal Savings Bank management.

  At the same time, the co-operation between the two bodies continues aiming at improving the period of provision of financial information on the transactions carried out through Hellenic Post network with the aim of achieving the real time communication and interface between systems. The first trials were completely successful and the fist branches of the Hellenic Post network are expected to interface and communicate in real time as of the summer of 2007.

- **Regarding the treasury section,** 2006 was the year during which the Greek Postal Savings Banks completed its internal restructure and achieved maturity of investment and administrative procedures and activities.

  The treasury division is currently making available all the information related to the Organization, the Procedures, the Equipment and the Know-How in order to meet the complex and changing conditions of the market.
  As for the results, the Division had a satisfactory contribution in the Bank's profitability, through serving the main strategy which is the decrease of the cash portfolio treasury, to the support of the development of the loan portfolio.

  In particular, during the fiscal year 2006,

  - the division was supported in terms of human resources with the recruitment of new employees among the successful candidates of ASEP (Higher Council for Personnel Selection) examinations,
  - in co-operation with the Financial Management Division, a new version of the treasury application “BTS VISION” was successfully installed, for monitoring the transactions based on the International Financial Reporting Standards (IFRS),
  - it has successfully participated in the preparation process regarding the listing of the Greek Postal Saving Bank in the Athens Stock Exchange, by organising the information and presentations of investment portfolios,
  - it participated in the presentation of information to investors.

- it has developed its activity to the maximum, compared to the prior years, as to the following markets:
  - bonds (primary & secondary market)
  - corporate & governmental bonds
  - stocks (domestic– international)
  - interest rates & foreign exchange

- During the fiscal year 2006, the co-operation with the Bank of Greece continued and was completed as to the acquisition of the credit institution operation license, according to L.3082/16.12.2002. The Bank of Greece has reviewed the information submitted and following a round of separate discussions, it has provided the Bank with the relevant license further to the Governor's Act no. 2579/19.4.2006.

- **As for the division of Risk Management**, the Bank is exposed to a number of risks, due to the nature of its functions and operations. Those with the greatest importance are the credit risk, the market risk and the operational risk. Therefore, effective risk management by the Bank is a key factor for its effective operation and development.

Management and monitoring of risks is an integral part of the Bank's commitment towards its shareholders and to this end we have set out the general guidelines for full compliance with the ever changing institutional environment and the relevant obligations that result from it and pertain to risk assumption and management on following criteria:

- business goals
- creating additional value for the shareholders
- full compliance with the new requirements of the supervising authorities.

2006 was a critical year for the Greek Postal Savings Bank since a number of events took place imposing the institutional achievement and enhancement of reasonable management of risks that are created following the factual development of our activities. Such events were the acquisition of the operation license in April from the Bank of Greece, the listing of stocks to the Athens Stock Exchange, the installation of the new integrated information system, the extended development in the field of retail banking, etc.

The reasons mentioned above led to the development of the following units, based on the current Banking principles and requirements

- Risk assumption
- Risk management
- Internal Audit
- Supervising bodies and committees

and the relevant units were staffed with specialised personnel trained in new computerised systems and according to current requirements.

At the same time, the Greek Postal Savings Bank has overcome the bureaucratic reservations of Public Tenders and has already launched the procedures for the acquisition of an advanced risk management system that will monitor all main forms of risk: credit, market, liquidity, operational, Asset Liability Management, adjustment to "Basel II" requirements etc.

The main principle that governs the Bank’s risk management procedure is the separation of responsibilities between risk audit operations and the Bank's business function.
The Bank’s risk management procedure consists of the following phases:

- Risk identification through analysis of sources of current and potential risks that may arise from the current or scheduled activities of the Bank.
- Measurement and quantification of risks.
- Monitoring the level of risk, based on predefined measurement methodology and within specific limits.
- Risk management strategy, through planning of measures for risk mitigation up to the implementation of procedures and supporting tools for risk handling.
- Preparation of periodic reports on risk profile for measures implemented for risk handling.

<u>Credit Risk Management</u>
Credit risk is the risk of financial loss that the Bank faces due to its inability or the customer's unwillingness to respond to his financial obligation towards the Bank.
The Bank focuses currently on retail banking loans while it is noted that until December 2003 the Bank was also financing businesses of the Public Sector. The Bank has adopted and applies a system of international credit scoring specifications.

<u>Market risk management</u>
The market risk is the risk of loss occurrence following a variation of interest rates, exchange rates, securities´ prices or change in other external factors of the market. The aim of market risk management is the management of the Bank’s positions that are within approved risk limits in order to improve the Bank’s profitability, while ensuring adequate liquidity.
This procedure is in line with the Bank’s business activities and takes into consideration the changes in the market conditions or/ and the customers’ behaviour.

The market risk management procedure is documented in internal controls manual in order to ensure that the competent units in charge comply with approved limits when managing exposure positions.
In order to measure effectively the market’s risk due to a possible variation in stock prices, the Bank uses measurement models for Maximum Potential Loss and has set a threshold for risk monitoring and Management.

- <u>Interest rate risk</u>
  The interest rate risk is the risk of the reduction of current or future Bank´s financial results, due to adverse changes in interest rates. Interest rate risk is the most important market risk that the Bank faces and results mainly from the fluctuation of the Euro interest rates, while the Bank's exposure to interest rate risk from foreign currencies is marginal.

  The goals of management of the interest rate risk are the following:
  - The exposure of the bank in on or off balance sheet commitments in order to optimise asset value.
  - Hedging adverse interest rate risks.
  - Handling the inherent interest rate risk to which the Bank is exposed due to the nature of its operations and balance sheet, by defending the net interest rate margin that is each time set by the Bank’s institutional bodies.

The Bank measures the interest rate risk by using measures of price and interest income sensitivity and based on interest rate derivatives in order to hedge interest rate risk. It is noted that the Bank's interest rate risk is set at a great extent by the difference in the repricing period depending on the directions of the market of asset and liability items.

- Foreign currency risk

Foreign currency risk is the risk of losses occurring from adverse changes in foreign exchange rates. The target of foreign exchange risk management is to create conditions for profitable execution of foreign exchange dealings within specific risk assumption limits.

- Liquidity risk management

The liquidity risk is the risk that the Bank faces when dealing with current and future obligations. The objective of liquidity risk management is to achieve a satisfactory structure of asset – liability items included in and excluded from the balance sheet in order to ensure continuous liquidity. The particular procedure operates in consideration with the Bank's needs for liquidity, the changes in interest rates or the behaviour of its customers and the nature of the Bank's activities.

- Operating Risk Management

Operating risk is the risk from losses that occur from inadequate or failed internal procedures, from persons and organising systems or external events. The operating risk management strategy is based on:

  - Operating risk management procedures
  - Organisational infrastructure, including areas of responsibility of the Bank's units and executives
  - Key management tools for operating risk.

The Greek Postal Savings Bank is currently at a process of implementing an information system that will be able to provide and process historical data relevant to the operating risk.

- During the fiscal year 2006 the procedure for the listing of Greek Postal Saving Bank's stocks in the Athens Stock Exchange was also completed through a combined offer in Greece and abroad, while a small part was offered through private placement for the Bank's personnel and associates.

  The co-coordinators and main contractors for the domestic offer were the NATIONAL BANK OF GREECE S.A. and PIRAEUS BANK S.A. while J. P. MORGAN SECURITIES LTD and GOLDMAN SACHS INTERNATIONAL were the administrators of the book for the international offer.

  The total number of stocks that were offered by the placing shareholder, the Greek State, amounted to 49,080,000 stocks of the Bank, i.e. a rate of 34.84% of the total stocks, of which 18,999,310 were placed in Greece and 28,498,965 stocks were placed abroad. Through private placement 1,581,725 stocks were placed to the personnel and to 32 associates of the Bank.
  The stock's offer price was set at 12.50 euro per share except for those of private placement, of which the price was 10% lower.

The listing of the Bank's stocks in the Athens Stock Exchange was successful and, despite the fact that the trading of stocks began on 5 June 2006, following significantly adverse conditions in international markets, the total offer was covered by 5.42 times.

You are of course aware of the stock's course since the listing. I only wish to remind you that at the end of the fiscal year 2006, the stock's price had reached 17.66 euro, increased by 42.88% since the beginning of its trading.

The listing of the Bank´s Shares in the Athens Stock Exchange, was also an excellent opportunity for the Bank and its personnel to adopt a framework of internal organization and controls similar to other banks. It has altered its operation method, its internal structure as well as the entire function mechanism, in a series of activities, in order to be able to correspond to the new institutional framework in which the Bank has entered as well as to the competitive environment in which it operates.

However, further to the above, the stock's entry into the Athens Stock Exchange will create new prospects for the Bank.

More specifically:

- The Stock Exchange is an alternative source for listed companies to access funds that are necessary for financing the companies' activities.
- Listed companies may invest the funds that they have drawn out from the stock exchange in international markets, where the security of funding is more difficult and profit prospects are greater.
- Listed companies may achieve greater transparency and publicity, with all the relevant positive effects. Moreover, the Bank's image following the listing in the Athens Stock Exchange is upgraded, and the company is capable of managing its economics on better terms compared to a non-listed company.
- As a listed Bank, the Greek Postal Savings Bank will be able to achieve significant surplus value for its shareholders that will reflect its present and future development.

- As far as the alternative sale networks are concerned, the procedure for the acquisition of 130 additional ATMs had continued and was completed during the fiscal year under consideration. On 31.12.2006, the Bank has allocated 171 additional ATMs, of which 130 were installed in its branches and the remaining machines were installed in Hellenic Post branches, mainly in Athens and other big cities.

  The purpose of the particular network's development is to provide online service to customers throughout Greece, without queuing and by simultaneously reducing the Bank´s operating cost. This effort seems to yield if one considers that during the first three months of 2007 78.000 transactions had taken place with approximately 70 million euro involved. The aforementioned transactions include cash withdrawals and deposits, cash withdrawals through credit cards, account information and bank account statements.

- During the fiscal year under consideration one of the most important goals set by the management of the Greek Postal Savings Bank was achieved. Following a short postponement, the new Integrated Information System "PROFITS" was put in operation on 1 October 2006, in a production environment. The system's successful installation and operation is of great importance for the Bank, given the fact that most of the previous systems were put out of use and the Bank is now functioning in a single computerised environment. This will allow faster and complete process of the transactions and information, as well as of the single customer base, since the Bank may now take advantage of the possibilities for development of cross-selling, which was impossible through the previous systems. In general, the full development and use of the system as well as the users' adjustment to it, as expected in such cases, is expected to be completed within the current period and until the beginning of the next year the latest.

In particular, related to the Bank's computerisation, I would like to inform you of the following:

- The set up of the computer centre in our branch office in Piraeus building is complete and in full operation
- The central IBM Mainframe system is installed and functioning within the Computer Centre in Piraeus where the new integrated information system "PROFITS" is installed
- The entire new IT equipment is installed and functioning, in branches and central services
- The transition of the largest part of the customers' records and the total financial information from the previous systems to the new IT system has been completed successfully. The full transition of the customer base to the new system is to be completed by June 2007, except for those customers who are served through the alternative Hellenic Post network until the interface of the computerised systems is achieved.

  The General Accounting subsystems have continued to operate smoothly until September 30th when the transition took place, while the Dealing Room's (BTS Vision) subsystems and the Personnel and Payroll Management System have also continued to operate smoothly throughout the year. During the year under consideration the new version of the Dealing Room's (BTS Vision) system was installed according to the international accounting standards, and is already in full operation.
- The training of all personnel on the use of the new information system has been completed.
- The procedures provided on the new operation system were fully applied.
- The "IT CONTROLS" project has began and is in full operation aiming at the development of the provided procedures based on the decisions and relevant circulars of the Bank of Greece.

- During the fiscal year under consideration, the project for the "REDESIGN OF SAVINGS BANK PROCEDURES" was completed. Considering the institutional framework, the requirements of the PROFITS computerised system as well as the Organizational chart and the competencies of the Organization, the project under consideration also involved the documentation of:

  - The products and services offered by the Organisation
  - The Branches' procedures and
  - The Central Services procedure.

Respectively, the training of the Branches' personnel on the use of the Integrated Information System and the Branches' Procedures was also completed during the fiscal year under consideration as well as the training of personnel at the Central Services on the new system in combination with the relevant procedures.

Given the fact that the institutional framework is continuously changing, as well as the fact that the use and adjustment of the new system to the daily needs in progress, the continuous adaptation of the Bank´s procedures is necessary.

Dear Shareholders,

The course of the Greek Postal Savings Bank towards its distinction as a modern, competitive and of high-performance credit institution requires great effort and increased cost.

During 2006, following the challenge of adoption of the IFRS and adoption of the regulations of Basel II accord, the Greek Postal Savings Bank has maintained its high profitability and course of development. The management has focused in two main directions. The first refers to the continuation of the effort for functional restructure and development, the results of which were mentioned above and the second refers to the prudent, upright and most of all profitable management of the Bank's financial information.

The results of such management model, compared to the ones of the prior fiscal year are presented in the financial statements of the fiscal year under consideration, the highlights of which I shall present hereunder, pointing out that the Bank´s latest published annual financial statements have been prepared according to the IFRS which requires that while applying the accounting policies, estimates and conventions must be also made. I wish to remind you that the IFRS were first adopted by the Bank on 1st January 2004, i.e. the transition date.

The highlights of the 2006 operating results are the following:

- **Interest and similar income** amounted to 475.22 million Euro compared to 419.10 million Euro of the prior fiscal year, therefore increased by 13.39%.

- **Interest expense and similar charges** amounted to 221.64 million Euro compared to 176,82 million Euro of the prior fiscal year, thus increased by 25.35%. It is noted that compared to the prior fiscal year, part of the increase is due to an amount of 8.65 million euro, which did not exist during the prior period and refers to the Bank's annual contribution to the Hellenic Deposit Guarantee Fund for Banks, given that during the period of 2006 the Bank has received a credit institution operating license by the Bank of Greece.

- **The net interest income**, further to the above amounted to 253.58 million Euro compared to 242.28 million Euro of the prior fiscal year, therefore increased by 4.66%.

- **Dividend income** amounted to 4.66 million Euro compared to 5.11 million Euro of the prior fiscal year, thus reduced by 8.81%.

- **The financial operations results** showed profit and amounted to 126.40 million Euro compared to 30.32 million Euro during the prior fiscal year.

- **Other operating income** amounted to 7.89 million euro and compared to 15.15 million euro during the prior fiscal year were reduced by 47.91%.

- **Personnel expenses** amounted to 84.72 million Euro compared to 56.27 million Euro of the 2005 fiscal year, therefore increased by 50.55%.
  This increase is mainly due to,
  - First of all, the implementation by the Bank of the salary and allowance grades as set out by the Hellenic Federation of Bank Employees Unions, (following the acquisition of the license by the Bank of Greece as stipulated in L.3082/2002) and as a result thereof, the increase of the Bank's defined benefit obligation following an additional amount to be granted upon retirement, recognised as past service cost during the fiscal year according to IFRS, amounting to 5.16 million euro
  - and secondly, to the recognition –according to IFRS - of the benefit to personnel and therefore as payroll expense of the year, amounted to 2.13 million euro, regarding the spread between the stocks offer price during the public offering and the stocks' offer price in private placement, to the Bank's personnel (10% discount), provided by the main shareholder – the Greek State.

  Both amounts above, of total cost of 7.29 million euro are considered as non-recurrent expenses.

- **General administrative expenses** amounted to 85.19 million Euro compared to 52.90 million Euro of the prior fiscal year, thus increased by 61.04%. This increase is significant but contains non-recurrent expenses that are relevant to the Bank's stocks listing to the Athens Stock Exchange and the installation of the integrated information system, amounting approximately to 8 million euro.

- **Depreciation and amortization charges** amounted to 9.14 million Euro compared to 6.18 million Euro during the prior fiscal year, presenting an increase mainly due to the continued investments concerning the implementation of the integrated information system and the improvement of facilities mainly at the central service offices as well as at the branches' network.

- **Other operating expenses** amounted to 23.55 million euro compared to 12.15 million euro during the prior fiscal year, thus presenting a significant increase of 93.89%, due to the recognition – according to the IFRS of the cost of the initial contribution to the Hellenic Deposit Guarantee Fund for Banks in Greece, provided that on April 2006 the Bank received from the Bank of Greece the license as stipulated in L.3082/2002. The particular cost amounted to 22.32 million euro and is a non- recurrent cost.

- **The impairment losses on loans and advances** amounted to 29.28 million Euro compared to 18.91 million Euro during the prior fiscal year, presenting an increase of 47.01%, due to the increase in the issue of loans. The calculation of provision is according to the minimum requirements of the Bank of Greece.

- Finally, the Bank's total equity after the respective income tax amounted and the extraordinary tax that was imposed on the Bank's non-taxable reserves, of total cost of

15.97 million Euro amounted to 869.42 million Euro compared to 864.93 million Euro during the prior fiscal year.

Dear Shareholders,

in the framework of article 11a of L. 3371/2005, on the "Obligation to inform", following relevant addition according to article 30 of L.3461/2006 and according to article 10 of the Community Directive 2004/25/EC, “detailed information” regarding the Bank up until the date of preparation of the present report are provided for your information.

In particular

a. Structure of the Bank’s share capital.
The Bank´s current share capital amounts to five hundred and twenty-one million, two hundred and seven thousand, forty-nine euros (€521,207,049.00), divided in one hundred and forty million, eight hundred and sixty-six thousand, seven hundred and seventy (140.866.770) shares, which all ordinary, registered with voting rights. The nominal value of each share amounts to three euro and seventy cents (€3.70). All Bank’s shares are listed in the Athens Stock Exchange. They are not listed in any other share market of any other state.
Each Bank’s share provides all rights stipulated in the legislation in force and in the Bank's Articles of Association, particularly the management, the assets rights, the right to any liquidation’s result. The responsibility of the Bank's shareholder's, also according to the Bank's Articles of Association, is restricted to the nominal value of the stocks that they hold.

b. Restrictions about the Bank´s stocks’ transfer.
The Bank´s stock transfer is performed according to the applicable provisions of legislation in force, and is not in any way regulated through the Bank’s Articles of Association, nor is there any restriction concerning the transfer. It is noted that the all Bank’s stocks are listed in the Athens Stock Exchange and are negotiable without any restriction.

c. Substantial direct or indirect holdings according to the presidential decree 51/92.
The substantial direct or indirect holdings according to the provisions of the presidential decree 51/1992, on “information that must be published upon acquisition and assignment of a substantial holding to a company of which the shares are listed to the Athens Stock Exchange in compliance with the directive 88/627/EEC" constitutes of the following:
aa) Substantial holdings in the existing share capital of the Bank:

- The Greek State holds a percentage of 54.425% on the total share capital of the Bank that corresponds to seventy-six million, six hundred sixty-seven thousand, one hundred and six (76.667.106) ordinary, registered shares with voting rights.
- The société anonyme named “HELLENIC POST S.A.” holds a percentage of 10.00% of the Bank´s total share capital that amounts to fourteen million, eighty-six thousand, six hundred and seventy (14.086.670) common, registered shares with voting right.

There are no other shareholders holding any percentage equal or greater than 5% of the total number of the Bank’s shares according to the Bank’s shareholders’ register.
bb) Substantial Bank´s holdings in the current share capital of other listed sociétés anonymes:

- The Greek Postal Savings Bank S.A. holds a percentage of 19.10% of the share capital of the “Bank of Attika S.A.”, that corresponds to fifteen million, seven hundred and seventy-one thousand, one hundred and fifteen (15.771.115) ordinary shares.

cc) Substantial holdings of the Bank in the current share capital of other non-listed societe anonymes:

- The Greek Postal Savings Bank S.A. holds a percentage of 10.00% of the share capital of the "HELLENIC POST S.A." that corresponds to eleven million, eight hundred and sixty-eight thousand, nine hundred (11.868.900) ordinary shares.
- The Greek Postal Savings Bank S.A. holds a percentage of 51.00% of the share capital of the "Greek Postal Savings Bank & Hellenic Post Mutual Fund Management Company S.A.", that corresponds to one hundred and twelve thousand, seven hundred and ten (112.710) ordinary, registered shares with voting rights.

d. Shares providing special control rights to their holders

There are no Bank's shares that provide any special control rights to their holders.

e. Restrictions to the voting right – Deadlines concerning the exercise of the voting right

The Bank's Articles of Association does not provide for any restrictions as to the voting right, neither imposes the restrictive exercise of such right to shareholders who are holding a specific number of shares or voting rights. According to those stipulated both in the codified law 2190/20 "on sociétés anonymes" and the Bank's Articles of Association, each share provides one voting right.

According to the article 28 of the codified law 2190/20 on "sociétés anonymes", also valid according to the article 20 of the Bank's Articles of Association, the attendance and voting right at the General Meeting is only provided to shareholders who have submitted their stock certificates at least five (5) clear days prior to the day set for the meeting, to the Company's Treasury or to the Loans and Deposits Fund or any Bank legally operating in Greece. Shares' submission receipts must be submitted to the Company's Treasury at least five (5) clear days before the General Meeting. The shareholders who are entitled to participate in the General Meeting may be represented during the meeting by a person legally authorised by proxy. Minors, outlaws and legal entities are represented by their legal representatives. The representation documents must be submitted to the Company's Treasury at least five (5) clear days before the General Meeting. The Greek State is represented in the General Meeting by the Minister of Finance and Economy or an authorised official of the Minister. Shareholders who fail to comply with the provisions of the above article of codified law 2190/20 on "societes anonymes" may participate in the General Meeting only upon relevant agreement by the GM.

Moreover, according to the articles 27 par. 2 and 28 par.5 of the codified law 2190/20 on "sociétés anonymes", also valid according to the article 21 of the Bank's Articles of Association, a list of those with voting right in the General Meeting of shareholders must be posted at an accessible location at the Company's branch with relevant indication of any representatives, the number of shares and votes for each shareholder, as well as the addresses of the shareholders and their representatives. The list must be posted forty eight (48) hours before every General Meeting. The aforementioned list must obligatory include all shareholders who have complied with the provisions of the article 28 of the codified law 2190/20, as provided by the Board of Directors. If a shareholder or representative objects to the list he may submit his objection, upon penalty of inadmissibility, only during the opening of the meeting and prior to the discussion on the items of the agenda. Consequently, the General Meeting will decide on the participation or not of the shareholder, to whom the objections refer, as well as on any relevant matter.

f. Existence of agreements between Bank´s shareholders concerning restrictions to the shares' transfer or the exercise of the rights deriving from its shares.

There are no agreements as to the Bank's best knowledge between its shareholders that would result in restrictions concerning the transfer of shares or the exercise of voting rights that result from such shares, apart from the rights of first preference of the Greek State concerning the Bank's shares, held by "HELLENIC POST S.A..», as this is explicitly stipulated in the Bank's Informative Report on 12 May 2006, regarding the listing of its stocks in the Athens Stock Exchange, (section 3.18).

g. Regulations as to the appointment / replacement of Members of the Board of Directors and amendment of the Articles of Association different from those stipulated in the codified law 2190/20.

The regulations provided by the Bank's Articles of Association regarding the appointment and replacement of members of the Board of Directors, as well as its provisions modification do not vary from those stipulated in the codified law 2190/1920 "on sociétés anonymes", as applicable.

h. Competencies of the Board of Directors on the possibility of issuing of new shares and purchasing own shares according to article 16 of the codified law 2190/20 on "societes anonymes".

aa) As to the competence of the Bank´s Board of Directors regarding the possibility of issuing new shares what is provided in article 13 of the codified law 2190/20 on "sociétés anonymes" shall apply. In particular, according to paragraphs 1 to 4 of the same article during the first five years since the company's composition, the Board of Directors has the right following its own decision to increase the share capital partly or totally by issuing new shares, to an amount that cannot exceed the initial share capital. The above authority may also be assigned to the Board of Directors following a relevant decision of the General Meeting, which is subject to the publication formalities of article 7(b) of Codified Law 2190/20. In this case the share capital may increase up to the amount of the capital paid until the date were the particular authority was granted to the Board of Directors. This authority of the Board of Directors may be renewed by the General Meeting for a period of time which can not exceed five years for each renewal.

Moreover, according to the paragraph 9 of the same article, that refers to the introduction of a share allocation scheme regarding members of the Board of Directors, the company's personnel as well as its associates according to the article 42e par. 5, as a pre-emptive right for the purchase of shares upon decision of the General Meeting of shareholders, the law explicitly provides among others a special competence for the Board of Directors according to which, every year on December shares will be issued to the beneficiaries who have exercised their right, increasing at the same time the share capital and verifying such increase of capital.

bb) As to the competence of the Bank´s Board of Directors regarding the purchase of own shares, what is provided in the article 16 of the codified law 2190/20 on "sociétés anonymes" shall apply. In particular, according to the paragraphs 1 and 2 of the same article, companies may acquire own shares aiming mostly at the decrease of their share capital as decided by the General Meeting and according to the relevant provisions of the Articles of Association, the distribution of shares to the company's personnel or to the personnel of an associate. Moreover, according to paragraph 5 of the same article, listed companies in the Athens Stock Exchange may, upon decision of the General Meeting of shareholders, acquire own shares through the Athens Stock Exchange up to a 10% of their total shares, aiming at supporting the market price only in particular cases that are restrictively provided by law. Until now, the date of preparation of the present report, the Bank's Board of Directors has not exercised the authorities mentioned above.

i. Agreements signed by the Bank, which apply, are modified or are terminated in case of any alteration concerning the Bank´s control following public offering.
No agreement has been signed by the Bank which shall apply, be modified or terminated in case of change of the Bank´s control following public motion.

j. Agreements signed by the Bank with members of the Board of Directors regarding compensation in case of resignation or dismissal without grounds or expiration of term or employment due to public offering.
No agreement has been signed between the Bank and the members of the Board of Directors or the personnel regarding compensation in case of resignation or dismissal without grounds or expiration of term or employment following public motion.

Dear Shareholders,

The vision of the Bank's Management, that took over on 27th May 2004, is to further fortify the Bank's presence in the banking sector, as a standard and most modern Bank through a course of healthy and steady development. The Bank is aiming at enhancing its position in the retail banking sector by offering many competitive financial products and services that will correspond to the needs of most Greek consumers. These products and services will be simple and comprehensive in terms of their structure. with comprehensible structure. There will be a large variety of products and services at attractive prices and will be available through a large distribution network of the Bank as well as through the alternative Hellenic Post network. The main strategy axes and the actions for their achievement are provided below in summary:

- **Achievement of high process development rate in the area of retail banking through the following actions:**
    - **cross selling towards existing customers,**
    - **issue of credit cards and loans making use of the current customer base,**
    - **attracting new customers,**
    - **creating new banking products,**
    - **use of new and existing channels for distribution of banking products.**
- **Modernisation of the Bank, through the following actions:**
    - **installation of new and modern information systems for administrative information and improvement of existing systems,**
    - **continuous training of the Bank's personnel and further staffing,**
    - **continuous improvement of the procedures and service time for customers**
- **Achievement of high profitability through effective management:**
    - **of assets and liabilities,**

- **of the cost of services,**
- **of the investment performance.**

- The final target is:

- the maximisation of the value of “GREEK POSTAL SAVINGS BANK S.A.” for shareholders,
- the provision of mass, simple and affordable banking products to the Bank’s customers and
- full-range activation and participation of the company's employees for the achievement of its goals,

with the final result being beneficial for all parties involved: shareholders, company, employees.

THE CHAIRMAN OF THE BOARD

PANAGIOTIS TSOUPIDIS

4. EXPLANATORY REPORT, ARTICLE 11a, PAR. 2, LAW 3371/2005

EXPLANATORY REPORT
Article 11a, par. 2, law 3371/2005

OF THE BOARD OF DIRECTORS OF THE BANK UNDER THE NAME

“GREEK POSTAL SAVINGS BANK S.A.”

TO THE

GENERAL MEETING OF SHAREHOLDERS ON THE MINUTES OF THE FINANCIAL YEAR 01.01.2006 until 31.12.2006

in respect to the “detailed information” incorporated in the Management Report of the Board of Directors of Greek Postal Savings Bank S.A. for the financial year 2006, according to article 11a, par. 1, law 3371/2005, entitled “Reporting Obligations” as added by article 30 of law 3461/2006. The information in question, concerning the Bank until the date of drafting of the current report, is cited for the purpose of the most thorough briefing of the investor public and the shareholders of the Bank.

Dear Shareholders,

in the framework of article 11a of L. 3371/2005, on the "Obligation to information", following relevant addition after article 30 of L.3461/2006 and according to article 10 of the Community Directive 2004/25/EC, “detailed information” regarding the Bank up until the date of preparation of the present report are provided for your information.

In particular

a. Structure of the Bank’s share capital.
The current share capital of the Bank amounts to five hundred and twenty-one million, two hundred and seven thousand, forty-nine euro only (€521,207,049.00), divided in one hundred and forty million, eight hundred and sixty-six thousand, seven hundred and seventy (140.866.770) shares, which are common, nominal with voting right. The nominal value of each share amounts to three euro and seventy cents (€3.70). All shares of the Bank have been listed in the Athens Stock Exchange. They have not been listed for negotiations in any organised market of any member - state.
Each share of the Bank provides all rights stipulated in the legislation in force and the Bank's Articles of Association, particularly the rights of management, the assets, the right to the product of liquidation. The responsibility of the Bank's shareholder's, also according to the Bank's Articles of Association, is restricted to the nominal value of the stocks that they hold.

b. Restrictions in the transfer of the Bank’s stocks.
The transfer of the Bank’s stocks may be carried out according to the applicable provisions of the legislation in force, and is not in any way regulated through the Bank’s Articles of

Association, nor is there any restriction provided as to the transfer. It is noted that the stocks are as total listed in the Athens Stock Exchange and are free for negotiation.

c. Substantial direct or indirect holdings according to the presidential decree 51/92.

The substantial direct or indirect holdings according to the provisions of the presidential decree 51/1992, on "information that must be published upon acquisition and assignment of a substantial holding to a company of which the shares are listed to the Athens Stock Exchange in compliance with the directive 88/627/EEC" refer to the following:

aa) Substantial holdings in the existing share capital of the Bank:

- The Greek State holds a percentage of 54.425% on the total share capital of the Bank that corresponds to seventy-six million, six hundred sixty-seven thousand, one hundred and six (76.667.106) common, nominal shares with voting rights.
- The societe anonyme with the name "HELLENIC POST S.A." holds a percentage of 10.00% of the total share capital of the Bank that amounts to fourteen million, eighty-six thousand, six hundred and seventy (14.086.670) common, nominal shares with voting right.

There are no other shareholders holding any percentage equal or larger than 5% on the total number of the Bank's stocks according to the Bank's books of stocks.

bb) Substantial holdings of the Bank in the current share capital of other listed societes anonymes:

- The Greek Postal Savings Bank S.A. holds a percentage of 19.10% of the share capital of the Banking Institution with the name "Bank of Attika S.A.", that corresponds to fifteen million, seven hundred and seventy-one thousand, one hundred and fifteen (15.771.115) common, nominal shares with voting right.

cc) Substantial holdings of the Bank in the current share capital of other non-listed societes anonymes:

- The Greek Postal Savings Bank S.A. holds a percentage of 10.00% of the share capital of the Societe Anonyme with the name "HELLENIC POST S.A." that corresponds to eleven million, eight hundred and sixty-eight thousand, nine hundred (11.868.900) common, nominal shares with voting right.
- The Greek Postal Savings Bank S.A. holds a percentage of 51.00% of the share capital of the Societe Anonyme with the name "Greek Postal Savings Bank & Hellenic Post Mutual Fund Management Company S.A.", that corresponds to one hundred and twelve thousand, seven hundred and ten (112.710) common, nominal shares with voting right.

d. Shares providing special control rights to their holders

There are no shares of the Bank that are providing any special control rights to their holders.

e. Restrictions in the voting right - Deadlines for the exercise of the voting right

The Bank's Articles of Association does not provide for any restrictions as to the voting right, and it is not imposing the restrictive exercise of such right to shareholders who are holding a specific number of shares or voting rights. According to those stipulated both in the codified law 2190/20 "on societes anonymes" and the Bank's Articles of Association, each share is providing one voting right.

According to article 28 of the codified law 2190/20 on "societes anonymes", as applicable and article 20 of the Bank's Articles of Association, the attendance and voting right at the General Meeting is only provided to shareholders who have submitted their stock certificates at least five (5) clear days prior to the day set for the meeting, to the Company's Treasury or the Loans and Deposits Fund or any Bank duly operating in Greece. Receipts for the submission of stocks must be submitted to the Company's Treasury at least five (5) clear days before the General Meeting. The shareholders who are entitled to participate to the General Meeting may be represented during the meeting by a person duly authorised by proxy. Minors, outlaws and legal entities are represented by their legal representatives. The representation documents must be submitted to the Company's Treasury at least five (5) clear days before the General Meeting. The Greek State is represented in the General Meeting by the Minister of Finance and Economy or an authorised official of the Minister. Shareholders who fail to comply with the provisions of the above article of codified law 2190/20 on "societes anonymes" may participate to the General Meeting only upon relevant agreement by the GM.

Moreover, according to articles 27 par. 2 and 28 par.5 of the codified law 2190/20 on "societes anonymes", as applicable and article 21 of the Bank's Articles of Association, a list of persons with voting right in the General Meeting of shareholders must be posted at a visible location at the Company's branch with relevant indication representatives, if this is the case, the number of shares and votes for each shareholder, as well as the addresses of the shareholders and their representatives. The list must be posted forty eight (48) hours before every General Meeting. The said list must obligatory include all shareholders who have adhered to the provisions of article 28 of the codified law 2190/20, as this information is provided by the Board of Directors. If a shareholder or representative objects to the list he may submit his objection, upon penalty of inadmissibility, only during the opening of the meeting and prior to the discussion on the items of the agenda. Thereafter, the General Meeting shall decide on the participation or not of the shareholder, to whom the objections refer, as well as on any relevant matter.

f. Existence of agreements between shareholders of the Bank on restrictions as to the transfer of shares or the exercise of the rights deriving from its shares.

There are no agreement to the Bank's knowledge entered into between its shareholders and resulting to restrictions as to the transfer of shares or the exercise of voting rights that result from such shares, apart from the rights of first preference of the Greek State as to the Bank's shares, held by the societe anonyme with the name "HELLENIC POST S.A..», as this is explicitly stipulated in the Bank's Informative Bulletin of 12 May 2006, on the listing of its stocks in the Athens Stock Exchange, (section 3.18).

g. Regulations as to the appointment / replacement of Members of the Board of Directors and amendment of the Articles of Association that are different from those stipulated in the codified law 2190/20.

The regulations provided by the Bank's Articles of Association as to the appointment and replacement of members of the Board of Directors, as well as to the provisions therein, are not different nor do they vary from those stipulated in the codified law 2190/1920 "on societes anonymes", as applicable.

In particular, as far as the appointment and replacement of the members of the Bank's Board of Directors is concerned, according to article 12 of the Articles of Association, "The Board of Directors is constituted by eleven (11) members and its service term is five years. The members of the Board of Directors may or may not be shareholders of the company. Two of the members of BoD are representatives of the employees and are elected amongst them, together with their deputies, by direct unanimous vote, within a two month notification period by the Board of Directors of the primary representative trade union of company employees. In case the deadline expires inactively, the Board of Directors is incorporated and legally operates without those members. The remaining nine (9) members of the BoD are elected by the General Assembly by secret voting. The Members can always be re-elected and those elected by the General Assembly are subject to discretionary revocation by the General

Assembly. The Board of Directors, immediately after its election by the General Assembly, is convened and constituted into body, electing by secret voting amongst its members the Chairman and two executive Deputy Chairmen. In case of absence or disability or impediment of duty for any reason, the Chairman is replaced by one of the Deputy Chairmen, based on the order of their election, and in case of their absence or impediment, an Advisor is appointed by the Board of Directors. If for any reason the Chairman or one of the Deputy-Chairmen ceases to perform his duty beyond a three month period, the Board of Directors is extraordinarily convoked, in particular by the Deputy-Chairman with respect to the order of election, or any other Advisor with regard to the election of Chairman or Deputy-Chairman. If the position of a Advisor remains vacant, due to death or resignation or any other reason before the term expiration, the Board of Directors is obliged, provided the remaining Members are at least three (3), to elect a temporary substitute or substitutes up until the forthcoming General Assembly, that will take the final decision. A possible negative resolution of the General Assembly does not insult the validity of the temporary Members actions during the respective period. In any event, the number of Members elected under the application of the present paragraph, is obligatorily equal to the number of the retired Members, so that the total number of Members remains unchanged. With respect to the aforementioned, in case the position of the employees' representative remains vacant or he retires, he is replaced by the elected substitute. If his substitute is also retired or for any other reason the position is left vacant, the Board of Directors legally convenes in his absence, until the election of his substitute by the employees under the procedure of paragraph 1. The Election Committee for the purpose of the election of employees' representatives and their substitutes, in the case of death, retirement, resignation or permanent disability of the elected representatives is appointed by the primary representatives' trade union. The election procedure based on the system of proportional representation, the determination of the local election committees, the time and the details of the election procedure as well as the outcome and announcement of the final results constitute the task of the Committee in question, which is chaired by a Legal Representative, in accordance with the regulation of Article 1 of Law 1264/1982.

h. Competencies of the Board of Directors on the possibility of issue of new shares and purchase of treasury stocks according to article 16 of the codified law 2190/20 on "societes anonymes".

aa) As to the competence of the Board of Directors of the Bank regarding the possibility of issuing new shares those provided in article 13 of the codified law 2190/20 on "societes anonymes" shall apply. In particular, according to paragraphs 1 to 4 of the same article during the first five years as of the company's composition, the Board of Directors has the right following own decision to increase the share capital in part or in full with the issue of new shares, for an amount that cannot exceed the initial share capital. The above authority may also be granted by the Board of Directors following relevant decision of the General Meeting, which is subject to the publication formalities of article 7(b) of Codified Law 2190/20. In this case the share capital may increase up to the amount of the capital that was paid on the date when the particular authority was granted to the Board of Directors. This power of the Board of Directors may be renewed by the General Meeting for a period which shall not exceed five years for each renewal.

Moreover, in the framework of paragraph 9 of the same article, that refers to the introduction of a share allocation scheme for members of the Board of Directors and the company's personnel as well as those companies connected with the company in question according to article 42e par. 5, in the form of a pre-emptive right for the purchase of shares upon decision of the General Meeting of shareholders, the law is explicitly providing among other a special

competence for the Board of Directors according to which, every year on December shares will be issued to the beneficiaries who have exercised their right, increasing at the same time the share capital and verifying such increase of capital.
bb) As to the competence of the Board of Directors of the Bank regarding the purchase of treasury stock, those provided in article 16 of the codified law 2190/20 on "societes anonymes" shall apply. In particular, according to paragraphs 1 and 2 of the same article, companies may acquire treasury stocks aiming most of all to the decrease of their share capital as decided by the General Meeting and according to the relevant provisions of the Articles of Association, the distribution of shares to the company's personnel or to the personnel of a connected company. Moreover, according to paragraph 5 of the same article, companies of which the shares are listed to the Athens Stock Exchange may, upon decision of the General Meeting of shareholders, acquire treasury stocks through the Athens Stock Exchange up to a 10% of their total shares, aiming at supporting the exchange value only in particular cases that are restrictively provided by law. Up to this day, the date of preparation of the present report, the Bank's Board of Directors has not exercised the authorities mentioned above.

i. Agreements signed by the Bank, which apply, are modified or are terminated in case of any alteration as to the control of the Bank's following public motion.
No agreement has been signed by the Bank which shall apply, be modified or terminated in case of change of the control of the Bank following public motion.

j. Agreements signed by the Bank with members of the Board of Directors regarding compensation in case of resignation or dismissal without grounds or expiration of term or employment following public motion.
No agreement has been signed between the Bank and the members of the Board of Directors or the personnel regarding compensation in case of resignation or dismissal without grounds or expiration of term or employment following public motion.

5. INFORMATION PURSUANT TO ARTICLE 10 of LAW 3401/2005

Announcements & Press releases

Subject	**Date**
Comments on Nine Months 2006 Financial Results	30/11/06
Announcement - Comments on Press Article	03/10/06
First Half 2006 Financial Results conference call presentation	06/09/06
Comments on First Half 2006 Financial Results	31/08/06
Increasment of participation - Intention to participate in share capital increase	04/08/06
Comments on Press Articles	28/06/06

The Corporate announcements of the year 2006 are available on the web site of the Bank www.ttbank.gr

6. SUBSIDIARIES – INTERCOMPANY TRANSACTIONS REPORT FOR THE FINANCIAL YEAR 2006 (ACCORDING TO ARTICLE 2, PAR. 4 OF LAW 3016/2002)

Table of intercompany transactions of the Greek Postal Savings Bank (amounts in Euro):

Company Name	Assets	Liabilities	Income	Expenses
GPSB-Hellenic Posts Mutual Fund Management Company	0.00	0.00	40,439.91	64,800.00

7. GREEK POSTAL SAVINGS BANK SHARE

I. IPO DETAILS

The Interministerial Committee for privatization, with decision number 66/10.05.2006, decided the disposal through a combined offer of 31.24% of existing Bank shares, owned by the Greek State.
The process took place through a combined offer in Greece and abroad, while a small percentage was offered to Bank employees and associates, through a private placement.
Leading coordinators for the domestic offering were NATIONAL BANK OF GREECE S.A. and PIRAEUS BANK S.A., while J. P. MORGAN SECURITIES LTD and GOLDMAN SACHS INTERNATIONAL were the book runners of the international offering.
The total offering was over-subscripted 5.42 times, with the total number of shares disposed by the Greek Government amounted to 49,080,000 Bank shares, i.e., 34.84% of the total shares, of which 18,999,310 shares were offered in Greece and 28,498,965 shares were offered to foreign investors, while 1,581,725 shares were allocated to the Bank's employees and to 32 other Bank associates.
The share offer price was set at 12.50 Euro per share, with the exception of the private placement shares, whose price was set at a 10% discount.
The nominal share value is €3.70 and the stock listing on the Athens Stock Exchange commenced on Monday, June 5th, 2006, under the large capitalization category.
The Greek Government allocated one (1) bonus common nominal share for every ten (10) common nominal shares to Non Special Investors of the public offering, who retained their shares for a time period of six (6) months from the date of registration in the Athens Stock Exchange Central Depository. The bonus issue of one (1) common nominal share to Non Special Investors of the private placement will be allocated only if the shares are retained for a time period of twelve (12) months. The above motives refer to a maximum number of one hundred (100) bonus common nominal shares per beneficiary investor.

II. CHARTS

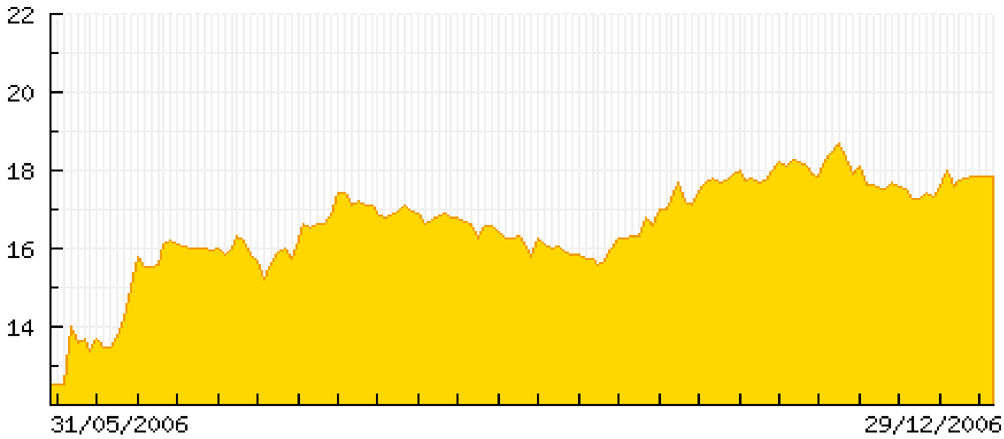

Chart I : Evolution of GPSB share price in Athens Stock Exchange.

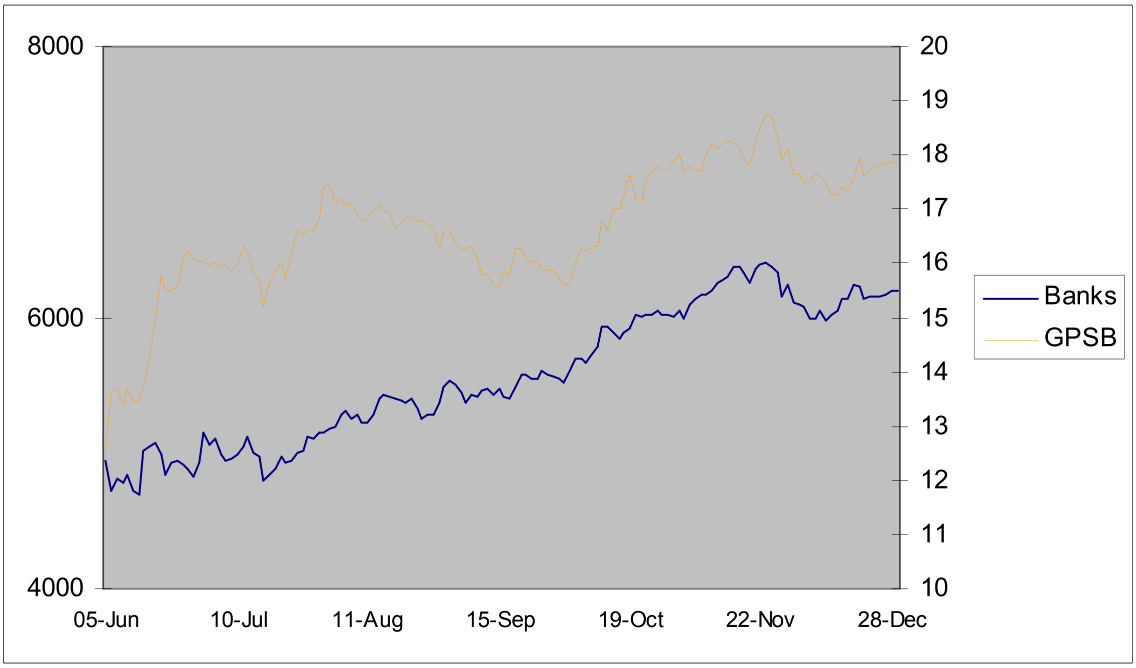

Chart II : GPSB Share Price vs ATHEX Banks Index

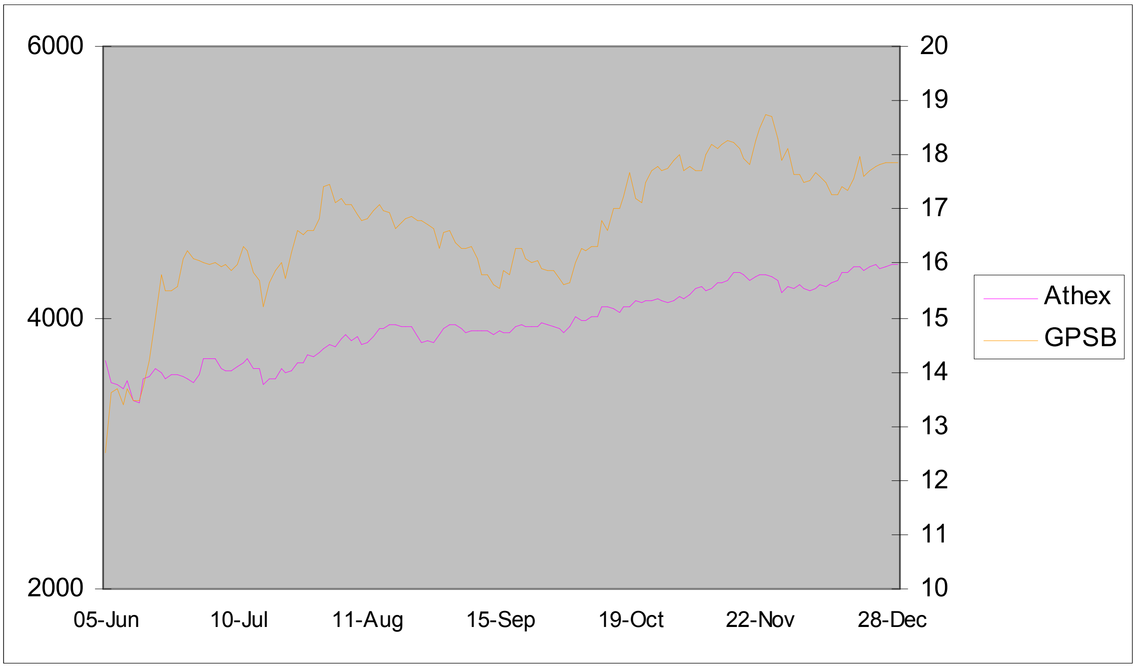

Chart III : GPSB Share Price vs ATHEX Composite Index

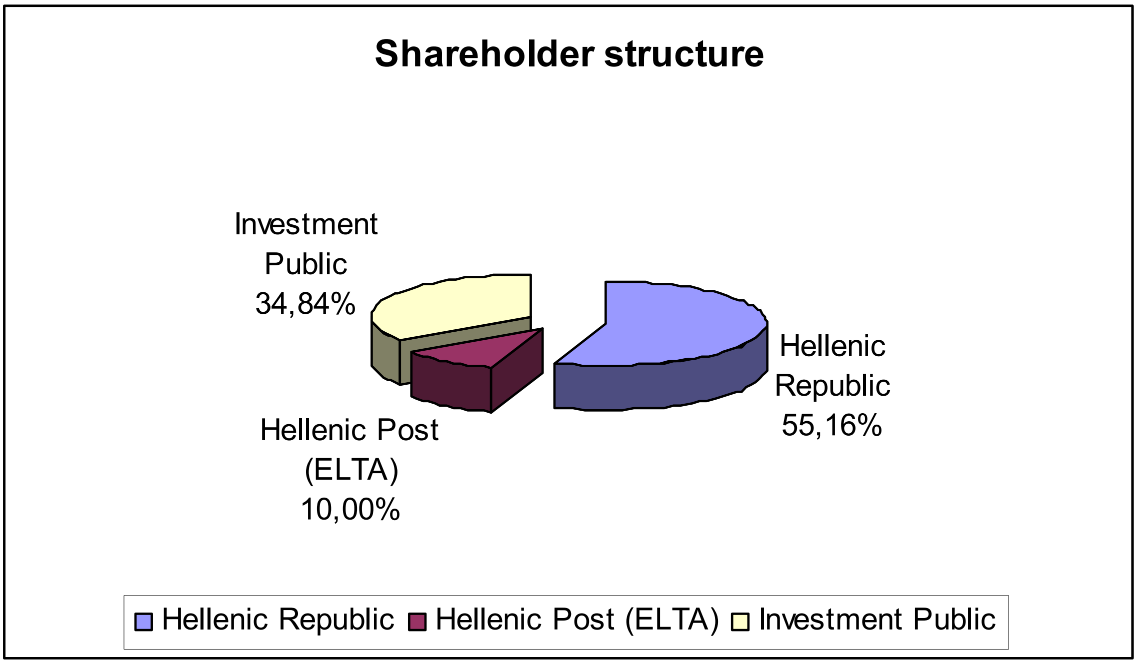

Chart IV : Shareholder structure

	05/06/2006	29/12/2006	CHANGE
ATHEX COMPOSITE INDEX	3.619,27	4.394,13	21,41%
ATHEX BANKS INDEX	4.841,03	6.194,47	27,96%
GREEK POSTAL SAVINGS BANK SHARE PRICE	12,50	17,86	42,88%

Table I : ATHEX share price indices

Number of shares	Qualified investors		Non qualified investors		Total		Percentage	
	Shareholders	Shares	Shareholders	Shares	Shareholders	Shares	Shareholders	Shares
1 – 100	19	1.306	14.438	1.147.987	14.457	1.149.293	18,24	0,82
101-200	165	25.740	56.752	8.765.571	56.917	8.791.311	71,82	6,24
201-500	22	9.163	3.409	1.221.507	3.431	1.230.670	4,33	0,87
501-1000	16	12.831	1.839	1.443.807	1.855	1.456.638	2,34	1,03
1,001 - 5,000	95	272.749	2.128	3.781.987	2.223	4.054.736	2,80	2,88
5,001 - 10,000	37	288.966	93	667.907	130	956.873	0,16	0,68
10,001 - 20,000	43	665.013	21	264.710	64	929.723	0,08	0,66
20,001 - 50,000	58	1.931.507	14	371.469	72	2.302.976	0,09	1,63
50,001 - 100,000	43	3.255.941	2	148.566	45	3.404.507	0,06	2,42
100,001 - 500,000	48	10.422.200	0	0	48	10.422.200	0,06	7,40
500,001 - 1,000,000	10	6.984.934	0	0	10	6.984.934	0,01	4,96
1,000,001 -	6	99.182.909	0	0	6	99.182.909	0,01	70,41
	562	**123.053.259**	**78.696**	**17.813.511**	**79.258**	**140.866.770**	**100,00**	**100,00**

Number of shares	Outside of Greece		Greece		Total		Percentage	
	Shareholders	Shares	Shareholders	Shares	Shareholders	Shares	Shareholders	Shares
1 - 100	1	80	14.456	1.149.213	14.457	1.149.293	18,24	0,82
101-200	59	9.217	56.858	8.782.094	56.917	8.791.311	71,82	6,24
201-500	11	4.892	3.420	1.225.778	3.431	1.230.670	4,33	0,87
501-1000	7	5.770	1.848	1.450.868	1.855	1.456.638	2,34	1,03
1,001 - 5,000	53	156.380	2.170	3.898.356	2.223	4.054.736	2,80	2,88
5,001 - 10,000	18	141.968	112	814.905	130	956.873	0,16	0,68
10,001 - 20,000	29	453.785	35	475.938	64	929.723	0,08	0,66
20,001 - 50,000	37	1.239.621	35	1.063.355	72	2.302.976	0,09	1,63
50,001 - 100,000	30	2.282.072	15	1.122.435	45	3.404.507	0,06	2,42
100,001 - 500,000	37	8.096.287	11	2.325.913	48	10.422.200	0,06	7,40
500,001 - 1,000,000	8	5.460.939	2	1.523.995	10	6.984.934	0,01	4,96
1,000,001 -	4	7.396.139	2	91.786.770	6	99.182.909	0,01	70,41
	294	**25.247.150**	**78.964**	**115.619.620**	**79.258**	**140.866.770**	**100,00**	**100,00**

Table II : Shareholder structure of Greek Postal Savings Bank as at 31/12/2006

8. BOARD OF DIRECTORS

The Board of Directors of the «GREEK POSTAL SAVINGS BANK», at 31 December 2006, is as follows:

- Tsoupidis Panagiotis, **Chairman, Executive Member**
- Kaminaris Antonios, **First Deputy Chairman, Executive Member**
- Mitrentses Christos, **Second Deputy Chairman, Executive Member**
- Taprantzis Andreas, **Member**
- Drakatos Gerasimos, **Member**
- Lambropoulos Konstantinos, **Member**
- Chatzimichalis Dimitrios, **Member**
- Mihalopoulou Adamantia, **Member**
- Spiliopoulos Vasilios, **Member**
- Kotsiris Konstantinos, **Member**
- Tsagdis Ioannis, **Member**

The term of the Board of Directors commenced on the 30th of June 2004, and will last until the 30th of June 2009.

9. MAIN DIVISIONS

		Telephone	FAX
1	HUMAN RESOURCES DIVISION	2103704953	2103704171
2	LEGAL SERVICES DIVISION	2103704806	2103704125
3	INTERNAL AUDIT DIVISION	2103725883	2103725886
4	RISK MANAGEMENT DIVISION	2103704764	2103704045
5	COMPLIANCE DIVISION	2103270116	2103270130
6	MARKETING DIVISION	2103270104	2103270150
7	DIVISION OF COOPERATION WITH "HELLENIC POST"	2103270176	2103270170
8	TREASURY DIVISION	2103704914	2103704515
9	BANKING OPERATIONS DIVISION	2103704789	2103704450
10	ORGANIZATION DIVISION	2103725814	2103725808
11	GENERAL SERVICES DIVISION	2103725844	2103725803
12	FINANCIAL SERVICES DIVISION	2103704919	2103704542
13	NETWORK OPERATIONS DIVISION	2103704778	2103704333
14	NETWORK SALES DIVISION	2103704921	2103704690
15	TECHNICAL SERVICES DIVISION	2103725876	2103725865
16	INFORMATION TECHNOLOGY DIVISION	2103704769	2103704027
17	CREDIT DIVISION	2103704757	2103704011
18	TRAINING DIVISION	2103270109	2103270127
19	SECRETARIAT BOARD OF ADMINISTRATION SUBDIVISION	2103704754	2103704007
20	NON-PERFORMING LOANS SUBDIVISION	2103704884	2103704408
21	CREDIT CARDS SUBDIVISION	2103235902	2103311329
22	SECURITY MEASURES SUBDIVISION	2103704920	2103704101
23	STRATEGIC PLANNING SUBDIVISION	2103704870	2103704366
24	PAWNBROKER SUBDIVISION	2103704589	2103705054
25	PRESS, PUBLIC RELATIONS & ADVERTISING SERVICES SUBDIVISION	2103704939	2103704580
26	MEDICAL SUBDIVISION	2103704811	2103704137
	WORKER'S ASSOCIATION	2103704904	2103704491
	GREEK POSTAL SAVINGS BANK AND HELLENIC POST MUTUAL FUND MANAGEMENT COMRANY S.A. / **MFMC SA**	2103316644	2103316648

10. BRANCH NETWORK

	ATTICA REGION BRANCH	CITY	Address	Telephone	Fax
1	AG. VARVARAS	AGIA VARVARA, 12351	36 CHANION	2105696780	2105452418
2	AG. PARASKEVIΣ	AGIA PARASKEVI, 15310	419 MESOGEION	2106011635	2106391922
3	AG. ANARGIRON	AGIOI ANARGIROI, 13510	24 KYPROY	2102690019	2102619000
4	AG. DIMITRIOU	AGIOS DIMITRIOS, 17310	139 AGIOU DIMITRIOU	2109730483	2109719240
5	PL. ETHNIKIS ANTISTASIS	ATHENS, 10551	8 EFPOLIDOS	2103247729	2103247729
6	PL. SYNTAGMATOS	ATHENS, 10310	PL. SYNTAGMATOS	2103246506-2103222104	2103235591
7	PL. ATTIKIS	ATHENS, 10026	15 SEPOLION & PEISITRATOU	2108252958	2108225577
8	THISEIOU	ATHENS, 11851	64 TRION IERARCHON	2103425207	-
9	PAGKRATIOU	ATHENS, 11610	99 AKRONOS & YMITTOU	2107013913	-
10	LEVIDOU	ATHENS, 11210	70 AGIOU MELETIOU	2108653972	2108627684
11	AMPELOKIPON	ATHENS, 11526	2 VAS. SOFIAS & FEIDIPPIDOU	2107799862	-
12	OMONIAS	ATHENS, 10010	4 DOROU	2105223208	2105240920
13	PL. MONASTHRAKIOU	ATHENS, 10551	78 ERMOU	2103246502	2103242060
14	PL. KANINGOS	ATHENS, 10677	24 PATISION	2103800243	2103800243
15	PATISION	ATHENS, 11110	303-305 PATISION	2102235577	2102012121
16	PESMAZOGLOU	ATHENS, 10175	2-6 PESMAZOGLOU	2103704780	2103232945
17	EGALEO	EGALEO, 12210	280 IERA ODOS & THIVON	2105312308	2105987921
18	AMAROUSIOU	AMAROUSIO, 15110	5 28th OKTOVRIOU	2108023100	-
19	VYRONA	VYRONAS, 16210	74-76 CHR. SMYRNIS	2107668618	-
20	GALATSI	GALATSI, 11147	11 AG. GLYKERIAS	2102131695	-
21	GLYFAGAS	GLIFADA, 16610	3 MARAGKOU	2108946722	-
22	DAFNIS ATHENS	DAFNH, 17210	5 AVEROF & ELLIS	2109763867	-
23	ELEFSINAS	ELEFSINA, 19200	14 DIMITRAS	2105540793	2105542805
24	ILISSION	ZOGRAFOU, 15702	63 GR. AFXENTIOU & GAZIS	2107483377	-
25	ZOGRAFOU	ZOGRAFOU, 15710	95 PAPAGOU	2107780054	-
26	ILIOUPOLIS	ILIOUPOLI, 16310	1 R. FERAIOU & M. ANTYPA	2109938761	-
27	ILIOU	ILION, 13110	93 PROTESILAOU & DANAON	2102690941	-
28	KAISARIANIS	KAISARIANI, 16101	59 E. ANTISTASIS	2107248784	-
29	KALLITHEAS	KALLITHEA, 17676	140 EL. VENIZELOU	2109575990	-
30	KERATSINIOU	KERATSINI, 18710	52 EVROU	2104617131	2104611755
31	KHFISIAS	KIFISIA, 14510	283 KIFISIAS	2108018144	2108018108
32	KORYDALLOU	KORYDALLOS, 18110	3 KARYTAINIS	2104940794	2104956259
33	KOUKAKIOU	KOUKAKI, 11710	68 DIMITRAKOPOULOU	2109220364	-
34	KIPSELIS	ATHENS, 11310	62 KIPSELIS	2108225862	2108827018
35	MEGARON	MEGARA, 19100	5 TH. KOLOKOTRONH	2296080250 2296081851	-
36	MOSCHATOU	MOSCHATO, 18310	66 ELEYTHERIAS	2104811756 2104826262	-

37	NEAS ERYTHRAIAS	NEA ERYTHRAIA, 14601	163 EL. VENIZELOU & KAPODISTRIOU	2106251460	2106252590
38	NEAS IONIAS ATTIKIS	NEA IONIA, 14231	56-60 EL. VENIZELOU	2102718082	-
39	NEAS SMIRNIS	NEA SMIRNI, 17110	4 K. PALAIOLOGOU	2109318139	2109332761
40	NEAS FILADELFEIAS	NEA FILADELFEIA, 14310	99 DEKELEIAS	2102580957	2102515942
41	NEAPOLIS ATHENS	ATHENS, 11410	191 IPPOKRATOUS	2106453241	2106442546
42	NEAPOLIS NIKAIAS	NIKAIA, 18402	2 PL. DHMOKRATIAS	2104919688	-
43	NIKAIAS PIRAIA	NIKAIA, 18410	7ST MARTH & P. RALY	2104916771	-
44	PALAIOU FALIROU	PALAIO FALIRO, 17510	6 AMFITRITIS	2109818124	-
45	PAPAGOU	PAPAGOS, 15610	24 KIPROU	2106544801	-
46	AKTIS MIAOULI	PIRAIAS, 18502	2 IASONOS	2104526852	2104522583
47	PEIRAIA	PEIRAIAS, 18510	21 KARAISKOU	2104116557	-
48	RL.ST.PEIRAIA	PEIRAIAS, 18503	5 TSAMADOU	2104114640	-
49	PERISTERIOU	PERISTERI, 12110	PL. TSALDARI & 201 THIVON	2105711884	-
50	PETROUPOLIS	PETROUPOLI, 13210	71 25th MARTIOU	2105027456	-
51	CHALANDRIOU	CHALANDRI, 15210	3-5 V. KONSTANTINOU	2106892196	-
52	CHOLARGOU	CHOLARGOS, 15510	9 SARANTAPOROU	2106517999	-
53	PSYCHIKOU	PSYCHIKO, 15410	4 DIMOKRATIAS	2106755985	-
	Thessaloniki Region				
1	AMPELOKIPON THES.	AMPELOKIPOI, 56110	30 M. ALEXANDROU & ETHN. ANTISTASEOS	2310727255	-
2	RL.ST.THESSALONIKIS	THESSALONIKI, 54001	THESSALONIKIS RL.ST	2310553763	-
3	PL.DIMOKRATIAS	THESSALONIKI, 54002	6 ANTIGONIDON & PTOLEMAION	2310555205	2310555105
4	DIOIKITIRIOU THES.	THESSALONIKI, 54003	102 AG. DIMITRIOU	2310244804	-
5	AGIAS TRIADAS THES	THESSALONIKI, 54007	8 DELFON	2310844321	2310844321
6	LEFKOU PYRGOU	THESSALONIKI, 54013	117-119 TSIMISKI	2310236717	2310263719
7	THESSALONIKIS	THESSALONIKI, 54110	14 ARISTOTELOUS	2310279685	2310241212
8	EXOCHON THES.	THESSALONIKI, 54210	25th & KONSTANTINOUPOLEOS	2310302992	2310301713
9	ANO TOUMPAS	THESSALONIKI, 54310	175 GR. LAMPRAKI	2310940787	2310931111
10	TOUMPAS	THESSALONIKI, 54410	140 PAPAFI	2310920767	2310919019
11	NTEPO THES/NIKIS	THESSALONIKI, 54646	219 V. OLGAS & SKIATHOU	2310411777	2310421397
12	EVOSMOU	THESSALONIKI, 56210	25 28th OKTOVRIOU	2310759076	2310765493
13	KALAMARIAS	KALAMARIA, 55110	39 I. PASALIDI	2310458966	2310454800
14	NEAPOLIS THES/NIKHS	NEAPOLI, 56710	53 A. PAPANDREOU & FR. ROUSVELT	2310636969	2310612093
15	POLICHNIS THESSALONIKIS	POLICHNI, 56501	1 AG. PANTELEIMONOS & DERBENAKION	2310609464	2310609464
16	STAVROUPOLIS THES	STAVROUPOLI, 56410	12 LEVOXOU	2310601010	-

	MACEDONIA				
1	GREVENON	GREVENA, 51100	6 G. MPOSIOU	2462085551	-
2	DRAMAS	DRAMA, 66100	23 ETHIN. AMYNHS	2521033024	2521033433
3	BEROIAS	VEROIA, 59100	35 MITROPOLEOS	2331023407	2331023639
4	KAVALAS	KABALA, 65110	34 ER. STAVROU	2510224703	-
5	KASTORIAS	KASTORIA, 52100	30 ATH. DIAKOU	2467086988	-
6	KILKIS	KILKIS, 61100	97 21TH IOUNIOU	2341070182	-
7	KOZANIS	KOZANI, 50100	1 EL. VENIZELOU	2461031797	-
8	PTOLEMAIDAS	PTOLEMAIDA, 50200	25TH MARTIOU & 1 SOFOULI	2463024560	2463022801
9	GIANNITSON	GIANNITSA, 58100	121 EL. VENIZELOU	2382083720	-
10	EDESSAS	EDESSA, 58200	7 DIMOKRATIAS	2381025576	-
11	KATERINIS	KATERINI, 60100	31 EIRHNHS	2351033652	-
12	SERRON	SERRES, 62100	1 CHR. SMYRNHS & YPSILANTOU	2321053966	-
13	FLORINAS	FLORINA, 53100	9 25TH MARTIOU	2385046650	-
14	POLIGIROY	POLIGIROS, 63100	5 KONSTANTINOUPOLEOS	23710-23452	-
	THRACE				
1	ALEXANDROUPOLIS	ALEXANDROUPOLI, 68100	22 14TH MAIOY	2551033664	2551028116
2	XANTHIS	XANTHI, 67100	120 28TH OKTOBRIOU	2541064405	-
3	KOMOTINIS	KOMOTINI, 69100	5 AG. GEORGIOU	2531031700	-
	THESSALIA				
1	KARDITSAS	KARDITSA, 43100	19 KARAISKAKI	2441075675	-
2	LARISAS	LARISA, 41222	60-62 PANAGOULI	2410613432	-
3	VOLOU	VOLOS, 38100	93 DHMHTRIADOS & KOUTARELIA	2421037278, 2421039151	2421020888
4	NEAS IONIAS VOLOU	NEA IONIA, 38002	9 L. EIRHNHS	2421085959	-
5	TRIKALON	TRIKALA, 42100	13 SARAFI	2431035888	-
	STEREA ELLADA				
1	AGRINIOU	AGRINIO, 30100	2 A. ANASTASIADI	2641058720	2641024195
2	MESOLONGIOU	MESOLONGI, 30200	PL. TZON KENNEDI	2631028450	2631028587
3	NAFPAKTOU	NAFPAKTOS, 30300	61 TZAVELLA	2634028136	2634028462
4	THIVON	THIVA, 32200	17 P. DRAKOU	2262021844	2262022842
5	LIVADEIAS	LIVADEIA, 32100	57 GEORGANTA	2261081412	2261026165
6	ALIBERIOU	ALIVERI, 34500	5-7 TAMINAION	2223024838	2223022815
7	CHALKIDAS	CHALKIDA, 34100	18 EL. VENIZELOU 18 & ISAIOU	22210 21215	2221024832
8	KARPENISIOU	KARPENHSI, 36100	36 ZHNOPOULOU	22370-21538 22370-21167	2237021493
9	LAMIAS	LAMIA, 35100	31 KOLOKOTRONI - DHMOLOULIA	22310 52925 - 22310 48022	2231024621
10	AMFISSAS	AMFISSA, 33100	9 GATOU	2265072173	-
	PELOPONNISOS				
1	ARGOUS	ARGOS, 21200	24 VAS. SOFIAS	2751063458	-
2	NAFPLIOU	NAFPLIO, 21100	1 SID. MERARXIAS	2752025306	2752022389
3	TRIPOLIS	TRIPOLI, 22100	8 PL. KOLOKOTRONI & GR. LAMPRAKI	2710234786	2710223116
4	AIGIOU	AIGIO, 25100	25-27 AS. FOTILA	2691021477	2691024330
5	LEOF. GOUNARI-	PATRA, 26110	215 AL. YPSILANTI &	2610272076	2610278059

	PATRON		GOUNARI		
6	PATRAS	PATRA, 26110	103 KANAKARI	2610224947	-
7	ELLINOS STRAT.	PATRA, 26441	39 ELLINOS STRAT.	2610455113	-
8	AMALIADAS	AMALIADA, 27200	7 EL. VENIZELOU	2622027782	2622029310
9	PIRGOU HLEIAS	PIRGOS, 27100	12-14 PATRON	2621035980	2621033580
10	SPARTIS	SPARTI, 23100	117 K. PALAIOLOGOU	2731020482	-
11	KALAMATAS	KALAMATA, 24100	12 S. STATMOU	2721097331	-
12	KORINTHOU	KORINTHOS, 20100	35 PYLARINOU	2741081880	-
13	LOUTRAKIOY	LOUTRAKI, 20300	46 EL. VENIZELOU	2744061720	-
	HPEIROS				
1	ARTAS	ARTA, 47100	PL. ETHNIKIS ANTISTASIS	2681072562	2681028298
2	HGOYMENITSAS	HGOYMENITSA, 46100	4 EL. VENIZELOU	26650-24585 26650-26492	2665027923
3	IOANNINOS	IOANNINA, 45333	5 FOTOU TZAVELLA	2651025842, 2651037656	2651072091
4	IOANNINOS B'	IOANNINA, 45221	PL. LAMPROU TZAVELLA	2651083240	2651083243
5	PREVEZAS	PREBEZA, 48100	40 L. EIRHNHS	2682022322	-
	AEGEAN ISLANDS				
1	RODOU	RODOS, 85100	22 KARPATHOU & T. SPRINGS	2241073585	2241022001
2	SIROU	SIROS, 84100	18 SPERXEIOU	2281088453	-
3	MYTILINIS	MYTILINI, 81100	49 PL. KOUNTOURIOTI & 68-70 ERMOU	2251040550	-
4	SAMOU	SAMOS, 83100	2 SMYRNHS-VATHI	2273025388	2273080980
5	CHIOU	CHIOS, 82100	6 OMIROU	2271040640	2271024507
	CRETE				
1	HRAKLEIOU KRITIS	HRAKLEIO, 71110	1 BIANNOU & PL. KORNAROU	2810281824	-
2	PL. KORAKA-HRAKLEIOU	HRAKLEIO, 71304	6 THERISSOU	2810256195	-
3	POROU HRAKLEIOU	HRAKLEIO, 71307	47 L- IKAROU	2810344735	-
4	MOIRON HRAKLEIOU	MOIRES HRAKLEIOU, 70400	55 25TH MARTIOU	2892024582	-
5	AGIOU NIKOLAOY	AGIOS NIKOLAOS KRITIS, 72100	2 PL. EL. VENIZELOU	2841028099	-
6	IERAPETRAS	IERAPETRA, 72200	27 MIX. KOTHRI	2842022854	-
7	RETHIMNOU	RETHIMNO, 74100	100 KOUNTOURIOTI & V. OUGKO	2831023167	-
8	CHANION B'	CHANIA, 73100	44 STRAT. TZANAKAKI	2821027738	-
9	CHANION	CHANIA, 73100	9-11 PLATEIA 1866	2821076605	-
	IONIAN ISLANDS				
1	ZAKINTHOU	ZAKINTHOS, 29100	32 LOMVARDOU	2695028480	2695044611
2	ARGOSTOLIOU	ARGOSTOLI, 28100	19 DIAD. KONSTANTINOU	2671025535	2671022124
3	KERKIRAS	KERKIRA, 49100	23A I. THEOTOKI	2661037391	-
4	LEFKADAS	LEFKADA, 31100	187 IOAN. MELA	2645024720	-

11. ALLOCATION OF HUMAN RESOURCES (PER GENDER & PER EDUCATIONAL LEVEL)

Educational Level	Men	%	Γυναίκες	%	Total	%
Graduate	164	**33%**	212	**27%**	**376**	**29%**
Post Graduate	39	**8%**	95	**12%**	**134**	**11%**
Other	287	**59%**	484	**61%**	**771**	**60%**
Total	**490**	**38%**	**791**	**62%**	**1.281**	**100%**

12. APPENDIXES

I. CONSOLIDATED AND STAND ALONE BASIS FINANCIAL STATEMENTS OF GREEK POSTAL SAVINGS BANK AS AT 31 DECEMBER 2006, IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), INCLUDING INDEPENDENT AUDITOR'S REPORT

GREEK POSTAL SAVINGS BANK SA

Financial Statements

on Consolidated and Stand Alone basis

31 December 2006

In accordance with the

International Financial Reporting Standards

MARCH 2007

TABLE OF CONTENTS

INCOME STATEMENT

		Consolidated		Stand alone	
		From the 1 January to		From the 1 January to	
Amounts in €	**Note**	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Interest & similar income		475.215.455,21	419.097.208,76	475.213.521,72	419.097.208,76
Interest expense & similar charges		(221.642.820,87)	(176.815.430,66)	(221.642.774,87)	(176.815.430,66)
Net Interest Income	6	**253.572.634,34**	**242.281.778,10**	**253.570.746,85**	**242.281.778,10**
Fee and commisson income		25.672.108,47	4.052.566,04	25.495.066,57	4.052.566,04
Fee and commisson expense		(858.079,73)	(524.933,53)	(856.368,85)	(524.933,53)
Net fee and commission income	7	**24.814.028,74**	**3.527.632,51**	**24.638.697,72**	**3.527.632,51**
Dividend income	8	4.655.511,04	5.105.207,01	4.655.511,04	5.105.207,01
Financial operations results	8	126.400.541,51	30.316.917,43	126.391.679,33	30.316.917,43
Other operating income	9	7.891.176,53	15.149.817,75	7.903.529,96	15.149.817,75
Total Operating Income		**417.333.892,16**	**296.381.352,80**	**417.160.164,90**	**296.381.352,80**
Personnel expenses	10	(84.718.491,19)	(56.271.155,02)	(84.616.656,53)	(56.271.155,02)
General and administrative expenses	11	(85.185.218,93)	(52.895.920,15)	(85.111.260,43)	(52.895.920,15)
Depreciation and amortization charges		(9.135.478,78)	(6.183.003,98)	(9.107.670,11)	(6.183.003,98)
Other operating expenses	12	(23.550.556,49)	(12.146.584,69)	(23.527.630,29)	(12.146.584,69)
Total operating expenses		**(202.589.745,39)**	**(127.496.663,84)**	**(202.363.217,36)**	**(127.496.663,84)**
Impairment losses on loans and advances	13	(29.275.737,03)	(18.910.538,20)	(29.275.737,03)	(18.910.538,20)
Share in losses from associates		(28.768,44)	(86.096,36)	-	-
Profit before tax		**185.439.641,30**	**149.888.054,40**	**185.521.210,51**	**149.974.150,76**
Income tax	14	(32.297.122,47)	(27.338.422,50)	(32.295.189,53)	(27.338.422,50)
Tax on Reserves	15	(15.969.084,24)	-	(15.969.084,24)	-
Net Profit		**137.173.434,59**	**122.549.631,90**	**137.256.936,74**	**122.635.728,26**
Attributable to:					
Minority Interest		(15.670,97)	-	-	-
Equity holders of Greek Postal Savings Bank		137.189.105,56	122.549.631,90	137.256.936,74	122.635.728,26
Earnings per share	16				
- Basic		**0,97**	**0,74**	**0,97**	**0,74**

Athens, 28 March 2007

Board of Directors CHAIRMAN	Board of Directors FIRST DEPUTY CHAIRMAN	Board of Directors SECOND DEPUTY CHAIRMAN	FINANCIAL DIRECTOR	DIRECTOR OF ACCOUNTING DEPARTMENT
PANAGIOTIS TSOUPIDIS	ANTONIS KAMINARIS	CHRISTOS MITRENTSES	GEORGIOS XIFARAS	STAVROS XIFARAS

The notes in pages 9 to 68 are an integral part of these financial statements.

BALANCE SHEET

Amounts in €	Note	Consolidated 31.12.2006	Consolidated 31.12.2005	Stand alone 31.12.2006	Stand alone 31.12.2005
ASSETS					
Cash and balances with central bank	18	148.863.699,85	191.266.079,14	148.862.119,78	191.266.079,14
Due from banks	19	757.870.400,32	1.249.262.724,33	757.494.298,89	1.249.262.724,33
Financial assets at fair value throught profit and loss	20	1.616.362.239,26	1.593.121.669,08	1.615.792.844,10	1.593.121.669,08
Derivative financial instruments	21	11.759.320,59	810.147,80	11.759.320,59	810.147,80
Loans and advances to customers	22	4.862.810.650,94	3.044.667.020,61	4.862.810.650,94	3.044.667.020,61
Less: Allowance for impairment on loans & advances to customers	22	(60.028.248,00)	(31.365.743,79)	(60.028.248,00)	(31.365.743,79)
Investment securities available for sale	23	4.097.038.608,53	4.618.912.350,52	4.097.038.608,53	4.618.912.350,52
Investment securities held to maturity	23	490.183.271,81	491.871.117,75	490.183.271,81	491.871.117,75
Investment in subsidiary and in associate	24	0,00	537.561,05	1.139.028,00	1.050.000,00
Property and equipment	25	111.719.846,64	110.750.791,08	111.632.863,03	110.750.791,08
Intangible assets	26	11.359.606,00	10.970.975,17	11.306.861,55	10.970.975,17
Deferred tax assets	27	32.000.994,93	36.224.148,01	32.000.994,93	36.224.148,01
Other assets	28	256.759.503,92	247.566.024,39	256.691.612,97	247.566.024,39
Total Assets		**12.336.699.894,79**	**11.564.594.865,14**	**12.336.684.227,12**	**11.565.107.304,09**
LIABILITIES					
Due to banks	29	500.000.000,00	-	500.000.000,00	-
Due to customers	30	10.725.959.048,27	9.953.838.765,20	10.725.959.048,27	9.953.838.765,20
Derivative financial instruments	21	2.457.449,58	66.626.004,60	2.457.449,58	66.626.004,60
Deferred tax liabilities	27	38.396.584,91	67.737.773,28	38.391.546,61	67.737.773,28
Retirement benefit obligations	31	24.806.177,00	17.952.698,00	24.790.194,00	17.952.698,00
Other liabilities	32	175.659.468,54	593.512.570,15	175.621.397,83	593.512.570,15
Total Liabilities		**11.467.278.728,30**	**10.699.667.811,23**	**11.467.219.636,29**	**10.699.667.811,23**
SHAREHOLDERS' EQUITY					
Share Capital	33	521.207.049,00	521.207.049,00	521.207.049,00	521.207.049,00
Share premium		2.130.062,03	-	2.130.062,03	-
Revaluation Reserves	34	106.107.309,12	230.199.868,32	106.107.309,12	230.199.868,32
Other Reserves	34	83.344.830,00	76.481.983,16	83.344.830,00	76.481.983,16
Retained Earnings	34	156.095.070,55	37.038.153,43	156.675.340,68	37.550.592,38
Capital and reserves attributable to Greek Postal Savings Bank equity holders		**868.884.320,70**	**864.927.053,91**	**869.464.590,83**	**865.439.492,86**
Minority Interest		536.845,79	-	-	-
Total Equity		**869.421.166,49**	**864.927.053,91**	**869.464.590,83**	**865.439.492,86**
Total Equity and Liabilities		**12.336.699.894,79**	**11.564.594.865,14**	**12.336.684.227,12**	**11.565.107.304,09**

Athens, 28 March 2007

Board of Directors CHAIRMAN	Board of Directors FIRST DEPUTY CHAIRMAN	Board of Directors SECOND DEPUTY CHAIRMAN	FINANCIAL DIRECTOR	DIRECTOR OF ACCOUNTING DEPARTMENT
PANAGIOTIS TSOUPIDIS	ANTONIS KAMINARIS	CHRISTOS MITRENTSES	GEORGIOS XIFARAS	STAVROS XIFARAS

The notes in pages 9 to 68 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2005

	Attributable to the shareholders of the parent company					
Amounts in €	**Share Capital**	**Statutory Reserve**	**Revaluation Reserves**	**Other reserves**	**Retained earnings**	**Total**
Balance at 1 January 2005 in accordance with IFRS	**555.000.000,00**	**53.350.196,75**	**266.011.911,45**	**17.000.000,00**	**276.095.171,87**	**1.167.457.280,07**
Movement in Equity 1/1-31/12/2005						-
Movement in the AFS reserve	-	-	(35.812.043,13)	-	-	(35.812.043,13)
Profit after tax for the period	-	-	-	-	122.549.631,90	122.549.631,90
Legal reserve for the period	-	6.131.786,41	-	-	(6.131.786,41)	-
Total realized profit (loss) for the period	-	**6.131.786,41**	**(35.812.043,13)**	-	**116.417.845,49**	**86.737.588,77**
Increase in share capital	56.702.248,40	-	-	-	(56.702.248,40)	-
Decrease in share capital	(90.495.199,40)	-	-	-	-	(90.495.199,40)
Reverse distribution	-	-	-	-	(208.772.615,53)	(208.772.615,53)
Dividend distribution	-	-	-	-	(90.000.000,00)	(90.000.000,00)
Balance at 31 December 2005	**521.207.049,00**	**59.481.983,16**	**230.199.868,32**	**17.000.000,00**	**37.038.153,43**	**864.927.053,91**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2006

	Attributable to the shareholders of the parent company								
Amounts in €	**Share Capital**	**Shares premium**	**Statutory Reserve**	**Revaluation Reserves**	**Other reserves**	**Retained earnings**	**Total**	**Minority Interest**	**Total**
Balance at 1 January 2006 in accordance with IFRS	**521.207.049,00**	**0,00**	**59.481.983,16**	**230.199.868,32**	**17.000.000,00**	**37.038.153,43**	**864.927.053,91**		**864.927.053,91**
Movement in Equity 1/1-31/12/2006							-		-
Movement in the AFS reserve	-		-	(124.092.559,20)	-	-	(124.092.559,20)	-	(124.092.559,20)
Shares offered to employees at a discount and free from the main shareholder		2.130.062,03					2.130.062,03		2.130.062,03
Movements from consolidation of subsidiary							-	552.516,76	552.516,76
Profit after tax for the period	-		-	-	-	137.189.105,56	137.189.105,56	(15.670,97)	137.173.434,59
Legal Reserve for the period			6.862.846,84			(6.862.846,84)	-		-
Profit after tax for the period	**-**	**2.130.062,03**	**6.862.846,84**	**(124.092.559,20)**	**-**	**130.326.258,72**	**15.226.608,39**	**536.845,79**	**15.763.454,18**
Dividend distribution	-		-	-	-	(11.269.341,60)	(11.269.341,60)		(11.269.341,60)
Balance at 31 December 2006	**521.207.049,00**	**2.130.062,03**	**66.344.830,00**	**106.107.309,12**	**17.000.000,00**	**156.095.070,55**	**868.884.320,70**	**536.845,79**	**869.421.166,49**

The notes in pages 9 to 68 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY ON STAND ALONE BASIS AS AT 31 DECEMBER 2005

Amounts in €	Share Capital	Statutory Reserve	Revaluation Reserves	Other reserves	Retained earnings	Total
Balance at 1 January 2005 in accordance with IFRS	**555.000.000,00**	**53.350.196,75**	**266.011.911,45**	**17.000.000,00**	**276.521.514,46**	**1.167.883.622,66**
Movement in Equity 1/1-31/12/2005						-
Movement in the AFS reserve	-	-	(35.812.043,13)	-	-	(35.812.043,13)
Profit after tax for the period	-	-	-	-	122.635.728,26	122.635.728,26
Legal reserve for the period	-	6.131.786,41	-	-	(6.131.786,41)	-
Total realized profit (loss) for the period	-	**6.131.786,41**	**(35.812.043,13)**	-	**116.503.941,85**	**86.823.685,13**
Increase in share capital	56.702.248,40	-	-	-	(56.702.248,40)	-
Decrease in share capital	(90.495.199,40)	-	-	-	-	(90.495.199,40)
Reserve distribution	-	-	-	-	(208.772.615,53)	(208.772.615,53)
Dividend distribution	-	-	-	-	(90.000.000,00)	(90.000.000,00)
Balance at 31 December 2005	**521.207.049,00**	**59.481.983,16**	**230.199.868,32**	**17.000.000,00**	**37.550.592,38**	**865.439.492,86**

STATEMENT OF CHANGES IN EQUITY ON STAND ALONE BASIS AS AT 31 DECEMBER 2006

Amounts in €	Share Capital	Share premium	Statutory Reserve	Revaluation Reserves	Other reserves	Retained earnings	Total
Balance at 1 January 2006 in accordance with IFRS	**521.207.049,00**	-	**59.481.983,16**	**230.199.868,32**	**17.000.000,00**	**37.550.592,38**	**865.439.492,86**
Movement in Equity 1/1-31/12/2006							-
Movement in the AFS reserve	-		-	(124.092.559,20)		-	(124.092.559,20)
Shares offered to employees at a discount and free from the main shareholder		2.130.062,03					2.130.062,03
Profit after tax for the period	-		-	-	-	137.256.936,74	137.256.936,74
Legal Reserve for the period			6.862.846,84			(6.862.846,84)	-
Total realized profit (loss) for the period	-	**2.130.062,03**	**6862846,84**	**(124.092.559,20)**	-	**130.394.089,90**	**15294439,57**
Dividend distribution	-		-	-	-	(11.269.341,60)	(11.269.341,60)
Balance at 31 December 2006	**521.207.049,00**	**2.130.062,03**	**66.344.830,00**	**106.107.309,12**	**17.000.000,00**	**156.675.340,68**	**869.464.590,83**

The notes in pages 9 to 68 are an integral part of these financial statements.

CASH FLOW STATEMENTS

Amounts in €	Note	Consolidated From 1 January to 31.12.2006	Consolidated From 1 January to 31.12.2005	Stand alone From 1 January to 31.12.2006	Stand alone From 1 January to 31.12.2005
Operating activities					
Profit before tax		185.439.641,30	149.888.054,40	185.521.210,51	149.974.150,76
Adjustments to profits for:					
Depreciation of fixed assets		7.031.201,82	4.954.670,04	7.017.592,06	4.954.670,04
Amortisation of intangible assets		2.104.276,96	1.228.333,94	2.090.078,05	1.228.333,94
Share in losses of assosiates		28.768,44	86.096,36	-	-
Shares offered to employees at a discount and free from the main shareholder		2.130.062,03	-	2.130.062,03	-
Other adjustments		122.060,69	-	99.308,56	-
Allowance for the impairment of loans and other receivables		24.061.557,91	18.910.538,20	24.061.557,91	18.910.538,20
Amortization of premium / discount of investment securities	37	4.746.031,47	11.163.610,14	4.746.031,47	11.163.610,14
Allowance for termination benefits		6.837.496,00	1.347.308,00	6.837.496,00	1.347.308,00
Income from the write off		(2.382.049,45)	(10.959.891,66)	(2.382.049,45)	(10.959.891,66)
(Profit) / loss from investment securities	37	(51.914.878,30)	(44.337.722,49)	(51.914.878,30)	(44.337.722,49)
Income tax paid		(118.640.464,31)	(29.631.992,19)	(118.640.464,31)	(29.631.992,19)
		59.563.704,56	***102.649.004,74***	***59.565.944,53***	***102.649.004,74***
Net change (increase) decrease of operations related assets and liabilities					
Financial Assets at fair value through profit or loss		(22.680.037,20)	(312.833.753,68)	(22.671.175,02)	(312.833.753,68)
Loans and receivables from customers		(1.818.756.863,15)	(984.551.637,31)	(1.818.756.863,15)	(984.551.637,31)
Other assets		(49.822.006,46)	(19.650.355,37)	(49.819.457,52)	(19.650.355,37)
Due from / to banks (net value)		460.442.816,23	-	460.442.816,23	-
Derivatives (net value)		(75.117.727,81)	689.766.199,12	(75.117.727,81)	689.766.199,12
Due to customers		774.502.332,52	(6.706.570,48)	774.502.332,52	(6.706.570,48)
Other liabilities		6.928.001,31	(3.258.545,28)	6.926.997,63	(3.258.545,28)
		(724.503.484,56)	(637.234.663,00)	(724.493.077,12)	(637.234.663,00)
Cash flow from operating activities		**(664.939.780,00)**	**(534.585.658,26)**	**(664.927.132,59)**	**(534.585.658,26)**
Investing activities					
Purchases of fixed assets		(10.336.219,40)	(20.609.324,82)	(10.317.915,52)	(20.609.324,82)
Investments in subsidiaries and associated companies		(34.028,00)	(450.000,00)	(89.028,00)	(450.000,00)
Net (increase) / decrease of investments securities		(797.647.758,68)	(4.019.141.712,82)	(797.647.758,68)	(4.019.141.712,82)
Income from sale and maturity of investment securities		1.209.789.422,75	3.665.408.478,02	1.209.789.422,75	3.665.408.478,02
Net cash flow from investing activities		**401.771.416,67**	**(374.792.559,62)**	**401.734.720,55**	**(374.792.559,62)**
Financing Activities					
Increase of Share capital		55.000,00	-	-	-
Share capital redemption		(90.495.199,40)	-	(90.495.199,40)	-
Distribution of reserves and available profits to the shareholders of the parent company		(208.772.615,53)	-	(208.772.615,53)	-
Dividends paid to shareholders of the parent company		(11.269.341,60)	(90.000.000,00)	(11.269.341,60)	(90.000.000,00)
Net cash flow from financing activities		**(310.482.156,53)**	**(90.000.000,00)**	**(310.537.156,53)**	**(90.000.000,00)**
Net increase of cash and cash equivalents		(573.650.519,86)	(999.378.217,88)	(573.729.568,57)	(999.378.217,88)
Cash and cash equivalents at the beginning of the year		1.440.528.803,47	2.439.907.021,35	1.440.528.803,47	2.439.907.021,35
subsidiary		298.632,79	-	-	-
Cash and cash equivalents at the end of the year	38	**867.176.916,40**	**1.440.528.803,47**	**866.799.234,90**	**1.440.528.803,47**

The notes in pages 9 to 68 are an integral part of these financial statements.

1. Information for the Bank

1.1 General Information

- Greek Postal Savings Bank is a societe anonym bearing the title ‘‘GREEK POSTAL SAVINGS BANK’’ for all its international transactions, and has substituted in all its rights and obligations the decentralized public entity Postal Savings Bank which was established by virtue of Law GYMST/1909, as subsequently supplemented and amended by Compulsory Law 391/1936, Law1118/1938 and other provisions.
- On 19.4.2006 the Governor’s Act of the Bank of Greece No 2579/19.4.2006 was issued according to provisions of article 9 paragraph 5 of law 3082/2002, which constitutes as a banking license. Therefore, the bank is under the supervisory role of Bank of Greece according to Law 2076/1992, as amended.
- The bank’s registered office is located in the Municipality of Athens (2-6 Pesmazoglou Street, 101 75). By resolution of the Board of Directors, the Bank can establish and close down branches, correspondence offices, safe deposit boxes or/and agencies anywhere in Greece and abroad. As of 31/12/2006, it is noted that «GREEK POSTAL SAVINGS BANK’s» branch network comprises 136 branches throughout Greece.
- The term of the bank is set to 100 years from its establishment and may be extended by resolution of the General Meeting of the shareholders.
- On 5 June 2006, the Bank has listed all of its shares in the Athens Stock Exchange Market, after the relevant decisions 1/381/12.5.2006 and 18/31.5.2006 of the Hellenic Capital Market Commission and the Athens Stock Exchange respectively. Though this listing , the decision of the Interministrial Privatization Committee , for the disposition of 49.080.000 ordinary nominal shares of the bank (34,84%), owned by Greek Government, was implemented.
- These financial statements for the fiscal year ended on 31 December 2006, were approved from the Board of Directors on 28th March 2007 and are subject to the approval of the Bank's shareholders in the Annual General Meeting.

Collaboration Agreement with the Hellenic Post S.A.

On 19 November 2001, the Bank entered into a 10-year exclusive collaboration agreement with the Hellenic Post (hereinafter ''EL.TA'').

• Major terms and conditions of the agreement

—The agreement may be automatically extended provided that at least six (6) months prior to its expiry none of the counter parties involved has notified in writing its intention to decline its extension.

—The agreement may be immediately terminated by either parties, with written notice, in the case where the counterparty has failed to comply with any of its contractual obligations and has not remedied such failure within three (3) months from written notification. Upon expiry of the agreement, in accordance with its terms and conditions, all pending issues shall be settled within three (3) years.

—Each counter party may develop autonomously its main activities in terms of the financial products and services it provides.

—The branches of the respective network of each counter party shall retain all their corporate identity marks so that the products of each counter party are promoted and sold from the network of the other party in a distinct manner.

—In case where the agreement expires or is terminated, all pending issues between the counter parties shall be settled and such settlements must be completed within three (3) years. During the settlement period the counter parties shall be bound by the exclusivity, secrecy and confidentiality obligations that were in force during the term of the agreement.

• Financial Cost

—With regard to the provision of services and the concession of space and equipment within the EL.TA network, the Bank pays: a) fees per transaction, the calculation of which is based on the number of transactions; b) management fees, calculated as a percentage on the average amount of deposit account balances serviced by the EL.TA network; and c) additional fees calculated as a productivity percentage on the net increase of the amount of the deposit account balances serviced by the EL.TA network.

• Network used

—The network of EL.TA branches, agencies, and postmen delivering in rural areas has become the network providing the Bank's products, as well as other common products that the parties may develop in the future.

—Based on the terms of the agreement the Bank's products/ services are sold at 820 EL.TA branches, 1.148 agencies and 950 postmen delivering in rural areas, who act as EL.TA subcontractors in remote areas where there are no branches or agencies, while the EL.TA products/ services are sold through the Bank's network comprising 136 branches.

—Based on the terms of the agreement, the Bank has committed not to open branches in any area where an EL.TA branch already exists. Specifically, the Bank may not open a branch in such distance from an EL.TA branch that would affect the overall turnover of EL.TA. The responsibility for the operation of each branch lies with its owner and each counter party shall compensate the other for any damage incurred intentionally or due to negligence of its employees.

—As contractual base of the exclusive collaboration agreement is expressly acknowledged by the counter parties that EL.TA shall undertake to sell, exclusively, only the banking products of the Bank, provided that the Bank will neither use nor develop its branches network competitively to the EL.TA network.

• Products/ Services

—Each counter party shall develop in an autonomous way its main activities in terms of the financial products and services it provides, and more specifically (a) the Bank in terms of its banking operations, and in particular its deposits and loans products; and b) EL.TA in terms of the financial products and the operations related to the GIRO current accounts, such as national and international money transfer transactions (Western Union, Eurogiro, foreign checks), transactions related to quick payments (collections, payments), transactions on GIRO accounts and Social Security pension payments.

—Based on the agreement between the counter parties, the Bank's branches shall sell EL.TA products of increased added value. Increased added value products are considered to be the following: Eurogiro, Western Union, Social Security pension payments, transactions on Giro accounts, cash on delivery checks, quick payments, courier services, as well as prepaid and philatelic products.

—The Bank's products/ services shall be available in the EL.TA branches.

—With regard to any new products to be developed by either one of the counter parties, the agreement provides ''the right of first refusal'' to the other party. New products shall not mean variations or changes introduced to existing products, but rather distinct, new wide product categories aimed to cover customers' needs not covered by existing products.

Modification of contract with ELTA

On 27 December 2006, a modification of annex 6 of the collaboration agreement of 19 November 2001 between the EL.TA and the Greek Postal Savings Bank was signed. With this modification, a new system of compensation adjusted to the market data and the pricing of banking products and services that were not forecasted in the initial contract of 2001 were agreed. Total compensation of ELTA derives from the sum of: 1) the cost of the Bank's access to the Network of ELTA Shops (transactions fees) and 2) fee of commercial agreement in which the Lowest Guaranteed Annual Fee amounted to € 10 million annually or € 2,5 million quarterly is included (supply of sale of products and services of Greek Postal Savings bank from the Network of ELTA's Shops).

Bank's participation in ELTA's capital and ELTA's participation in Bank's capital.

In the frame of the strengthening of the historical bonds between the Postal Savings bank and the ELTA, as well as the strengthening of the existing collaboration between them, it was decided by the Interministrial Privatization Committee through the decision dated 05.04.2006 and the General Assembly of the shareholders and the management decision of both companies, the sale of 10% of the Bank's shares (i.e. 14.086.670 shares held by the Greek State) to the EL.TA, and the sale of 10% of the EL.TA shares (i.e. 11.868.900 shares held by the Greek State) to the Bank. The purchase by the bank of the 10% of the EL.TA shares held by the Greek State, and the purchase by EL.TA of the 10% of Bank's shares held by the Greek State, was realised simultaneously.

Mortgage Savings

Article 10, paragraph 12, of the law establishing the Bank, Law 3082/2002 (Government Gazette Issue No. 316/16.12.2002), provides that by decision of the Bank's Board of Directors an amount of € 17million will be made available from the Greek Postal Savings Bank reserves existing at the time of publication of such law in an account existing or to be created by virtue of a similar decision and the return proceeds of such account will be made available to cover mortgage benefits to the Bank's employees. The Board of Directors will deal with issues relating to this account.

The 17th meeting of the Board of Directors of the Greek Postal Savings Bank held on 23 September 2003, unanimously decided that the account provided for in Law 3082/2002 must be created effective 1 January 2003. Pursuant to Law 3082/2002, such account will be credited with the amount of € 17 million , as well as with the amounts relating to principal repayments of the mortgage loans paid each month by the employees which will be refinanced as a new loan to the beneficiaries bearing a special interest rate. The Greek Postal Savings Bank will reinvest the amount related to the collected instalments together with the amount of € 17,000,000, guaranteeing a minimum return. The investment policy for the product must cover a minimum annual net return of 5.25% aiming to reduce the total duration of the loans.

All persons employed as of 16 December 2002 under a salaried employment agreement, as well as retired employees of the Greek Postal Savings Bank are the beneficiaries of this account.

The 29th meeting of the Board of Directors of the Greek Postal Savings Bank, held on 4 March 2004, approved the ''General Management and Operations Regulation for the Mortgage Allowance Investment Account''.

It should be clarified that the Greek Postal Savings Bank has not established the foregoing account. As the Greek Postal Savings Bank has implemented IFRS, it has assigned to a specialized actuarial firm to prepare a valuation study in order to calculate the cost of implementing the specific scheme. The result of such study has been recorded in the financial statements bearing a negative sign under Note 22 to the financial statements ''Loans and advances to customers'' and specifically under item ''Mortgage Loans''. The respective result of the study amounted to € 92 million as at 31 December 2006 and to € 95 million as at 31 December 2005. In order to calculate the present value of the scheme, the discount rates used 4% and 4,1% for the years 2005 and 2006 respectively.

1.2 Structure and activities of the Bank

The purpose of the «GREEK POSTAL SAVINGS BANK» is the, for its own account or for the account of third parties, in Greece and abroad, independently or in collaboration or joint venture, operation, without limitation or other distinction, of the total of the operation and activities that are allowed from time to time to domestic financial institutions by the existing legislation.

The following activities fall under the purposes of the Bank:

- The acceptance, on an interest-bearing or no interest basis, of any type of deposits or other accepted funds in Euro, exchange or foreign currency.
- The granting of loans and of credits of any kind, the offer of guarantees in favour of third parties, the acquisition or transfer of claims, as well as the intermediation in the financing of companies or their collaboration, as well as the issue / administration of means of payments.
- The receipt of loans, credits or guarantees and the issue of securities for the raising of funds.
- The acts of executing payments and funds transfer as well as of financing overseas trade.
- The safeguarding, organizing and management of any kind of movable assets, securities, financial products and generally of assets, including their portfolio, the operation of transactions over these, for own account or for the account of third parties, as well as the offer of relevant services and advices.
- The establishment of, or participation in, domestic or foreign companies of any kind that are involved in the money market, capital market and generally in the wider financial and investment sector.
- The offer of services of contractor, the participation in the issue and disposal of securities, the offer of advice on financial restructuring services, the factoring, the offer of commercial services and of services of 'safe deposit boxes' leasing, the offer of investment activities of L. 2396/1996.

At this point, it should be noted that one of its main purposes is the, through its credit policy, promotion of the general economic development of the country and of the local communities where it activates, and its contribution to the fulfilment of more general beneficial to the public purposes.

1.3 Composition of the Bank's Board of Directors

The Board of Directors of the «GREEK POSTAL SAVINGS BANK», at 31 December 2006, is as follows:

- Tsoupidis Panagiotis, **Chairman, Executive Member**
- Kaminaris Antonios, **First Deputy Chairman, Executive Member**
- Mitrentses Christos, **Second Deputy Chairman, Executive Member**
- Taprantzis Andreas, **Member**
- Drakatos Gerasimos, **Member**
- Lambropoulos Konstantinos, **Member**
- Chatzimichalis Dimitrios, **Member**
- Mihalopoulou Adamantia, **Member**
- Spiliopoulos Vasilios, **Member**
- Kotsiris Konstantinos, **Member**
- Tsagdis Ioannis, **Member**

The term of the Board of Directors commenced on the 30th of June 2004, and will last until the 30th of June 2009.

2. Summary of Significant Accounting Policies

2.1 Basis of Presentation

The consolidated and stand alone financial statements of the Bank as of 31 December 2006 are prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), issued by the International Accounting Standards Board (IASB), as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (IFRIC), as these have been endorsed by the European Union.

The Bank is consolidated and stand alone financial statements have been prepared under the historic cost convention, as adjusted by the fair valuation of certain assets and liabilities, the going concern principle, and comply with the Framework for Preparation and Presentation of financial statements.

2.1.1 Adoption of I.F.R.S.

The preparation of Financial Statements according to I.F.R.S. requires the use of estimates and assumptions for the implementation of the accounting standards. The financial statements as at 31 December 2005 are covered from IFRS 1 (first implementation of IFRS). The transition date for the purpose of IFRS 1 is the 1st of January 2004. The Bank adopted IFRS 1, for the preparation of Financial Statements in accordance with International Financial Reporting Standards, on 2005.

New IFRSs, amendments and interpretations due from 1st January 2006

The Bank has applied the same accounting standards with those implemented for the preparation of the Financial Statements of the accounting period that ended on 31 December 2005.
From the 1st of January 2006 the Bank has adopted all the new and revised IFRSs, as well as the new interpretations, corresponding to its operations and have mandatory application. The adoption of new and revised standards and interpretations has no material impact on the financial statements:

IAS 19 (Revised) Employee Benefits:
This revision, which is mandatory for periods starting from 1/1/2006, introduces an additional method of actuarial gains and losses recognition. It also introduces, in certain cases, additional recognition requirements for multi-employer plans.
Finally, it requires additional disclosures. The Bank has not amended the accounting recognition principle of actuarial gains and losses, neither participates in multi-employer plans. Therefore, the adoption of the revised standards has an impact only on the form and extend of the disclosures provided.

IAS 39 (Revised) The Fair Value Option:
The above revised IAS 39 introduces certain limitations on the choice options of financial instruments measurement at fair value through profit and loss (referred to as “fair value option”). In particular, initially, the choice option of fair value as basis for measurement of all financial instruments was subject only to the condition that the fair value of that financial instrument could be measured reliably. With the revised fair value option there was added another condition so that the fair value option could lead to more relevant information. The revised requirements are due mandatory for periods starting from 1/1/2006. The Bank has adopted the revised IAS 39 for the accounting periods starting from the 1st of January 2005 and thereafter (retrospective implementation).

IAS 39 and IFRS 4 (Revised): Financial Guarantee Contracts
The above revision introduces into IAS 39 requirements concerning the subsequent measurement of financial guarantee contracts. The revised requirements are due mandatory for periods starting from 1/1/2006. The above revised standard has no material impact on the financial position of the Bank.

IFRIC 4: Determining whether an Asset contains a Lease
IFRIC 4 requires the determination whether an arrangement is or contains a lease, to be based on the substance of the agreement. An evaluation is required when a) the accomplishment of the agreement depends on the use of a specific asset or assets, and b) the arrangement contains the right to use the asset. The management evaluates the impact of IFRIC 4 on the Bank’s activities and believes that the adoption will have a limited impact on the form and the extend of the disclosures.

The below revised standards and new interpretations are mandatory applied in the presented period, though they have no impact on the financial statements of the Bank since they are not relevant to its operations:

- IAS 21 (Revised), Net Investment in a Foreign Operation,
- IAS 39 (Revised), Cash Flow Hedges in Intercompany Transactions,
- IFRS 1 (Revised), First Time Adoption of International Financial Reporting Standards
- IFRS 6 (Revised) Exploration for and Evaluation of Mineral Resources,
- IFRIC 5, Rights to Interest Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds,
- IFRIC 6, Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment.

New IFRSs, amendments and interpretations due from 1st January 2007

As at the date of approval of the financial statements, the following standards and interpretations have been issued that are effective from 1.1.2007 and have not been applied in the aforementioned financial statements:

IFRS 7 Financial Instruments: Disclosures:

IFRS 7 introduces new disclosures aimed at improving the reporting concerning the financial instruments. It replaces IAS 30 “Disclosures in the Financial Statements of Banks and Similar Financial Institutions” as well as all the requirements of IAS 32 referring to disclosures, which is renamed “Financial Instruments: Disclosure and Presentation.”. The new Standard requires two categories of disclosures, on one hand – disclosures of financial instruments used by the Entity and their impact on the financial statements, and, on the other hand - disclosures of financial risks. It introduces new disclosures of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk.

The new Standard is applied by the Bank from 1 January 2007 and is expected to amend the form and the extent of reporting provided concerning financial risks.

- IAS 1 Presentation of Financial Statements: Disclosures concerning the capital (effective from 1 January 2007):

IAS 1 introduces new disclosures concerning the size and way of management of the entity’s capital.

The Bank applies the particular revision, which has an impact only on the extent of the disclosures provided, from 1 January 2007.

- IFRS 8 Operating Segments (effective from 1 January 2009):
- IFRIC 7 Applying the Restatement Approach under IAS 29 , Financial Reporting in Hyperinflationary Economies (effective for periods starting from 1 March 2006):
- IFRIC 8 Scope of IFRS 2 (effective for periods starting from 1 May 2006):
- IFRIC 9 Reassessment of Embedded Derivatives (effective for periods starting from 1 June 2006):
- IFRIC 10, Interim Financial Reporting and Impairment (effective for periods starting from 1November 2006)
- IFRIC 11, IFRS 2: Group and Treasury Share Transactions (effective for periods starting from 1March 2007)
- IFRIC 12 Service Concession Arrangements (effective for periods starting from 1 January 2008)

2.2 Consolidation

The consolidated financial statements as at 31 December 2006 include the financial statements of the Bank and its subsidiary, Mutual Fund Company PSB – ELTA. The Bank does not hold directly or indirectly more than 50% of the voting rights, neither has significant influence in other entities.

Increase of participation percentage in "Postal Savings – Greek ELTA Mutual Fund Management Company" in 2006

According to law 3283/2004 (article 5, paragr. 1), OFFICIAL JOURNAL OF THE HELLENIC REPUBLIC A' 210/2-11-2004 and in the frame of implementing the commitments/ declarations of the Bank's management, that had been included in the offering memorandum for the IPO on the Athens Exchange, on the 4th of August 2006 1% of the equity capital, amounting to 2.100 common shares (cost of €34.028), of the Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A. to the Bank, owned by "Greek Posts S.A." was transferred to the Bank.

As a result of this transfer, the total participation of the Postal Savings Bank Greece S.A. in the share capital of Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A. reached the percentage of 51%, while the share of Greek Posts descended to 49%. In addition, in the share capital increase of the mutual funds management company "Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A.", the Bank will participate with its new percentage ownership of 51%, by acquiring 5.610 new common shares.

2.2.1 Consolidation Basis

As at 31 December 2005 the Bank consolidates its associate entity "Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A.", in which the Bank has significant influence but not control and its holding represents 50% of voting rights. Investments in associates are initially recorded at acquisition cost on the date of acquisition and then are accounted for using the equity method in the consolidated financial statements

On the contrary, as at 31 December 2006, due to the increase of the percentage of the participation of the Bank to the entity "The Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A." from 50% in 51%, it is consolidated with the full consolidation method for period 1/1/2006-31/12/2006, while in the respectively previous period it had been consolidated with the Equity Method.

2.3 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.3.1 Initial Recognition

The Group records all of its financial assets and liabilities including derivative financial instruments in the Balance Sheet. The acquisition of financial instruments is recognized on the date of transaction, which is also the date on which the Group is bind to acquire the instrument. When a financial asset or financial liability is recognized initially, an entity shall measure it at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

2.3.2 Classification and Financial Asset Measurement

The Group's financial instruments are classified in the categories described below according to the substance of the contract and the strategic objective of their acquisition.

i) Financial assets at fair value through Profit & Loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions

- Financial assets that are classified as held for trading. These assets are securities that are acquired with the objective of realizing profits from short-term changes in prices, including derivatives, except for derivatives that are designated and effective hedging instruments.

-Financial asset at fair value through profit or loss .Upon initial recognition the Bank may designate any financial asset as at fair value through profit or loss except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, when either:

a) It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or
b) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel, for example the board of Directors and chief officer.

-Derivatives meet the definition of this category, though in the Balance Sheet they are presented separately under the account "Derivatives".

ii) Loans and Receivables

Include non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. Loans and other claims are measured at amortized cost using the effective interest method.

Loans and other claims are assessed at each balance sheet date in order to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. An asset is impaired when its carrying value exceeds the net present value of its expected recoverable amount. If any such evidence exists, the entity calculates the recoverable amount of that financial asset or group of financial assets in order to determine the amount of any impairment loss which is then recognized through Profit & Loss. The impairment loss is the difference between the carrying and the net present value of its expected recoverable amount.

An impairment loss is incurred if, and only if, there is objective evidence that the Group will not recover all amounts due according to the terms of the contracts. Objective evidence that a financial asset or group of assets is impaired or is not recoverable are the following:

(i) significant financial difficulty of the borrower;

(ii) a breach of contract, (such as a default or delinquency in interest or principal payments);

(iii) the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

(iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

(v) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

- adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments or an increased number of credit card borrowers who have reached their credit limit and are paying the minimum monthly amount); or
- national or local economic conditions that correlate with defaults on the assets in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, or adverse changes in industry conditions that affect the borrowers in the group)

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

The impairment losses are reversed in subsequent periods, if the increase of the expected recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the financial asset will not exceed the amortized cost if the impairment was never recognized.

In the Group’s Balance Sheet the financial assets of this category are included in the “Loans and advances to customers” account.

iii) Investments Held-to-Maturity

These include non-derivative financial assets with fixed or determinable payments and specified maturity date. The Group has the ability and intention to hold these investments up to maturity.

The Held-to-Maturity portfolio, which is kept up to the maturity date, is carried at amortized cost using the effective interest method, less any accumulated impairment in value. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount for the impairment loss for assets carried at amortized cost is calculated as the difference between the asset’s carrying amount and the present value of expected future cash flows discounted at the financial asset’s effective interest rate. Impairment losses are recognized in the Profit & Loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed as long as after the reversal the carrying amount of the financial asset does not exceed the amortized cost that would have been had the impairment not been recognized at the date the impairment is reversed.

If part of the Held-to-Maturity portfolio is sold or reclassified before the maturity date (unless IAS 39 criteria are met), then the Group cannot classify any financial assets as Held-to-Maturity for the current year and the next 2 years.
In the Group Balance Sheet the Held-to-Maturity portfolio is included in the “Investments Held to Maturity”.

iv) Available for sale portfolio

This portfolio includes non-derivative financial assets, which are either classified in this category or cannot be classified in any of the portfolios mentioned above. These financial assets may be sold according to liquidity needs or changes in interest rates or prices.

Financial assets of the available for sale portfolio are initially recognized at cost (including transaction costs) and then carried at fair value. After initial recognition the entity measures the available for sale portfolio financial assets at their fair values. The non-realized gains or losses arising from changes in the fair value of securities classified as available for sale are recognized directly in equity up to the point where the financial assets are sold or if there is evidence of impairment, in which case the profit or loss is recognized in the Group Income Statement.

Impairment losses that have been recognized in the Income Statement are not reversed through the Income Statement.

In the Group Balance Sheet the Held-to-Maturity portfolio is included in the “Investments Available For Sale”.

2.3.3 Measurement of Financial Liabilities

The Group’s financial liabilities include mostly customer deposits and intra-group deposits. Financial liabilities are initially recognized at their acquisition cost which is the fair value of cash or other financial assets paid. After their initial recognition they are measured using the effective rate method. Interest expenses are recognized in the Profit and Loss account of the period under consideration.

2.3.4 Derivatives and Hedging

The Group uses derivatives for its own benefit, with the purpose of realizing profits and for the benefits of its clients.
The derivatives traded by the Group include mostly Interest Rate Swaps.

All derivatives are initially measured at fair value at the date of the contract. After initial recognition, at each balance sheet, are measured at their fair values. The changes in fair values of derivatives are recognized in the financial results of the fiscal year when they arise.

The derivatives are depicted as assets when their expected fair value is positive and as liabilities when their expected fair value is negative.

Derivatives’ categorization:

i) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract — with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The Group’s embedded derivatives concern mainly corporate bonds with embedded rights to convert into stocks.

An embedded derivative shall be separated from the host contract and accounted for as a derivative if, and only if:

(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 recognized in profit or loss (i.e., a derivative that is embedded in a financial asset or financial liability at fair value through profit or loss is not separated).

If an embedded derivative is separated, it is valued at fair value with the profit or loss of valuation being recognized in the financial results of the fiscal year, while the host instrument is accounted for according to the category in which it is included (e.g. Assets held for sale).

In the Case the Group is planning to use an embedded derivative for commercial use, then the value of the embedded derivative is not separated from the value of the host contract, but categorizes the hybrid (complex) instrument in the trading portfolio and values it at fair value with the total change in its price to be recognized in the income statement of the fiscal year. The same accounting treatment is followed in the case where it is impossible to value specifically the embedded derivative, either when initially recognized or subsequently.

ii) *Hedge Accounting*

The Bank also uses derivatives for the hedging of risks that come from the change in interest rates and foreign exchange. The Bank utilizes fair value hedge accounting or cash flow hedge accounting for derivatives that fulfil the relevant requirements. For derivatives that do not fulfill the requirements for hedge accounting, profits or losses that arise from changes in fair value are transferred to the income statement.

A hedging relationship for hedging purposes exists when:

(a) At the inception of the hedge there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.

(b) The hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship.

(c) For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect profit or loss.

(d) The effectiveness of the hedge can be reliably measured,

(e) The hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

If a fair value hedge meets the above conditions during the period, the gain or loss from remeasuring the hedging instrument at fair value, are recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss, regardless of the classification of the financial asset (e.g. Financial assets available for sale).

If a cash flow hedge meets the above conditions during the period, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized directly in equity through the statement of changes in equity and the ineffective portion of the gain or loss on the hedging instrument shall be recognized in profit or loss. Income or expenses arising from cash flows, which are hedged by the derivative (including cash flows that have not been materialized at the inception of the hedging relationship), are recognized in the income statement along with the respective gains or losses of the hedging instrument, that had been recognized directly to reserves up to the date of the cash flows.

Hedge accounting is discontinued when the hedged medium expires or is sold, terminated or exercised, or when the hedge no longer meets the criteria for hedge accounting. In this case, the cumulative gain or loss on the hedging instrument that remains recognized directly in equity from the period when the hedge was effective shall remain separately recognized in equity until the forecast transaction occurs. When the transaction occurs, the cumulative gain or loss recognized directly in equity shall be transferred in the income statement.

2.3.5 Fair Value attributing methods

The fair values of financial assets traded on organized markets is determined on a case by case basis using prices provided by the specific markets, securities traders or future cash flow discounting models. For non traded assets the fair values are specified by the use of valuation techniques as the recent transaction analysis, comparable trading items, derivative valuation models and discounted cash flows.

Wherever valuation models are used, the data used are based on relevant market measurements (interest rates, stock prices etc) on the date of the balance sheet. In case discounted cash flows are used, the expected future cash flows are based on the best estimated of the Management and the discount rate is the market rate for an asset with the same characteristics and risk.

For shares not traded in an active market whose fair value can not be reliably estimated as well as the derivates which are related with those shares are valued at their historic cost.

2.3.6 Derecognition

A financial asset is derecognized whenever the Group looses control of the contractual rights to the cash flows from the financial asset. This is the case when the rights expire or are being transferred and the Bank has substantially transferred all the risks and the rewards of ownership of the asset.

Financial obligations are derecognized when the obligation to pay cash or transfer other financial assets is extinguished.

2.3.7 Offsetting

A financial asset and a financial liability is offseted and the net amount is presented in the balance sheet when, and only when, the Bank currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.3.8 Sale and Repurchase Agreements

The Group engages in sales of instruments based on repurchase agreements of its own instruments at a future fixed price.

Those instruments that are sold on the terms of being repurchased (repos) are not derecognized from the balance sheet but continue to be valued according to their classification (trading portfolio or available for sale). The amounts received are recognized on the balance sheet as obligations and are valued on their amortized cost using the effective interest rate method.

2.4 Conversion into Foreign Currency

The consolidated and stand alone financial statements are presented in Euro, which is the functional and presentation currency of the Bank and its subsidiary.
The assets and liabilities of the financial statements are converted into euros and the foreign exchange rates of the balance sheet date
Transactions in foreign currencies are converted into functional currency using the exchange rates as of the dates of the transactions. Gains and losses from currency translation differences that derive from such transactions and from the conversion of assets and liabilities denominated in foreign currencies into the functional currency using the exchange rates on the balance sheet date, are transferred to the income statement.

2.5 Tangible Assets

Fixed assets used for rendering services or administration purposes are presented on the financial statements at historic cost, less accumulated depreciation and any accumulated impairments losses. The historic cost includes all direct costs for the purchase of the assets. Especially, the property of the Bank was evaluated at their fair value on 31-12-2003 by independent evaluators (article 9, L.2190/1920) according to L.3082/2002, Chapter H, Article 3, para 3, which has been considered to be deemed cost according to IFRS 1.
Subsequent costs are added to the book value of the fixed assets or as separate assets only to the extend that these costs increase future economic benefits that are estimated to arise from the use of the asset and their cost can be reliably measured. The costs of repair and maintenance is transferred to the income statements whenever incurred.

The depreciation of other fixed assets (except land that is not depreciable) is calculated with the straight line method during the useful life of the asset, as follows:

Buildings	50-60	Years
Mechanical Equipment	7	Years
Electrical Equipment	3-4	Years
Means of Transport	8	Years
Furniture	5	Years

The residual values and the useful lives of the fixed assets are revalued on each balance sheet date. When the carrying values of the fixed assets exceed their recoverable value, the difference (impairment) is recognized immediately as an expense in the income statement.
At the sale of the fixed assets, the differences between the consideration received and the carrying value is recognized to the income statement. Repair and maintenance expenses are accounted for in their relevant fiscal years.

2.6 Intangible Assets

The intangible assets include the Bank's computer software.
The intangible assets are evaluated at historic cost less accumulated amortization. Intangible asses are amortized using the straight-line method over their useful lives, not exceeding period of 7 years.
Software maintenance costs are expensed as incurred. Expenditure which enhance or extend the performance of computer software programs beyond their original specifications is recognized as a capital improvement and added to the original cost of the software, provided that it can be reliably measured.

2.7 Repossessed Assets

Repossessed assets mainly include property which are acquired by the Bank through the process of auction due to forced liquidation of collaterals securing loans. The specific items, are initially recognized in the cost of acquisition, including transactions costs, and are included in "Other Assets" in the balance sheet. In subsequent periods, they are measured at the lower value between carrying and recoverable value (recoverable value is the fair value of the asset less any costs to dispose). Gains or losses from disposal of repossessed assets, are accounted in "Other Operating Income" in the income statement.

2.8 Impairment of Tangible and Intangible Assets

On each balance sheet date the Group examines the book value of the tangible and intangible assets to determine whether there is an indication for impairment. The recoverable value of the asset is then calculated. When it is not possible to estimate the recoverable value of a specific asset, the Group estimates the recoverable value of the cash flow generating unit, to which the asset belongs. The recoverable value is the greater amount between the net sale price and the value in use. For the calculation of the value in use of the asset, the estimated future cash flows are discounted to their present value.
If the recoverable amount of an asset (or a cash flow generating unit) is estimated to be less than its carrying value, the carrying value of the asset (or the cash flow generating unit) is reduced to the recoverable amount. An impairment loss is immediately recognized in the income statement as an expense.
If, subsequently, an impairment loss reverses, the carrying value of the asset (or the cash flow generating unit) increases up to the lower between the revised estimated recoverable value and the carrying value of the asset if no impairment loss had been recognized (or the cash flow generating unit) in prior periods. The reversal of the impairment loss is recognized in the income statement.

2.9 Leases

Leases are classified as finance leases when, according to the terms of lease, the risks and rewards of ownership of the asset are transferred to the lessee. All other leases are classified as operating leases.

The payments for operating leases (net from incentives offered from the lessor) are recognized in the income statement on a straight line basis throughout the duration of the lease. Currently, all the Bank's leases are classified as operational leases.

2.10 Cash and Cash Equivalents

For the purposes of Cash Flow Statement, cash and cash equivalents include balances of "Cash and Balances with Central Bank" and "Due from Banks" with maturities less than three months form the first day of their acquisition (initial acquisition) .

2.11 Income and Deferred Taxes

The burden of the results of the fiscal year with income tax includes the current tax and the deferred tax, that is, the tax or the tax relief that are related to the economic benefits that arise during the fiscal year but have already been accounted for or will be accounted by the tax authorities in different fiscal years. Income tax is recognized in the income statement of the fiscal year, except for the tax that relates to transactions that were recognized directly to equity, in which case it is also recognized directly in equity.

At this point it is worth noting that the taxable profit differs from the profit reported on the income statement as it does not include temporary taxable or allowable differences as well as balances which are permanent differences or are tax exempt.

Current taxes are accounted for according to the tax rates and the tax laws that are used in fiscal years with which they are relevant, based on the taxable for the year.

Deferred taxation is calculated with the balance sheet method and is recognized for all temporary differences between accounting and tax base of assets and liabilities. Liabilities from deferred taxation is generally recognized for all the temporary tax differences. Deferred tax assets are recognized to the extend at which there will be enough future taxable profits to utilize the temporary difference that creates the deferred tax asset. Deferred tax is not recognized when it derives from the original recognition of an asset or a liability in a transaction, apart from a business merger, that did not affect neither accounting profit nor tax profit, when the transaction occurred. The book value of the deferred tax asset is examined on every balance sheet date and is reduced to the extend that it is not likely that adequate available taxable profit will exist to utilize recovery of the asset (wholly or in part). The deferred tax assets and liabilities are calculated based on the tax rates that are expected to be applied in the fiscal year when it is estimated that the asset or liability will be settled, taking in mind the tax rates (and tax laws) that have been put in effect or effectively apply up to the date of the balance sheet.

Deferred tax assets and liabilities are offseted when the Bank has a legally enforceable right to set off current tax assets against current tax liabilities and when those are related with income taxes levied from the same tax authority and furthermore, the Group is willing to settle current tax liabilities and assets on a net basis. Deferred taxation is recognized as an expense or income in the income statement, with the exception of cases where the deferred tax is recognized directly to equity, when it relates to items directly recognized in the Equity.

2.12 Employee Benefits

Short – term benefits: The short-term employee benefits (except for the post employment benefits) in money and in kind are recognized as an expense when they are considered accrued.
Unpaid amounts are recognized as a liability, while in the case where the amount already paid exceeds the amount of the benefits, the Group recognizes the excess amount as an asset (pre-paid expense) only to the extend that the prepayment will lead to a reduction of future payments or in refund.

Cost of Post Employment benefits

The contributions to defined contribution plans, are expensed when they become payable. The contribution to state programs or pension organizations are treated like contributions to defined contribution plans, when the Group's obligations towards those Organizations are similar to those that derive from a defined contribution plan.
For defined benefit plans, the cost of those benefits is estimated using the projected credit unit method, based on actuarial studies' estimates, which take place on every balance sheet date. The actuarial gains or losses that exceed 10% of the highest between the present value of the defined benefit obligation of the Group and the fair value of any plan assets are depreciated in the expected average of the residual working life of the participating employees. Past service cost is recognized immediately to the extend those benefits are already vested. In other cases, they are depreciated on a different basis, i.e. in the average vesting period of those benefits.
The defined benefit liability recognized on the balance sheet represents the present value of the defined benefit obligation plus any unrecognized actuarial gains or losses, minus the unrecognized past service cost, minus the fair value of the plan assets. Any asset that comes from the relevant calculation is limited to the non recognized actuarial losses and the cost of previous working experience, plus the present value of the available returns and the decrease in the future contribution to the program.

2.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are calculated on the basis of the best estimate of the Board of Directors, overviewed on the balance sheet date and are adjusted to represent the present value of the expense which is expected to settle an obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of the outflow resource with potential financial benefit is remote. Contingent assets are not recognized in the financial statements but are disclosed if the inflow of economic is probable.

2.14 Revenue Recognition

The Group's revenue mainly includes interest income from loans and interest bearing securities, commissions from portfolio management, letters of guarantee, currency transactions and other banking activities, income from dividends and other income. Any intercompany revenue is eliminated on consolidation.

Revenue recognition policies are as follows:

i) Interest Income

Interest income refers to all the interest bearing balance sheet items and are recognized on accruals basis, using the effective interest method with the basis of the calculation being the acquisition cost. Interest income includes the coupons from fixed interest securities and trading securities, the accrued premium/discount of government and similar securities as well as the interest of loans/placements.

ii) Income from commissions

Income from fees and commissions are recognized depending on the stage of completion of the services rendered in order to match the related to the costs, while those related to the undertaking of credit risk are charged in the income statement on a systematic basis during the period within which the risk exists as it is incorporated in the effective interest rate method calculation.

iii) Income from dividends and securities

Income from dividends are realized when the right to collect is constituted. Gains from securities are recognized upon their sale.

2.15 Dividends Distribution

The distribution of dividends to the shareholders of the Bank is recognized as liability in the financial statements on the date that the distribution is approved by the General Meeting of the shareholders.

2.16 Segment Reporting

A segment is defined as a group of assets and operations that provide products and services, that are subject to risks and rewards different from those of other segments.

A geographical segment is a geographical area where products and services provided are subject to risks and rewards different from those of other areas. The Bank's activities take place exclusively in Greece.

During period 2005, the Bank had not divided its activities in different business segments as its activities were entirely related to the banking sector. In period 2006, The Group has recognized the following reporting segments:

1) Retail Banking: The segment comprises the total of private individuals. Via the network of its branches and the alternative network of ELTA shops, the Bank provides its clients with a range of mortgage and consumption credit products, credit cards and deposit products.

2) Corporate: This segment comprises public companies. The Bank provides loans to the customers of this segment and has not issued letter of credit. This segment is not a strategic activity for the Bank, since it derives from the prior Public Service and such kind of loans are not provided anymore.

3) Treasury: This segment comprises the Bank's capital management, Bank's securities and treasury services management. The financial products in which the Bank invests are mainly bonds, derivative products, shares listed in both Athens Stock Exchange and foreign stock exchanges and foreign currency transactions.

The above change in business segments is applied retrospectively from 1 January 2005, thus providing comparative data for period 2006.

3. Critical accounting policies, estimates and judgments

3.1 Critical accounting policies and estimates

The preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make a number of judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses in consolidated and stand alone Financial Statements and the accompanying notes. The Bank's management believes that the judgments, estimates and assumptions used in the preparation of the Financial Statements are appropriate given the factual circumstances as of 31 December 2006.
Various elements of the Bank's accounting policies, by their nature, are inherently subject to estimations, valuation assumptions and other subjective assessments. In particular, the Bank has identified five accounting policies which, due to the judgments, estimates and assumptions inherent in those policies, and the sensitivity of the financial statements to those judgments, estimates and assumptions, are critical to understanding the financial statements.

3.1.1 Recognition and measurement of financial instruments at fair value

Assets and liabilities that are classified as held for trading purposes are recorded at fair value on the balance sheet date, with changes in fair value reflected in "financial operation results". For listed financial instruments, fair value is based on quoted market prices for the specific instrument. Where no active market exists, or where quoted prices are not otherwise available, fair value is determined using a variety of valuation techniques. These include present value methods, models based on observable input parameters, and models where some of the input parameters are unobservable. Valuation methods are used primarily to value derivatives transacted in the over-the-counter market and periodically reviewed thereafter. All valuation models are validated before they are used as a basis for financial reporting. Although a significant degree of judgment is, in some cases, required in establishing fair values, management believes that the fair values recorded in the balance sheet and the changes in fair values recorded in the income statement are prudent and reflective of the underlying economics, based on the controls and procedural safeguards employed.

3.1.2 Allowance for loan losses

The amount of the allowance provided for loan losses is based upon management's ongoing assessments of the probable estimated losses in the loan portfolio. The accuracy of the allowances provided depends on management's estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances. While this necessarily involves judgment, the Bank's management believes that the allowances are reasonable and supportable.

3.1.3 Retirement benefit obligations

The defined benefit obligation is actuarially determined using assumed discount rates and assumed rates of compensation increase. These assumptions are ultimately determined by reviewing the Bank's salary increases each year.

3.1.4 Useful lives of depreciable assets

The management of the Bank determines the estimated useful lives and related depreciation charges for its property and other equipment. The Bank's estimate is based on the projected operating life cycle of its buildings and other depreciable assets such as furniture and other equipment, motor vehicles, hardware and other equipment and it could not change significantly. However, management will change the depreciation charge where useful lives are turned to be different than previously estimated lives or it will write down or write-off obsolete assets.

3.2 Critical Accounting Judgments

3.2.1. Held to maturity investments

The Bank follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification is based on the Bank's evaluation of its intention and ability to hold such investment to maturity.

3.2.2 Impairment for available-for-sale financial assets

The Bank follows the IAS 39 guidance on determining when an investment is other than temporarily impaired. This determination requires judgment and the Bank evaluates the duration and extent to which the fair value of an investment is lower than its cost. Additionally, the financial position and short-term business perspective of the investor, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

3.2.3 Income Taxes

Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Bank recognizes liabilities for anticipated differences due to a tax audit from tax authorities based on estimates of whether additional taxes will be imposed. In case the final payable taxes are different from the amounts that were initially recorded, such differences will affect, through the income statement, current and deferred income tax provision in the respective period.

4. Financial Risk Management

4.1 Credit Risk

Credit risk from loans derives from borrowers' inability to repay their debt, part or in whole, according to contractual repayment schedule.
The majority of loans concerns mortgage loans, representing 67,79% of the group’s total outstanding loans. Loans to public sector represent 4,27% of the group’s balance, while consumer loans and loans given to personnel represents 25,30% and the remaining balance of 2,64 % relates to credit cards.

Group’s management gives great importance in the adequate management of credit risk by evaluating the credit worthiness of each counterparty.
In order to achieve the above target, Group’s management have set in place the necessary structures and procedures.

4.2 Market Risk

Market risk is the risk of a loss in various portfolios of the Group due to adverse changes in the prices of the related assets. Such portfolios include equities and financial indices, interest rates, commodities, currencies, etc.

4.3 Currency Risk

Foreign currency risk is the investment risk deriving from unfavorable currency rate changes, when the Group holds open foreign exchange positions.

Management has set specific maximum currency exposure limits for intra-day and daily currency positions. Currency exposure limits are daily monitored.

The Group's open foreign exchange positions for the years ended on December 31, 2005 and 2006 were as follows:

Currency Risk at 31/12/2005 company	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with central bank	17.358,65	14,57	1.408,14	1.363,26	-	6.250,38	191.239.684,14	191.266.079,14
Receivables to Credit Institutions	12.288.743,35	453.411,28	643.681,04	124.068,50	226.126,75	471.040,91	1.235.055.652,50	1.249.262.724,33
Trading Securities and other Financial assets at fair value through profit & loss	-	-	-	-	-	-	1.593.121.669,08	1.593.121.669,08
Derivative financial instruments	-	-	-	-	-	-	810.147,80	810.147,80
Loans & advances to customers	-	-	-	-	-	-	3.044.667.020,61	3.044.667.020,61
Minus :Provisions	-	-	-	-	-	-	(31.365.743,79)	(31.365.743,79)
Investments Available for Sale	1.800.045,56	-	-	-	-	-	4.617.112.304,96	4.618.912.350,52
Investments Held to Maturity	-	-	-	-	-	-	491.871.117,75	491.871.117,75
Investments in Associated Undertaking	-	-	-	-	-	-	1.050.000,00	1.050.000,00
Tangible Assets	-	-	-	-	-	-	110.750.791,08	110.750.791,08
Intangible Assets	-	-	-	-	-	-	10.970.975,17	10.970.975,17
Deferred Tax Asset	-	-	-	-	-	-	36.224.148,01	36.224.148,01
Other Assets	56.908,81	852,08	1.599,34	308,53	675,66	2.561,86	247.503.118,11	247.566.024,39
Total Assets	**14.163.056,37**	**454.277,93**	**646.688,52**	**125.740,29**	**226.802,41**	**479.853,15**	**11.549.010.885,42**	**11.565.107.304,09**
Currency Risk concerning Liabilities								
Cash and balances due to Customers	6.475.526,73	258.441,87	366.263,32	99.518,66	178.884,38	156.369,94	9.946.303.760,30	9.953.838.765,20
Derivative financial instruments	-	-	-	-	-	-	66.626.004,60	66.626.004,60
Deferred Tax Liabilities	-	-	-	-	-	-	67.737.773,28	67.737.773,28
Employement Benefit Obligations	-	-	-	-	-	-	17.952.698,00	17.952.698,00
Other Liabilities	34.569,52	750,81	1.094,15	249,80	603,45	2.012,85	593.473.289,57	593.512.570,15
Total Liabilities	**6.510.096,25**	**259.192,68**	**367.357,47**	**99.768,46**	**179.487,83**	**158.382,79**	**10.692.093.525,75**	**10.699.667.811,23**
Net on balance sheet position	**7.652.960,12**	**195.085,25**	**279.331,05**	**25.971,83**	**47.314,58**	**321.470,36**	**856.917.359,67**	**865.439.492,86**

Currency Risk at 31/12/2005 consolidated

	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with central bank	17.358,65	14,57	1.408,14	1.363,26	-	6.250,38	191.239.684,14	191.266.079,14
Receivables to Credit Institutions	12.288.743,35	453.411,28	643.681,04	124.068,50	226.126,75	471.040,91	1.235.055.652,50	1.249.262.724,33
Trading Securities and other Financial assets at fair value through profit & loss	-	-	-	-	-	-	1.593.121.669,08	1.593.121.669,08
Derivative financial instruments	-	-	-	-	-	-	810.147,80	810.147,80
Loans & advances to customers	-	-	-	-	-	-	3.044.667.020,61	3.044.667.020,61
Minus :Provisions	-	-	-	-	-	-	(31.365.743,79)	(31.365.743,79)
Investments Available for Sale	1.800.045,56	-	-	-	-	-	4.617.112.304,96	4.618.912.350,52
Investments Held to Maturity	-	-	-	-	-	-	491.871.117,75	491.871.117,75
Investments in Associated Undertaking	-	-	-	-	-	-	537.561,05	537.561,05
Tangible Assets	-	-	-	-	-	-	110.750.791,08	110.750.791,08
Intangible Assets	-	-	-	-	-	-	10.970.975,17	10.970.975,17
Deferred Tax Asset	-	-	-	-	-	-	36.224.148,01	36.224.148,01
Other Assets	56.908,81	852,08	1.599,34	308,53	675,66	2.561,86	247.503.118,11	247.566.024,39
Total Assets	**14.163.056,37**	**454.277,93**	**646.688,52**	**125.740,29**	**226.802,41**	**479.853,15**	**11.548.498.446,47**	**11.564.594.865,14**
Currency Risk concerning Liabilities								
Cash and balances due to Customers	6.475.526,73	258.441,87	366.263,32	99.518,66	178.884,38	156.369,94	9.946.303.760,30	9.953.838.765,20
Derivative financial instruments	-	-	-	-	-	-	66.626.004,60	66.626.004,60
Deferred Tax Liabilities	-	-	-	-	-	-	67.737.773,28	67.737.773,28
Employement Benefit Obligations	-	-	-	-	-	-	17.952.698,00	17.952.698,00
Other Liabilities	34.569,52	750,81	1.094,15	249,80	603,45	2.012,85	593.473.289,57	593.512.570,15
Total Liabilities	**6.510.096,25**	**259.192,68**	**367.357,47**	**99.768,46**	**179.487,83**	**158.382,79**	**10.692.093.525,75**	**10.699.667.811,23**
Net on balance sheet position	**7.652.960,12**	**195.085,25**	**279.331,05**	**25.971,83**	**47.314,58**	**321.470,36**	**856.404.920,72**	**864.927.053,91**

Currency Risk at 31/12/2006 company

	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with central bank	11.795,54	2.189,15	4.278,48	360,94	221,23	11.081,29	148.832.193,15	148.862.119,78
Receivables to Credit Institutions	1.702.290,21	834.912,20	737.384,53	131.256,54	185.335,59	544.192,04	753.358.927,78	757.494.298,89
Trading Securities and other Financial assets at fair value through profit & loss	-	-	-	-	-	-	1.615.792.844,10	1.615.792.844,10
Derivative financial instruments	-	-	-	-	-	-	11.759.320,59	11.759.320,59
Loans & advances to customers	-	-	-	-	-	-	4.862.810.650,94	4.862.810.650,94
Minus :Provisions	-	-	-	-	-	-	(60.028.248,00)	(60.028.248,00)
Investments Available for Sale	1.151.794,06	-	-	-	-	-	4.095.886.814,47	4.097.038.608,53
Investments Held to Maturity	-	-	-	-	-	-	490.183.271,81	490.183.271,81
Investments in Associated Undertaking	-	-	-	-	-	-	1.139.028,00	1.139.028,00
Tangible Assets	-	-	-	-	-	-	111.632.863,03	111.632.863,03
Intangible Assets	-	-	-	-	-	-	11.306.861,55	11.306.861,55
Deferred Tax Asset	-	-	-	-	-	-	32.000.994,93	32.000.994,93
Other Assets	176.586,44	3.581,75	26.056,99	563,31	147,49	2.739,97	256.481.937,02	256.691.612,97
Total Assets	**3.042.466,25**	**840.683,10**	**767.720,00**	**132.180,79**	**185.704,31**	**558.013,30**	**12.331.157.459,37**	**12.336.684.227,12**
Currency Risk concerning Liabilities								
Liabilities due to credit institutions	-	-	-	-	-	-	500.000.000,00	500.000.000,00
Cash and balances due to Customers	7.142.919,29	611.214,71	435.116,00	97.221,29	187.255,33	149.636,69	10.717.335.684,96	10.725.959.048,27
Derivative financial instruments	-	-	-	-	-	-	2.457.449,58	2.457.449,58
Deferred Tax Liabilities	-	-	-	-	-	-	38.391.546,61	38.391.546,61
Employement Benefit Obligations	-	-	-	-	-	-	24.790.194,00	24.790.194,00
Other Liabilities	76.426,99	5.260,28	11.997,10	480,66	1.687,42	2.213,18	175.523.332,20	175.621.397,83
Total Liabilities	**7.219.346,28**	**616.474,99**	**447.113,10**	**97.701,95**	**188.942,75**	**151.849,87**	**11.458.498.207,35**	**11.467.219.636,29**
Net on balance sheet position	**(4.176.880,03)**	**224.208,11**	**320.606,90**	**34.478,84**	**(3.238,44)**	**406.163,43**	**872.659.252,02**	**869.464.590,83**

Currency Risk at 31/12/2006 consolidated								
	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with central bank	11.795,54	2.189,15	4.278,48	360,94	221,23	11.081,29	148.833.773,22	148.863.699,85
Receivables to Credit Institutions	1.702.290,21	834.912,20	737.384,53	131.256,54	185.335,59	544.192,04	753.735.029,21	757.870.400,32
Trading Securities and other Financial assets at fair value through profit & loss	-	-	-	-	-	-	1.616.362.239,26	1.616.362.239,26
Derivative financial instruments	-	-	-	-	-	-	11.759.320,59	11.759.320,59
Loans & advances to customers	-	-	-	-	-	-	4.862.810.650,94	4.862.810.650,94
Minus :Provisions	-	-	-	-	-	-	(60.028.248,00)	(60.028.248,00)
Investments Available for Sale	1.151.794,06	-	-	-	-	-	4.095.886.814,47	4.097.038.608,53
Investments Held to Maturity	-	-	-	-	-	-	490.183.271,81	490.183.271,81
Investments in Associated Undertaking	-	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	-	111.719.846,64	111.719.846,64
Intangible Assets	-	-	-	-	-	-	11.359.606,00	11.359.606,00
Deferred Tax Asset	-	-	-	-	-	-	32.000.994,93	32.000.994,93
Other Assets	176.586,44	3.581,75	26.056,99	563,31	147,49	2.739,97	256.549.827,97	256.759.503,92
Total Assets	**3.042.466,25**	**840.683,10**	**767.720,00**	**132.180,79**	**185.704,31**	**558.013,30**	**12.331.173.127,04**	**12.336.699.894,79**
Currency Risk concerning Liabilities								
Liabilities due to credit institutions	-	-	-	-	-	-	500.000.000,00	500.000.000,00
Cash and balances due to Customers	7.142.919,29	611.214,71	435.116,00	97.221,29	187.255,33	149.636,69	10.717.335.684,96	10.725.959.048,27
Derivative financial instruments	-	-	-	-	-	-	2.457.449,58	2.457.449,58
Deferred Tax Liabilities	-	-	-	-	-	-	38.396.584,91	38.396.584,91
Employement Benefit Obligations	-	-	-	-	-	-	24.806.177,00	24.806.177,00
Other Liabilities	76.426,99	5.260,28	11.997,10	480,66	1.687,42	2.213,18	175.561.402,91	175.659.468,54
Total Liabilities	**7.219.346,28**	**616.474,99**	**447.113,10**	**97.701,95**	**188.942,75**	**151.849,87**	**11.458.557.299,36**	**11.467.278.728,30**
Net on balance sheet position	**(4.176.880,03)**	**224.208,11**	**320.606,90**	**34.478,84**	**(3.238,44)**	**406.163,43**	**872.615.827,68**	**869.421.166,49**

4.4 Interest Rate Risk

Interest rate risk is the risk due to adverse movements in interest rates.

Interest Rate Risk 31/12/2005 company							
	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	191.266.079,14	-	-	-	-	-	191.266.079,14
Cash and advances to Credit Institutions	902.837.802,74	234.655.108,54	111.769.813,05	-	-	-	1.249.262.724,33
Trading Securities and other Financial assets at fair value through profit and loss	15.000.000,00	139.753.853,00	535.788.145,80	499.551.979,22	251.429.268,72	151.598.422,34	1.593.121.669,08
Derivative Financial instruments	-	-	-	454.534,89	355.612,91	-	810.147,80
Loans and Advances to Customers	-	58.184.905,89	167.895.490,53	619.444.103,58	2.199.142.520,61	-	3.044.667.020,61
Minus :Provisions						(31.365.743,79)	(31.365.743,79)
Investments Available for Sale	19.990,01	1.239.746.728,79	100.285.105,37	2.813.111.422,47	341.395.044,06	124.354.059,82	4.618.912.350,52
Investments Held to Maturity	-	-	491.871.117,75	-	-	-	491.871.117,75
Investments in Associated Undertaking						1.050.000,00	1.050.000,00
Tangible Assets						110.750.791,08	110.750.791,08
Intangible Assets						10.970.975,17	10.970.975,17
Deferred Tax Asset						36.224.148,01	36.224.148,01
Other Assets						247.566.024,39	247.566.024,39
Total Assets	**1.109.123.871,89**	**1.672.340.596,22**	**1.407.609.672,50**	**3.932.562.040,16**	**2.792.322.446,30**	**651.148.677,02**	**11.565.107.304,09**
Liabilities							
Cash and balances due to Customers	2.291.546.886,78	1.349.444.556,90	6.297.407.932,20	-	-	15.439.389,32	9.953.838.765,20
Derivative financial instruments	-	-	295.115,15	37.469.017,65	28.861.871,80	-	66.626.004,60
Deferred Tax Liabilities						67.737.773,28	67.737.773,28
Employement Benefit Obligations						17.952.698,00	17.952.698,00
Other Liabilities						593.512.570,15	593.512.570,15
Total Liabilities	**2.291.546.886,78**	**1.349.444.556,90**	**6.297.703.047,35**	**37.469.017,65**	**28.861.871,80**	**694.642.430,75**	**10.699.667.811,23**
Total Interest Sensitivity Gap	**(1.182.423.014,89)**	**322.896.039,32**	**(4.890.093.374,85)**	**3.895.093.022,51**	**2.763.460.574,50**	**(43.493.753,73)**	**865.439.492,86**

Interest Rate Risk 31/12/2005 consolidated

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	191.266.079,14	-	-	-	-	-	191.266.079,14
Cash and advances to Credit Institutions	902.837.802,74	234.655.108,54	111.769.813,05	-	-	-	1.249.262.724,33
Trading Securities and other Financial assets at fair value through profit and loss	15.000.000,00	139.753.853,00	535.788.145,80	499.551.979,22	251.429.268,72	151.598.422,34	1.593.121.669,08
Derivative Financial instruments	-	-	-	454.534,89	355.612,91	-	810.147,80
Loans and Advances to Customers	-	58.184.905,89	167.895.490,53	619.444.103,58	2.199.142.520,61	-	3.044.667.020,61
Minus :Provisions						(31.365.743,79)	(31.365.743,79)
Investments Available for Sale	19.990,01	1.239.746.728,79	100.285.105,37	2.813.111.422,47	341.395.044,06	124.354.059,82	4.618.912.350,52
Investments Held to Maturity	-	-	491.871.117,75	-	-	-	491.871.117,75
Investments in Associated Undertaking						537.561,05	537.561,05
Tangible Assets						110.750.791,08	110.750.791,08
Intangible Assets						10.970.975,17	10.970.975,17
Deferred Tax Asset						36.224.148,01	36.224.148,01
Other Assets						247.566.024,39	247.566.024,39
Total Assets	**1.109.123.871,89**	**1.672.340.596,22**	**1.407.609.672,50**	**3.932.562.040,16**	**2.792.322.446,30**	**650.636.238,07**	**11.564.594.865,14**
Liabilities							
Liabilities due to credit institutions							-
Cash and balances due to Customers	2.291.546.886,78	1.349.444.556,90	6.297.407.932,20	-	-	15.439.389,32	9.953.838.765,20
Derivative financial instruments	-	-	295.115,15	37.469.017,65	28.861.871,80	-	66.626.004,60
Deferred Tax Liabilities						67.737.773,28	67.737.773,28
Employement Benefit Obligations						17.952.698,00	17.952.698,00
Other Liabilities						593.512.570,15	593.512.570,15
Total Liabilities	**2.291.546.886,78**	**1.349.444.556,90**	**6.297.703.047,35**	**37.469.017,65**	**28.861.871,80**	**694.642.430,75**	**10.699.667.811,23**
Total Interest Sensitivity Gap	**(1.182.423.014,89)**	**322.896.039,32**	**(4.890.093.374,85)**	**3.895.093.022,51**	**2.763.460.574,50**	**(44.006.192,68)**	**864.927.053,91**

Interest Rate Risk 31/12/2006 company

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	148.862.119,78	-	-	-	-	-	148.862.119,78
Cash and advances to Credit Institutions	757.494.298,89	-	-	-	-	-	757.494.298,89
Trading Securities and other Financial assets at fair value through profit and loss	480.146.274,02	175.116.214,61	405.580.787,80	125.315.235,44	230.515.154,71	199.119.177,52	1.615.792.844,10
Derivative Financial instruments	304.660,50	1.813.094,32	9.641.565,77	-	-	-	11.759.320,59
Loans and Advances to Customers	2.520.203.260,54	201.580.173,55	313.055.531,32	1.651.962.078,28	176.009.607,25		4.862.810.650,94
Minus :Provisions						(60.028.248,00)	(60.028.248,00)
Investments Available for Sale	110.686.987,08	1.048.949.770,42	127.481.502,58	2.235.999.790,30	453.496.450,70	120.424.107,45	4.097.038.608,53
Investments Held to Maturity	-	-	490.183.271,81	-	-	-	490.183.271,81
Investments in Associated Undertaking	-	-	-	-	-	1.139.028,00	1.139.028,00
Tangible Assets	-	-	-	-	-	111.632.863,03	111.632.863,03
Intangible Assets	-	-	-	-	-	11.306.861,55	11.306.861,55
Deferred Tax Asset	-	-	-	-	-	32.000.994,93	32.000.994,93
Other Assets	-	-	-	-	-	256.691.612,97	256.691.612,97
Total Assets	**4.017.697.600,81**	**1.427.459.252,90**	**1.345.942.659,28**	**4.013.277.104,02**	**860.021.212,66**	**672.286.397,45**	**12.336.684.227,12**
Liabilities							
Liabilities due to credit institutions	500.000.000,00	-	-	-	-	-	500.000.000,00
Cash and balances due to Customers	8.209.077.766,52	313.840.918,06	2.203.040.363,69	-	-	-	10.725.959.048,27
Derivative financial instruments	490.172,19	1.409.271,49	558.005,90	-	-	-	2.457.449,58
Deferred Tax Liabilities	-	-	-	-	-	38.391.546,61	38.391.546,61
Employement Benefit Obligations	-	-	-	-	-	24.790.194,00	24.790.194,00
Other Liabilities	-	-	-	-	-	175.621.397,83	175.621.397,83
Total Liabilities	**8.709.567.938,71**	**315.250.189,55**	**2.203.598.369,59**	**-**	**-**	**238.803.138,44**	**11.467.219.636,29**
Total Interest Sensitivity Gap	**(4.691.870.337,90)**	**1.112.209.063,35**	**(857.655.710,31)**	**4.013.277.104,02**	**860.021.212,66**	**433.483.259,01**	**869.464.590,83**

Interest Rate Risk 31/12/2006 consolidated

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	148.863.699,85	-	-	-	-	-	148.863.699,85
Cash and advances to Credit Institutions	757.870.400,32	-	-	-	-	-	757.870.400,32
Trading Securities and other Financial assets at fair value through profit and loss	480.146.274,02	175.116.214,61	405.580.787,80	125.315.235,44	230.515.154,71	199.688.572,68	1.616.362.239,26
Derivative Financial instruments	304.660,50	1.813.094,32	9.641.565,77	-	-	-	11.759.320,59
Loans and Advances to Customers	2.520.203.260,54	201.580.173,55	313.055.531,32	1.651.962.078,28	176.009.607,25	-	4.862.810.650,94
Minus :Provisions						(60.028.248,00)	(60.028.248,00)
Investments Available for Sale	110.686.987,08	1.048.949.770,42	127.481.502,58	2.235.999.790,30	453.496.450,70	120.424.107,45	4.097.038.608,53
Investments Held to Maturity	-	-	490.183.271,81	-	-	-	490.183.271,81
Investments in Associated Undertaking	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	-	111.719.846,64	111.719.846,64
Intangible Assets	-	-	-	-	-	11.359.606,00	11.359.606,00
Deferred Tax Asset	-	-	-	-	-	32.000.994,93	32.000.994,93
Other Assets	-	-	-	-	-	256.759.503,92	256.759.503,92
Total Assets	**4.018.075.282,31**	**1.427.459.252,90**	**1.345.942.659,28**	**4.013.277.104,02**	**860.021.212,66**	**671.924.383,62**	**12.336.699.894,79**
Liabilities							
Liabilities due to credit institutions	500.000.000,00	-	-	-	-	-	500.000.000,00
Cash and balances due to Customers	8.209.077.766,52	313.840.918,06	2.203.040.363,69	-	-	-	10.725.959.048,27
Derivative financial instruments	490.172,19	1.409.271,49	558.005,90	-	-	-	2.457.449,58
Deferred Tax Liabilities	-	-	-	-	-	38.396.584,91	38.396.584,91
Employement Benefit Obligations	-	-	-	-	-	24.806.177,00	24.806.177,00
Other Liabilities	-	-	-	-	-	175.659.468,54	175.659.468,54
Total Liabilities	**8.709.567.938,71**	**315.250.189,55**	**2.203.598.369,59**	**-**	**-**	**238.862.230,45**	**11.467.278.728,30**
Total Interest Sensitivity Gap	**(4.691.492.656,40)**	**1.112.209.063,35**	**(857.655.710,31)**	**4.013.277.104,02**	**860.021.212,66**	**433.062.153,17**	**869.421.166,49**

4.5 Liquidity Risk

Liquidity risk is the risk of a financial institution which will not be able to meet its obligations as they become due, because of lack of the required liquidity.

Regarding the management of liquidity risk the Group classifies asset and liability elements to time bands according to the remaining period at balance sheet date in order to meet all of its payment obligations as they fall due. The table below analyses assets and liabilities based on the remaining period at balance sheet date to the contractual maturity date.

Liquidity Risk 31/12/2005 Company

Amounts in €	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Assets						
Cash and Balances in the Central Bank	191.266.079,14	-	-	-	-	191.266.079,14
Cash and advances to Credit Institutions	912.348.660,92	224.842.976,99	112.071.086,42	-	-	1.249.262.724,33
Trading Securities and other Financial assets at fair value through profit and loss	-	-	416.220.285,80	322.456.299,73	854.445.083,55	1.593.121.669,08
Derivative Financial instruments	-	-	-	454.534,89	355.612,91	810.147,80
Investments Available for Sale	-	298.697.118,79	67.003.935,50	2.528.351.994,37	1.724.859.301,86	4.618.912.350,52
Investments Held to Maturity	-	-	-	491.871.117,75	-	491.871.117,75
Loans and Advances to Customers	36.649.987,59	52.723.128,05	226.169.512,32	920.623.583,46	1.808.500.809,19	3.044.667.020,61
Minus :Provisions					(31.365.743,79)	(31.365.743,79)
Investments in Associated Undertaking	-	-	-	-	1.050.000,00	1.050.000,00
Tangible Assets					110.750.791,08	110.750.791,08
Intangible Assets					10.970.975,17	10.970.975,17
Deferred Tax Asset	-	-	2.502.567,98	16.274.131,44	17.447.448,59	36.224.148,01
Other Assets	251.278,28	806.330,75	258.879.278,79	-	(12.370.863,43)	247.566.024,39
Total Assets	**1.140.516.005,93**	**577.069.554,58**	**1.082.846.666,81**	**4.280.031.661,64**	**4.484.643.415,13**	**11.565.107.304,09**
Liquidity of Liabilities						
Cash and balances due to Customers	7.985.985.496,88	300.367.221,63	1.667.486.046,69	-	-	9.953.838.765,20
Derivative financial instruments	-	-	295.115,15	37.469.017,65	28.861.871,80	66.626.004,60
Deferred Tax Liabilities	-	3.621.963,15	812.481,17	32.166.375,12	31.136.953,84	67.737.773,28
Employement Benefit Obligations	-	-	-	359.053,96	17.593.644,04	17.952.698,00
Other Liabilities	250.864.179,89	23.396.311,12	316.663.974,16	2.561.754,98	26.350,00	593.512.570,15
Total Liabilities	**8.236.849.676,77**	**327.385.495,90**	**1.985.257.617,17**	**72.556.201,71**	**77.618.819,68**	**10.699.667.811,23**
Total Liquidity Gap	**(7.096.333.670,84)**	**249.684.058,68**	**(902.410.950,36)**	**4.207.475.459,93**	**4.407.024.595,45**	**865.439.492,86**

Liquidity Risk 31/12/2005 Consolidated

Amounts in €	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Liquidity of Assets						
Cash and Balances in the Central Bank	191.266.079,14	-	-	-	-	191.266.079,14
Cash and advances to Credit Institutions	912.348.660,92	224.842.976,99	112.071.086,42	-	-	1.249.262.724,33
Trading Securities and other Financial assets at fair value through profit and loss	-	-	416.220.285,80	322.456.299,73	854.445.083,55	1.593.121.669,08
Derivative Financial instruments	-	-	-	454.534,89	355.612,91	810.147,80
Investments Available for Sale	-	298.697.118,79	67.003.935,50	2.528.351.994,37	1.724.859.301,86	4.618.912.350,52
Investments Held to Maturity	-	-	-	491.871.117,75	-	491.871.117,75
Loans and Advances to Customers	36.649.987,59	52.723.128,05	226.169.512,32	920.623.583,46	1.808.500.809,19	3.044.667.020,61
Minus :Provisions	-	-	-	-	(31.365.743,79)	(31.365.743,79)
Investments in Associated Undertaking	-	-	-	-	537.561,05	537.561,05
Tangible Assets	-	-	-	-	110.750.791,08	110.750.791,08
Intangible Assets	-	-	-	-	10.970.975,17	10.970.975,17
Deferred Tax Asset	-	-	2.502.567,98	16.274.131,44	17.447.448,59	36.224.148,01
Other Assets	251.278,28	806.330,75	258.879.278,79	-	(12.370.863,43)	247.566.024,39
Total Assets	**1.140.516.005,93**	**577.069.554,58**	**1.082.846.666,81**	**4.280.031.661,64**	**4.484.130.976,18**	**11.564.594.865,14**
Liquidity of Liabilities						
Cash and balances due to Customers	7.985.985.496,88	300.367.221,63	1.667.486.046,69	-	-	9.953.838.765,20
Derivative financial instruments	-	-	295.115,15	37.469.017,65	28.861.871,80	66.626.004,60
Deferred Tax Liabilities	-	3.621.963,15	812.481,17	32.166.375,12	31.136.953,84	67.737.773,28
Employement Benefit Obligations	-	-	-	359.053,96	17.593.644,04	17.952.698,00
Other Liabilities	250.864.179,89	23.396.311,12	316.663.974,16	2.561.754,98	26.350,00	593.512.570,15
Total Liabilities	**8.236.849.676,77**	**327.385.495,90**	**1.985.257.617,17**	**72.556.201,71**	**77.618.819,68**	**10.699.667.811,23**
Total Liquidity Gap	**(7.096.333.670,84)**	**249.684.058,68**	**(902.410.950,36)**	**4.207.475.459,93**	**4.406.512.156,50**	**864.927.053,91**

Liquidity Risk 31/12/2006 Company

Amounts in €	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Liquidity of Assets						
Cash and Balances in the Central Bank	148.862.119,78	-	-	-	-	148.862.119,78
Cash and advances to Credit Institutions	727.494.298,89	-	30.000.000,00	-	-	757.494.298,89
Trading Securities and other Financial assets at fair value through profit and loss	-	199.130.086,20	25.105.000,00	365.003.225,30	1.026.554.532,60	1.615.792.844,10
Derivative Financial instruments	-	87.000,00	-	6.722.415,45	4.949.905,14	11.759.320,59
Loans and Advances to Customers	10.569.639,03	109.298.613,20	470.459.025,39	1.290.519.255,00	2.981.964.118,32	4.862.810.650,94
Minus :Provisions					(60.028.248,00)	(60.028.248,00)
Investments Available for Sale	50.000.000,00	29.998.500,00	115.090.468,48	2.417.094.693,33	1.484.854.946,72	4.097.038.608,53
Investments Held to Maturity	-	-	490.183.271,81	-	-	490.183.271,81
Investments in Associated Undertaking					1.139.028,00	1.139.028,00
Tangible Assets					111.632.863,03	111.632.863,03
Intangible Assets					11.306.861,55	11.306.861,55
Deferred Tax Asset	28.201,54	2.901.651,91	4.001.119,28	9.130.940,39	15.939.081,81	32.000.994,93
Other Assets	186.579.089,54	26.699.229,73	50.312.399,34	-	(6.899.105,64)	256.691.612,97
Total Assets	**1.123.533.348,77**	**368.115.081,05**	**1.185.151.284,30**	**4.088.470.529,47**	**5.571.413.983,52**	**12.336.684.227,12**
Liquidity of Liabilities						
Liabilities to credit institutions	500.000.000,00	-	-	-	-	500.000.000,00
Cash and balances due to Customers	8.209.077.766,52	313.840.918,06	2.203.040.363,69	-	-	10.725.959.048,27
Derivative financial instruments	-	2.000,00	69.984,56	2.077.059,58	308.405,44	2.457.449,58
Deferred Tax Liabilities	262.532,68	473.384,95	658.222,59	22.057.345,18	14.940.061,21	38.391.546,61
Employement Benefit Obligations	84.286,66	168.573,32	758.579,94	4.045.759,66	19.732.994,42	24.790.194,00
Other Liabilities	77.856.552,10	28.575.672,91	69.127.417,85	61.754,98	-	175.621.397,83
Total Liabilities	**8.787.281.137,96**	**343.060.549,23**	**2.273.654.568,62**	**28.241.919,40**	**34.981.461,08**	**11.467.219.636,29**
Total Liquidity Gap	**(7.663.747.789,18)**	**25.054.531,82**	**(1.088.503.284,32)**	**4.060.228.610,07**	**5.536.432.522,45**	**869.464.590,83**

Liquidity Risk 31/12/2006 Consolidated

Amounts in €	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
Liquidity of Assets						
Cash and Balances in the Central Bank	148.863.699,85					148.863.699,85
Cash and advances to Credit Institutions	727.870.400,32	-	30.000.000,00	-	-	757.870.400,32
Trading Securities and other Financial assets at fair value through profit and loss	-	199.699.481,36	25.105.000,00	365.003.225,30	1.026.554.532,60	1.616.362.239,26
Derivative Financial instruments	-	87.000,00	-	6.722.415,45	4.949.905,14	11.759.320,59
Loans and Advances to Customers	10.569.639,03	109.298.613,20	470.459.025,39	1.290.519.255,00	2.981.964.118,32	4.862.810.650,94
Minus :Provisions	-	-	-	-	(60.028.248,00)	(60.028.248,00)
Investments Available for Sale	50.000.000,00	29.998.500,00	115.090.468,48	2.417.094.693,33	1.484.854.946,72	4.097.038.608,53
Investments Held to Maturity	-	-	490.183.271,81	-	-	490.183.271,81
Investments in Associated Undertaking	-	-	-	-	-	-
Tangible Assets	-	-	-	-	111.719.846,64	111.719.846,64
Intangible Assets	-	-	-	-	11.359.606,00	11.359.606,00
Deferred Tax Asset	28.201,54	2.901.651,91	4.001.119,28	9.130.940,39	15.939.081,81	32.000.994,93
Other Assets	186.642.039,03	26.699.229,73	50.312.399,34	-	(6.894.164,18)	256.759.503,92
Total Assets	**1.123.973.979,76**	**368.684.476,21**	**1.185.151.284,30**	**4.088.470.529,47**	**5.570.419.625,04**	**12.336.699.894,79**
Liquidity of Liabilities						
Liabilities to credit institutions	500.000.000,00	-	-	-	-	500.000.000,00
Cash and balances due to Customers	8.209.077.766,52	313.840.918,06	2.203.040.363,69	-	-	10.725.959.048,27
Derivative financial instruments	-	2.000,00	69.984,56	2.077.059,58	308.405,44	2.457.449,58
Deferred Tax Liabilities	262.532,68	478.423,25	658.222,59	22.057.345,18	14.940.061,21	38.396.584,91
Employement Benefit Obligations	84.286,66	168.573,32	758.579,94	4.045.759,66	19.748.977,42	24.806.177,00
Other Liabilities	77.894.622,81	28.575.672,91	69.127.417,85	61.754,98	-	175.659.468,54
Total Liabilities	**8.787.319.208,67**	**343.065.587,53**	**2.273.654.568,62**	**28.241.919,40**	**34.997.444,08**	**11.467.278.728,30**
Total Liquidity Gap	**(7.663.345.228,90)**	**25.618.888,68**	**(1.088.503.284,32)**	**4.060.228.610,07**	**5.535.422.180,97**	**869.421.166,49**

4.6 Fair Values of financial assets and liabilities

	ON STAND ALONE BASIS			
	31.12.2006		31.12.2005	
Assets	**Face Value**	**Fair Value**	**Face Value**	**Fair Value**
Cash and balances with central bank	148.862.119,78	148.862.119,78	191.266.079,14	191.266.079,14
Due from banks	757.494.298,89	757.494.298,89	1.249.262.724,33	1.249.262.724,33
Financial assets at fair value throught profit and loss	1.615.792.844,10	1.615.792.844,10	1.593.121.669,08	1.593.121.669,08
Derivative financial instruments	11.759.320,59	11.759.320,59	810.147,80	810.147,80
Loans and advances to customers	4.862.810.650,94	4.776.530.173,94	3.044.667.020,61	2.999.648.310,20
Less: Allowance for impairment on loans & advances to customers	(60.028.248,00)	(60.028.248,00)	(31.365.743,79)	(31.365.743,79)
Investment securities available for sale	4.097.038.608,53	4.097.038.608,53	4.618.912.350,52	4.618.912.350,52
Investment securities held to maturity	490.183.271,81	493.517.047,56	491.871.117,75	507.993.895,02
Liabilities	**Face Value**	**Fair Value**	**Face Value**	**Fair Value**
Due to customers	10.725.959.048,27	10.725.959.048,27	9.953.838.765,20	9.953.838.765,20
Derivative financial instruments	2.457.449,58	2.457.449,58	66.626.004,60	66.626.004,60

	ON CONSOLIDATED BASIS			
	31.12.2006		31.12.2005	
Assets	**Face Value**	**Fair Value**	**Face Value**	**Fair Value**
Cash and balances with central bank	148.863.699,85	148.863.699,85	191.266.079,14	191.266.079,14
Due from banks	757.870.400,32	757.870.400,32	1.249.262.724,33	1.249.262.724,33
Financial assets at fair value throught profit and loss	1.616.362.239,26	1.616.362.239,26	1.593.121.669,08	1.593.121.669,08
Derivative financial instruments	11.759.320,59	11.759.320,59	810.147,80	810.147,80
Loans and advances to customers	4.862.810.650,94	4.776.530.173,94	3.044.667.020,61	2.999.648.310,20
Less: Allowance for impairment on loans & advances to customers	(60.028.248,00)	(60.028.248,00)	(31.365.743,79)	(31.365.743,79)
Investment securities available for sale	4.097.038.608,53	4.097.038.608,53	4.618.912.350,52	4.618.912.350,52
Investment securities held to maturity	490.183.271,81	493.517.047,56	491.871.117,75	507.993.895,02
Liabilities	**Face Value**	**Fair Value**	**Face Value**	**Fair Value**
Due to customers	10.725.959.048,27	10.725.959.048,27	9.953.838.765,20	9.953.838.765,20
Derivative financial instruments	2.457.449,58	2.457.449,58	66.626.004,60	66.626.004,60

4.7 Capital Adequacy

In accordance with the regulatory framework applicable to Greek Banks, the Bank is subject to various regulatory capital requirements administered by the Bank of Greece, which are based on the regulations of the Bank of International Settlements (BIS). Those regulations require that banks maintain minimum capital levels against assets and certain off-balance sheet items that expose them to risk.

The total capital adequacy ratio (solvent ratio), on consolidated basis, for a credit institution is defined as the ratio of equity to the sum of risk weighted assets (in accordance with the BIS guidelines) and off-balance sheet items, so that the total capital adequacy ratio and the solvency ratio to be greater or equal to the percentage of 8%.

Amounts in thousand €	31.12.2006	31.12.2005
Share Capital	521.207,05	521.207,05
Other Reserves	83.344,83	76.481,98
Retained Earnings	156.095,07	37.038,15
Capital (TIER I)	663.950,10	623.756,13
Capital (TIER II)	12.974,12	27.915,47
Total Equity	**676.924,22**	**651.671,60**
Less: Reclassifications	117.364,66	92.562,18
Total Equity	**559.559,56**	**559.109,42**
Risk w eighted assets (total market risk)	4.982.342,60	4.272.197,00
Capital adequacy ratio (TIER I)	**13,33%**	**14,60%**
Total capital adequacy ratio	**11,23%**	**13,09%**
Solvency Ratio	**14,42%**	**20,18%**

As of December 2006, the total asset adequacy ratio for the Bank was 11,23%. In accordance with the proposals of Basel II, which are expected to be effective from January 2008, the Bank will adopt the Standardized Approach to measure credit risk, and the Basic Indicator Approach to measure the operational risk.

Based on the provisions of Basel II, the capital requirements for the credit risk attributable to mortgage loans are decreased as compared to other types of loans. The above favors the Greek postal Savings Bank, as its loan portfolio mainly comprises mortgage loans. On the other hand, it is expected that there might be additional capital requirements for the Bank as a result of the measuring operational risks.

5. Segment Report analysis

Segment Report on stand alone Basis				
Amounts in €	**Retail Banking**	**Corporate**	**Treasury**	**Total**
From 1 January to 31 December 2006				
Net income from interest	90.730.269,22	4.432.458,73	158.408.018,90	253.570.746,85
Net income from commissions	24.902.579,81	47.507,98	(311.390,07)	24.638.697,72
Other operating income	3.211.561,86	143.099,74	135.596.058,73	138.950.720,33
Total	**118.844.410,89**	**4.623.066,45**	**293.692.687,56**	**417.160.164,90**
Expenses	(85.097.460,32)	(3.466.832,24)	(104.691.254,69)	(193.255.547,25)
Depreciation	(3.660.194,61)	(163.089,77)	(5.284.385,73)	(9.107.670,11)
Impairment losses on loans and advances	(28.430.413,16)	(845.323,87)	-	(29.275.737,03)
Profit before tax	**1.656.342,80**	**147.820,56**	**183.717.047,15**	**185.521.210,51**
Tax				(48.264.273,77)
Net Profit				**137.256.936,74**
Total Assets at 31.12.2006	4.779.531.920,23	214.513.488,36	7.342.638.818,53	**12.336.684.227,12**
Total Liabilities at 31.12.2006	4.598.203.604,99	204.490.022,95	6.664.526.008,35	**11.467.219.636,29**
From 1 January to 31 December 2005				
Net income from interest	49.848.259,08	3.937.172,75	188.496.346,27	242.281.778,10
Net income from commissions	2.623.416,87	87.995,45	816.220,19	3.527.632,51
Other operating income	4.202.926,57	367.298,73	46.001.716,89	50.571.942,19
Total	**56.674.602,52**	**4.392.466,93**	**235.314.283,35**	**296.381.352,80**
Expenses	(46.417.167,63)	(3.239.442,52)	(71.657.049,72)	(121.313.659,86)
Depreciation	(1.651.016,83)	(149.729,53)	(4.382.257,61)	(6.183.003,98)
Impairment losses on loans and advances	(14.664.097,22)	(1.329.876,45)	(2.916.564,53)	(18.910.538,20)
Profit before tax	**(6.057.679,16)**	**(326.581,57)**	**156.358.411,49**	**149.974.150,76**
Tax				(27.338.422,50)
Net Profit				**122.635.728,26**
Total Assets at 31.12.2005	2.889.792.435,05	263.511.948,35	8.411.802.920,68	**11.565.107.304,09**
Total Liabilities at 31.12.2005	2.810.363.187,33	254.567.072,12	7.634.737.551,78	**10.699.667.811,23**

Segment Reporting on Consolidated Basis				
Amounts in €	Retail Banking	Corporate	Treasury	Total
From 1 January to 31 December 2006				
Net income from interest	90.730.269,22	4.432.458,73	158.409.906,39	253.572.634,34
Net income from commissions	24.902.579,81	47.507,98	(136.059,05)	24.814.028,74
Other operating income	3.211.561,86	143.099,74	135.592.567,48	138.947.229,08
Total	**118.844.410,89**	**4.623.066,45**	**293.866.414,82**	**417.333.892,16**
Expenses	(85.097.460,32)	(3.466.832,24)	(104.889.974,05)	(193.454.266,61)
Depreciation	(3.660.194,61)	(163.089,77)	(5.312.194,40)	(9.135.478,78)
Impairment losses on loans and advances	(28.430.413,16)	(845.323,87)	-	(29.275.737,03)
Share in losses of assosiates	-	-	(28.768,44)	(28.768,44)
Profit before tax	**1.656.342,80**	**147.820,56**	**183.635.477,94**	**185.439.641,30**
Tax				(48.266.206,71)
Net Profit				**137.173.434,59**
Total Assets at 31.12.2006	4.779.531.920,23	214.513.488,36	7.342.654.486,20	**12.336.699.894,79**
Total Liabilities at 31.12.2006	4.598.203.604,99	204.490.022,95	6.664.585.100,36	**11.467.278.728,30**
From 1 January to 31 December 2005				
Net income from interest	49.848.259,08	3.937.172,75	188.496.346,27	242.281.778,10
Net income from commissions	2.623.416,87	87.995,45	816.220,19	3.527.632,51
Other operating income	4.202.926,57	367.298,73	46.001.716,89	50.571.942,19
Total	**56.674.602,52**	**4.392.466,93**	**235.314.283,35**	**296.381.352,80**
Expenses	(46.417.167,63)	(3.239.442,52)	(71.657.049,72)	(121.313.659,86)
Depreciation	(1.651.016,83)	(149.729,53)	(4.382.257,61)	(6.183.003,98)
Impairment losses on loans and advances	(14.664.097,22)	(1.329.876,45)	(2.916.564,53)	(18.910.538,20)
Share in losses of assosiates	-	-	(86.096,36)	(86.096,36)
Profit before tax	**(6.057.679,16)**	**(326.581,57)**	**156.272.315,13**	**149.888.054,40**
Tax				(27.338.422,50)
Net Profit				**122.549.631,90**
Total Assets at 31.12.2005	2.889.792.435,05	263.511.948,35	8.411.290.481,73	**11.564.594.865,14**
Total Liabilities at 31.12.2005	2.810.363.187,33	254.567.072,12	7.634.737.551,78	**10.699.667.811,23**

6. Net Interest Income

Net interest income is analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Interest earned from:				
Fixed Income Securities	263.828.542,41	269.181.153,77	263.828.542,41	269.181.153,77
Loans and advances to customers	180.777.293,42	107.850.679,24	180.777.293,42	107.850.679,24
Amounts due from banks	13.802.894,04	38.178.695,63	13.800.960,55	38.178.695,63
Other interest bearing assets	16.806.725,34	3.886.680,12	16.806.725,34	3.886.680,12
Interest and similar Income	**475.215.455,21**	**419.097.208,76**	**475.213.521,72**	**419.097.208,76**
Interest payable on:				
Amounts due to customers	212.303.832,76	171.592.694,23	212.303.832,76	171.592.694,23
Contribution to Hellenic Deposit Guarantee Fund	8.647.997,50	-	8.647.997,50	-
Other interest bearing liabilities	690.990,61	5.222.736,43	690.944,61	5.222.736,43
Interest and similar Expenses	**221.642.820,87**	**176.815.430,66**	**221.642.774,87**	**176.815.430,66**
Net Interest Income	**253.572.634,34**	**242.281.778,10**	**253.570.746,85**	**242.281.778,10**

7. Net fee and commission income

Net fee and commission income is analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Commissions from securities	193.141,90	280.476,17	16.100,00	280.476,17
Fund Management Fees	160.367,02	149.991,29	160.367,02	149.991,29
Commissions from foreign exchange operations	26.342,86	19.066,34	26.342,86	19.066,34
Commissions from credit card and consumer loans	3.856.423,74	1.956.065,84	3.856.423,74	1.956.065,84
Other Commission Income	21.435.832,95	1.646.966,40	21.435.832,95	1.646.966,40
Total Commission Income	**25.672.108,47**	**4.052.566,04**	**25.495.066,57**	**4.052.566,04**
Credit cards commission expenses	115.346,65	42.993,34	115.346,65	42.993,34
Other commission expenses	742.733,08	481.940,19	741.022,20	481.940,19
Total commission expenses	**858.079,73**	**524.933,53**	**856.368,85**	**524.933,53**
Net Commission Income	**24.814.028,74**	**3.527.632,51**	**24.638.697,72**	**3.527.632,51**

The account "Other Commission Income" at the year 2006 includes commission income on deposit accounts amounting to 21.158.261,57 €.

8. Dividend income and financial operations results

Dividend income is analyzed as follows:

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS	
	31.12.2006	31.12.2005
Income from dividends on shares of companies listed on the ASE	4.004.274,15	5.008.059,09
Income from dividends on shares of unlisted companies	651.236,89	97.147,92
Total	**4.655.511,04**	**5.105.207,01**

Financial operations results are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Gains from the sale of available for sale securities	**51.914.878,30**	**44.337.722,49**	**51.914.878,30**	**44.337.722,49**
Gains /(Losses) from financial assets at fair value through p&L				
- Shares	36.623.383,61	38.150.538,82	36.623.383,61	38.150.538,82
- Securities and hedging transactions	34.809.439,23	(56.591.192,23)	34.809.439,23	(56.591.192,23)
- Mutual Funds	3.571.957,77	3.725.834,76	3.563.095,59	3.725.834,76
	75.004.780,61	**(14.714.818,65)**	**74.995.918,43**	**(14.714.818,65)**
Foreign exchange profits/(losses)	(519.117,40)	694.013,59	(519.117,40)	694.013,59
Total	**126.400.541,51**	**30.316.917,43**	**126.391.679,33**	**30.316.917,43**

9. Other operating income

The other operating income is analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Income from the write off of deposit balances in favor of the Bank in accordance with Article 6 of the relevant regulation	2.382.049,45	10.959.891,66	2.382.049,45	10.959.891,66
Real estate rental income	40.114,81	54.197,45	40.114,81	54.197,45
Reversal of provision for other receivables	5.214.179,12	-	5.214.179,12	-
Other income	254.833,15	4.135.728,64	267.186,58	4.135.728,64
Total	**7.891.176,53**	**15.149.817,75**	**7.903.529,96**	**15.149.817,75**

10. Personnel expenses

The number of the Group employees as at December 31, 2006 amount to 1.281 of which 1.276 refer to the Bank instead of 31 December 2005 that was 1.220 persons, concerning the Bank.

Personnel expenses are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Wages and salaries	72.701.943,72	51.834.890,79	72.611.000,90	51.834.890,79
Social security contributions	1.403.434,67	1.139.410,69	1.392.542,83	1.139.410,69
Provision for staff termination indemnity	1.675.036,00	1.347.308,00	1.675.036,00	1.347.308,00
Other personnel expenses	6.808.014,77	1.949.545,54	6.808.014,77	1.949.545,54
Cost of shares offered to employees at a discount and free from the main shareholder	2.130.062,03	-	2.130.062,03	-
Total	**84.718.491,19**	**56.271.155,02**	**84.616.656,53**	**56.271.155,02**

Following the decision 75/18.7.2006 of the Bank's Board of Directors, the integration of employees in wage levels according to the wage level of Hellenic Federation of Bank Employee Union as well as the adjustment of the Postal Saving's wage scale in the wage scale of Hellenic Federation of Bank Employee Union was approved. The lump sum cost has been estimated to about 5 mill € and has encumbered the results of the year.

The Interministrial Privatization Committee during the 10.05.2006 meeting decided the disposal of up to 1.750.000 existing common shares of the Bank owned by the Greek State with Private Placement to employees and members of the Bank's Board of Directors.

The shares of the Private Placement were allocated to the employees and to the Board of Directors, in a 10% decreased price in comparison with the Disposal Price (12,50 €). Furthermore the Greek State will distribute one free common share for every ten common shares. This intensive is provided to the employees and the Board of Directors of the Bank provided that they will retain them for a 12 month period. The intensive in question refers to the maximum number of 100 totally free common shares per beneficiary investor.

The accurate number of the Offered Private Placement Shares that the employees and the Board of Directors of the Bank are eligible to, was determined with a Board of Directors' decision and amounts in 1.694.256 common shares. From the total of 1.694.256 common shares, 1.530.625 common shares were finally exercised from the employees and the Board of Directors. The fair value of the granted rights of the Bank's shares in discounted price that encumbered the results of the year was € 2.130.062,03.

11. General and administrative expenses

General and administrative expenses are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Assosiated lawyers & engineers fees	7.518.859,04	4.348.628,85	7.518.859,04	4.348.628,85
Electronic Data Support fees	5.362.298,56	2.312.444,07	5.359.014,16	2.312.444,07
Other third party fees and expenses	21.623.199,22	9.147.749,32	21.575.294,84	9.147.749,32
Commissions to EL.TA.	8.865.553,79	7.773.114,89	8.865.553,79	7.773.114,89
Rental expense of buildings	3.017.399,60	1.605.711,52	3.017.399,60	1.605.711,52
Insurance Premium	486.028,67	272.591,87	486.028,67	272.591,87
Telephone-Postal expenses	3.119.940,82	2.295.616,40	3.116.766,67	2.295.616,40
Repairs & maintenance	1.467.060,92	1.672.735,91	1.466.846,72	1.672.735,91
Office supplies	2.226.105,75	1.292.379,61	2.224.162,80	1.292.379,61
Promotion and Advertising Expenses	8.385.787,82	7.229.978,46	8.384.738,06	7.229.978,46
Electricity Expenses	1.147.381,04	1.026.726,10	1.147.381,04	1.026.726,10
Cleaning expenses	710.775,59	688.557,29	710.775,59	688.557,29
Tax & Duties	8.520.102,23	5.094.243,90	8.518.158,53	5.094.243,90
Subscription-Contributions	2.625.802,82	904.156,08	2.614.619,74	904.156,08
Miscellaneous Expenses	10.108.923,06	7.231.285,88	10.105.661,18	7.231.285,88
Total	**85.185.218,93**	**52.895.920,15**	**85.111.260,43**	**52.895.920,15**

In the account "General and administrative expenses" previous year's account figures have been restated in order to be comparable with current year's.

12. Other operating expenses

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Cost of applying Article 10 (12) of Law 3082/2002	-	11.668.857,00	-	11.668.857,00
Cost of consumer loans to employees	1.815.300,39	306.667,94	1.815.300,39	306.667,94
Initial lump sum contribution to Hellenic Deposit Guarantee Fund	20.322.905,00	-	20.322.905,00	-
Other expenses	1.412.351,10	171.059,75	1.389.424,90	171.059,75
Total	**23.550.556,49**	**12.146.584,69**	**23.527.630,29**	**12.146.584,69**

The cost of applying Article 10(12) of Law 3082/2002 relates to the projected actuarial loss resulting from the application of the provisions of Article 10(12) of Law 3082/2002 with regard to the allocation of a special reserve to cover mortgage benefits to the Bank's employees.

13. Impairment Losses on loans and advances

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS 31.12.2006	31.12.2005
Loans and advances to customers	29.275.737,03	14.795.506,25
Other receivables	-	4.115.031,95
Total	**29.275.737,03**	**18.910.538,20**

14. Income Tax

Tax expense is analysed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Income Tax	22.922.051,63	33.602.273,58	22.922.051,63	33.602.273,58
Deferred Tax	9.375.070,84	(6.263.851,08)	9.373.137,90	(6.263.851,08)
Total	**32.297.122,47**	**27.338.422,50**	**32.295.189,53**	**27.338.422,50**

Current income tax for the Bank has been calculated using a tax rate of 29% for the year 2006 and a tax rate of 32% for the year 2005. Current income tax is recognized as expense for the period and calculated based on the current tax rate.

The current income tax recognized in the income statement is analyzed as follows:

Amounts in €	ON STAND ALONE BASIS 31.12.2006	31.12.2005
Profit before tax	**185.521.210,51**	**149.974.150,76**
Income tax based on the current tax rate of 29% (32% in 2005)	53.801.151,05	47.991.728,24
Income no subject to taxation	(29.524.199,58)	(31.288.630,11)
Expenses not deductible for tax purposes	4.280.935,10	5.139.116,24
Effect of tax rate change	1.334.964,24	2.949.112,19
Tax on reserves	15.969.084,24	-
Other effects	2.402.338,72	2.547.095,94
Income tax	**48.264.273,77**	**27.338.422,50**
Effective tax rate	**26,02%**	**18,23%**

15. Tax on reserves (Law 3513/2006 article 10)

	ON CONSOLIDATED BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**
Tax on Reserves		
Codified Law 3513/06 article 10	15.969.084,24	-
Total	**15.969.084,24**	**-**

In accordance with Greek tax law, entities may form tax free reserves from either profits that are not subject to tax (for example gains from the sale of listed shares or mutual funds) or from income subject to taxation at the source and where the payment of the tax extinguishes the legal entity's tax liability, but not of its shareholders (for example interest from Greek Government Bonds).
The tax free serves were subject to taxation of distributed or capitalized at the tax rate enacted at the time of distribution or capitalization.

In accordance with article 10 of Law 3513/2006 these reserves, formed until 31.12.2005 by banks established in Greece and by branches of foreign banks operating in Greece, were subject to taxation.
The tax rate was 15% on profits that were not subject to tax and 10% on profits that were previously subject to tax at the source.
The total tax on these reserves for the Bank amounted to 15.969.084,24 €. The payment of the above tax extinguishes the Bank's liability as well as that of its shareholders. Therefore these reserves can be distributed or capitalized without any further payment of tax.

16. Earnings per share

The basic earnings per share are calculated as follows :

	On consolidated basis		On stand alone basis	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Net profit attributable to the shareholders of the Bank	137.189.105,56	122.549.631,90	137.256.936,74	122.635.728,26
Weighted average number of shares outstanding(no. of shares)	140.866.770	165.324.932	140.866.770	165.324.932
Basic earnings per share	**0,97**	**0,74**	**0,97**	**0,74**

17. Dividends

The management intends to propose to the Shareholders General Meeting of 2007 the distribution of dividends equal to 0,60 €/share for 2006, against 0,08€/share in 2005.

The Annual General Meeting of the Shareholders held on 10th May 2006, approved the financial statements for the period 1.1-31.12.2005 and decided the distribution of dividend amounting in total to € 11.269.341,60 which was paid in 2006. The proposed dividend of € 84.520.062,00 will be paid to the shareholders due to the legal provided period in accordance with the announce schedule of the intended corporate actions.

18. Cash and Balance with Central Bank

Cash and Balances with Central Bank are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Cash in Hand	44.955.175,26	31.474.306,67	44.953.595,19	31.474.306,67
Mandatory balances to Central Bank	103.908.524,59	159.791.772,47	103.908.524,59	159.791.772,47
Total	**148.863.699,85**	**191.266.079,14**	**148.862.119,78**	**191.266.079,14**

19. Due from Banks

Amounts due from banks are analysed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Time Deposits with banks	732.938.807,51	1.227.000.000,00	732.938.807,51	1.227.000.000,00
Correspodent Banks	4.615.780,70	698.872,44	4.615.780,70	698.872,44
Sight deposits	13.379.824,63	12.651.041,39	13.003.723,20	12.651.041,39
Futures margin accounts	4.473.210,35	-	4.473.210,35	-
Other	2.462.777,13	8.912.810,50	2.462.777,13	8.912.810,50
Total	**757.870.400,32**	**1.249.262.724,33**	**757.494.298,89**	**1.249.262.724,33**

20.Financial assets at fair value through P&L

Amounts in €	ON CONSOLIDATED BASIS 31.12.2006	ON CONSOLIDATED BASIS 31.12.2005	ON STAND ALONE BASIS 31.12.2006	ON STAND ALONE BASIS 31.12.2005
Financial Assets at fair value through profit or loss				
Fixed income securities				
Bonds issued by financial institutions	126.233.161,69	109.235.212,00	126.233.161,69	109.235.212,00
Mutual Fund Units	58.975.420,20	56.302.668,71	58.406.025,04	56.302.668,71
Alternative Investments	566.984.496,66	690.408.350,00	566.984.496,66	690.408.350,00
Total Financial Assets at fair value through profit or loss	**752.193.078,55**	**855.946.230,71**	**751.623.683,39**	**855.946.230,71**
Trading Securities				
Fixed income securities				
Greek Government Bonds	349.178.205,53	344.938.350,52	349.178.205,53	344.938.350,52
Foreign Government Bonds	183.614.250,37	179.005.812,50	183.614.250,37	179.005.812,50
Bonds issued by financial institutions	43.425.847,13	51.682.853,00	43.425.847,13	51.682.853,00
Corporate Bonds	147.226.796,52	9.950.000,00	147.226.796,52	9.950.000,00
Treasury Bills	10.908,70	-	10.908,70	-
	723.456.008,25	**585.577.016,02**	**723.456.008,25**	**585.577.016,02**
Shares and other variable income securities				
Shares listed on the ASE	105.711.052,76	146.457.956,35	105.711.052,76	146.457.956,35
Shares listed on foreign stock exchanges	35.002.099,70	5.140.466,00	35.002.099,70	5.140.466,00
	140.713.152,46	**151.598.422,35**	**140.713.152,46**	**151.598.422,35**
Total Trading Securities	**864.169.160,71**	**737.175.438,37**	**864.169.160,71**	**737.175.438,37**
Total	**1.616.362.239,26**	**1.593.121.669,08**	**1.615.792.844,10**	**1.593.121.669,08**

21.Derivative financial instruments

As at 31 December 2006 and 2005 the Bank was trading the following derivatives:

Amounts in €	31 December 2006 Face Value	31 December 2006 Fair Values Assets	31 December 2006 Fair Values Liabilities	31 December 2005 Face Value	31 December 2005 Fair Values Assets	31 December 2005 Fair Values Liabilities
Interest rate swaps	967.750.000,00	11.416.841,93	2.455.449,58	1.974.250.000,00	810.147,80	66.626.004,60
Currency Swaps	7.825.489,00	255.478,66	-	-	-	-
Futures	100.000.000,00	87.000,00	2.000,00	-	-	-
Total	**1.075.575.489,00**	**11.759.320,59**	**2.457.449,58**	**1.974.250.000,00**	**810.147,80**	**66.626.004,60**

22 Loans and advances to Customers

The loan portfolio is analyzed as follows:

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS	
	31.12.2006	**31.12.2005**
Public Sector	207.432.826,36	253.159.787,14
Consumer loans	1.230.565.625,26	567.867.236,43
Mortgage Loans	3.296.538.286,42	2.152.819.868,60
Credit Cards	128.273.912,90	70.820.128,44
Total	**4.862.810.650,94**	**3.044.667.020,61**
Less: Allowances for impairment on loans and advances to customers	(60.028.248,00)	(31.365.743,79)
Net Total	**4.802.782.402,94**	**3.013.301.276,82**

Movement in allowance for impairment on loans and advances to customers:

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS	
	31.12.2006	**31.12.2005**
Balance on January 1st	31.365.743,79	16.570.237,54
Provision for the period	29.275.737,03	14.795.506,25
Loans written off	(613.232,82)	-
Balance at period end	**60.028.248,00**	**31.365.743,79**

23 Available for sale and held to maturity securities

Available for sale and held to maturity securities are analyzed as follows :

	ON CONSOLIDATED & STAND ALONE BASIS	
Amounts in €	31.12.2006	31.12.2005
Available for sale fixed income securities (fair values)		
Greek Government Bonds	3.164.860.537,46	3.518.797.967,53
Foreign Government Bonds	165.204.800,00	252.745.650,00
Corporate Bonds	485.924.378,08	429.755.073,01
Bonds issued by financial institutions	160.624.785,54	291.409.747,50
Treasury Bills	-	49.807,00
Total fixed income securities	**3.976.614.501,08**	**4.492.758.245,04**
Available for sale equity securities(fair values)		
Share listed on ASE	97.464.823,90	123.959.570,33
Unlisted shares	21.807.489,49	394.489,49
Venture Capitals	1.151.794,06	1.800.045,66
Total variable income equity securities	**120.424.107,45**	**126.154.105,48**
Total available for sale securities	**4.097.038.608,53**	**4.618.912.350,52**
Securities held to maturity		
Greek Government Bonds	490.183.271,81	491.871.117,75
Total held to maturity securities	**490.183.271,81**	**491.871.117,75**
Total available for sale securities and held to maturity securities	**4.587.221.880,34**	**5.110.783.468,27**

The movement of available for sale and held to maturity securities for the period 01.01-31.12.2005 is as follows:

	Investments available for sale	Investments held to maturity	Total
Opening balance as at 1.1.2005	**4.282.230.691,27**	**493.558.961,72**	**4.775.789.652,99**
Additions	4.019.141.712,82	-	4.019.141.712,82
Disposals & write offs	(3.647.679.532,35)	-	(3.647.679.532,35)
Foreign exchange differences	385.163,06	-	385.163,06
Premium / discount	(9.475.766,17)	(1.687.843,97)	(11.163.610,14)
Adjustment to fair value recognized directly in reserves	(25.689.918,11)	-	(25.689.918,11)
Closing balance as at 31.12.2005	**4.618.912.350,52**	**491.871.117,75**	**5.110.783.468,27**

The movement of available for sale and held to maturity securities for the period 01.01-31.12.2006 is analysed as follows:

	Investments available for sale	Investments held to maturity	Total
Opening balance as at 1.1.2006	**4.618.912.350,52**	**491.871.117,75**	**5.110.783.468,27**
Additions	797.647.758,68	-	797.647.758,68
Disposals & write offs	(1.204.412.751,86)	-	(1.204.412.751,86)
Foreign exchange differences	213.312,08	-	213.312,08
Premium / discount	(3.058.185,53)	(1.687.845,94)	(4.746.031,47)
Adjustment to fair value recognized directly in reserves	(112.263.875,36)	-	(112.263.875,36)
Closing balance as at 31.12.2006	**4.097.038.608,53**	**490.183.271,81**	**4.587.221.880,34**

24 Investment in subsidiary and in associate

Investments in subsidiary and in associate concern exclusively the company "Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A" .The Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A. because of the increase of the percentage of the investment from 50% in 51% was consolidated with the full consolidation method from 1.8.2006. For the period 1.1.-31.7.2006 as the previous year it had been consolidated with the Equity method.

The movement of the account is analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Balance on January 1st	**537.561,05**	**173.657,41**	**1.050.000,00**	**600.000,00**
Additions for the period	89.028,00	450.000,00	89.028,00	450.000,00
Share in earnings/(losses) after tax	(28.768,44)	(86.096,36)	-	-
Movements from total consolidation	(60.974,82)	-	-	-
Minority Interest	(536.845,79)	-	-	-
Balance at period end	**-**	**537.561,05**	**1.139.028,00**	**1.050.000,00**

Summary financial information of the consolidated Bank until the date of full consolidation are:

31.07.2006

	Country of Establishment	Assets	Equity	Liabilities	Earnings/(Losses)	Participation %	Proportion of losses
Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A.	Greece	1.073.740,63	1.017.585,24	56.155,39	(57.536,87)	50%	(28.768,44)

31.12.2005

	Country of Establishment	Assets	Equity	Liabilities	Earnings/(Losses)	Participation %	Proportion of losses
Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A.	Greece	1.114.921,29	1.075.122,11	39.799,19	(172.192,71)	50%	(86.096,36)

25 Property and equipment

The movement of property and equipment on consolidated and stand alone is analyzed as follows:

Property & equipment on stand alone basis

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
Balance at the 1st of January 2005	65.615.461,77	31.168.867,86	3.142.828,78	20.183.838,26	1.038.240,73	121.149.237,40
Transfers	-	1.038.240,73	-	-	(1.038.240,73)	-
Additions	-	2.508.882,09	251.927,66	10.470.410,68	-	13.231.220,43
Balance at 31st of December 2005	**65.615.461,77**	**34.715.990,68**	**3.394.756,44**	**30.654.248,94**	**-**	**134.380.457,83**
Accumulated depreciation						
Balance at the 1st of January 2005	-	(1.335.729,91)	(2.759.186,06)	(14.580.500,49)	-	(18.675.416,46)
Disposals & write offs	-	419,75	-	-	-	419,75
Charge for the period	-	(1.472.994,58)	(146.157,66)	(3.335.517,80)	-	(4.954.670,04)
Balance at 31st of December 2005	**-**	**(2.808.304,74)**	**(2.905.343,72)**	**(17.916.018,29)**	**-**	**(23.629.666,75)**
Net Book Value at 31st December 2005	**65.615.461,77**	**31.907.685,94**	**489.412,72**	**12.738.230,65**	**-**	**110.750.791,08**
Cost						
Balance at the 1st of January 2006	65.615.461,77	34.715.990,68	3.394.756,44	30.654.248,94	-	134.380.457,83
Disposals /Transfers				(327.693,75)		(327.693,75)
Additions		2.795.233,00	201.596,81	5.217.492,45	5.322,58	8.219.644,84
Balance at 31st of December 2006	**65.615.461,77**	**37.511.223,68**	**3.596.353,25**	**35.544.047,64**	**5.322,58**	**142.272.408,92**
Accumulated depreciation						
Balance at the 1st of January 2006	-	(2.808.304,74)	(2.905.343,72)	(17.916.018,29)	-	(23.629.666,75)
Disposals & write offs				7.712,92		7.712,92
Charge for the period		(1.541.790,07)	(171.350,24)	(5.304.451,75)		(7.017.592,06)
Balance at 31st of December 2006	**-**	**(4.350.094,81)**	**(3.076.693,96)**	**(23.212.757,12)**	**-**	**(30.639.545,89)**
Net Book Value at 31st of December 2006	**65.615.461,77**	**33.161.128,87**	**519.659,29**	**12.331.290,52**	**5.322,58**	**111.632.863,03**

Property & equipment on consolidated basis

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
Balance at the 1st of January 2005	65.615.461,77	31.168.867,86	3.142.828,78	20.183.838,26	1.038.240,73	121.149.237,40
Transfers	-	1.038.240,73	-	-	(1.038.240,73)	-
Additions	-	2.508.882,09	251.927,66	10.470.410,68	-	13.231.220,43
Balance at 31st of December 2005	**65.615.461,77**	**34.715.990,68**	**3.394.756,44**	**30.654.248,94**	**-**	**134.380.457,83**
Accumulated depreciation						
Balance at the 1st of January 2005	-	(1.335.729,91)	(2.759.186,06)	(14.580.500,49)	-	(18.675.416,46)
Disposals & write offs	-	419,75	-	-	-	419,75
Charge for the period	-	(1.472.994,58)	(146.157,66)	(3.335.517,80)	-	(4.954.670,04)
Balance at 31st of December 2005	**-**	**(2.808.304,74)**	**(2.905.343,72)**	**(17.916.018,29)**	**-**	**(23.629.666,75)**
Net Book Value at 31st December 2005	**65.615.461,77**	**31.907.685,94**	**489.412,72**	**12.738.230,65**	**-**	**110.750.791,08**
Cost						
Balance at the 1st of January 2006	65.615.461,77	34.715.990,68	3.394.756,44	30.654.248,94	-	134.380.457,83
Beginning balance of the consolidated subsidiary	-	22.375,98	-	139.375,66	-	161.751,64
Disposals /Transfers	-	-	-	(327.693,75)	-	(327.693,75)
Additions	-	2.795.233,00	201.596,81	5.227.890,27	5.322,58	8.230.042,66
Balance at 31st of December 2006	**65.615.461,77**	**37.533.599,66**	**3.596.353,25**	**35.693.821,12**	**5.322,58**	**142.444.558,38**
Accumulated depreciation						
Balance at the 1st of January 2006	-	(2.808.304,74)	(2.905.343,72)	(17.916.018,29)	-	(23.629.666,75)
Beginning balance of the consolidated subsidiary	-	(12.358,10)	-	(59.197,99)		(71.556,09)
Disposals & write offs	-	-	-	7.712,92	-	7.712,92
Charge for the period		(1.543.496,95)	(171.350,24)	(5.316.354,63)	-	(7.031.201,82)
Balance at 31st of December 2006	**-**	**(4.364.159,79)**	**(3.076.693,96)**	**(23.283.857,99)**	**-**	**(30.724.711,74)**
Net Book Value at 31st of December 2006	**65.615.461,77**	**33.169.439,87**	**519.659,29**	**12.409.963,13**	**5.322,58**	**111.719.846,64**

26. Intangible assets

The movement in intangible assets on stand alone and a consolidated basis is analyzed as follows:

	ON CONSOLIDATED BASIS	ON STAND ALONE BASIS
Amounts in €	**SOFTWARE**	**SOFTWARE**
Cost		
Balance at the 1st of January 2005	5.797.390,26	5.797.390,26
Additions	7.377.579,28	7.377.579,28
Balance at 31st of December 2005	**13.174.969,54**	**13.174.969,54**
Accumulated amortisation		
Balance at the 1st of January 2005	(975.765,79)	(975.765,79)
Disposals & write offs	105,36	105,36
Amortisation charge for the period	(1.228.333,94)	(1.228.333,94)
Balance at 31st of December 2005	**(2.203.994,37)**	**(2.203.994,37)**
Net Book Value at 31st December 2005	**10.970.975,17**	**10.970.975,17**
	SOFTWARE	**SOFTWARE**
Cost		
Balance at the 1st of January 2006	13.174.969,54	13.174.969,54
Beginning balance of the consolidated subsidiary	132.160,72	-
Additions	2.434.828,44	2.426.922,38
Disposals & write offs	(1.092,28)	(1.092,28)
Balance at 31st of December 2006	**15.740.866,42**	**15.600.799,64**
Accumulated amortisation		
Balance at the 1st of January 2006	(2.203.994,37)	(2.203.994,37)
Beginning balance of the consolidated subsidiary	(73.123,42)	-
Disposals & write offs	134,33	134,33
Amortization charge for the period	(2.104.276,96)	(2.090.078,05)
Balance at 31st of December 2006	**(4.381.260,42)**	**(4.293.938,09)**
Net Book Value at 31st December 2006	**11.359.606,00**	**11.306.861,55**

27. Deferred tax assets and liabilities

Deferred tax assets and liabilities have been calculated based on the nominal tax rate at which temporary taxable and deductible differences are expected to reverse. Deferred tax assets and liabilities are not offset, as there is no legal right to offset current assets with current liabilities even when deferred income taxes relate to the same tax authority.

Deferred assets and liabilities on stand alone and consolidated basis are analysed as follows:

Amounts in €	ON STAND ALONE BASIS			
	31.12.2006		31.12.2005	
	Assets	Liabilities	Assets	Liabilities
Property and equipment	-	4.226.018,82	-	4.137.805,86
Intangible Assets	-	289.279,43	822.824,67	-
Financial assets at fair value throught profit and loss	13.791.085,34	2.399.002,61	6.254.227,25	2.644.148,86
Avalaible for sale financial assets	-	21.512.130,29	-	56.008.341,78
Loans and advances to customers	3.565.397,37	-	1.933.245,56	-
Retirement benefits obligations	6.197.548,50	-	4.488.174,50	-
Derivative financial instruments	-	2.246.098,96	19.086.598,47	-
Provisions for doubtful debts	-	7.719.016,50	-	4.947.476,78
Provisions for other receivables	2.394.099,64	-	2.856.077,56	-
Other staff benefit provisions	1.584.713,70	-	783.000,00	-
Contribution to Hellenic Deposit Guarantee Fund	4.468.150,38	-	-	-
Total	**32.000.994,93**	**38.391.546,61**	**36.224.148,01**	**67.737.773,28**

Amounts in €	ON CONSOLIDATED BASIS			
	31.12.2006		31.12.2005	
	Assets	Liabilities	Assets	Liabilities
Property and equipment	-	4.226.018,82	-	4.137.805,86
Intangible Assets	-	289.279,43	822.824,67	-
Financial assets at fair value throught profit and loss	13.791.085,34	2.404.040,91	6.254.227,25	2.644.148,86
Avalaible for sale financial assets	-	21.512.130,29	-	56.008.341,78
Loans and advances to customers	3.565.397,37	-	1.933.245,56	-
Retirement benefits obligations	6.197.548,50	-	4.488.174,50	-
Derivative financial instruments	-	2.246.098,96	19.086.598,47	-
Provisions for doubtful debts	-	7.719.016,50	-	4.947.476,78
Provisions for other receivables	2.394.099,64	-	2.856.077,56	-
Other staff benefit provisions	1.584.713,70	-	783.000,00	-
Contribution to Hellenic Deposit Guarantee Fund	4.468.150,38	-	-	-
Total	**32.000.994,93**	**38.396.584,91**	**36.224.148,01**	**67.737.773,28**

Deferred tax assets are recognized only to the extent that they are reasonably expected to be utilized against future taxable income.

The movement of deferred tax for the years 2006 and 2005 is as follows:

	On Stand Alone Basis	
Amounts in €	**31.12.2006**	**31.12.2005**
Deferred Tax Assets		
Intangible Assets	-	822.824,67
Recognition of Financial derivatives	-	19.086.598,47
Loans and Advances to Customers	3.565.397,37	1.933.245,56
Employment benefit obligations	6.197.548,50	4.488.174,50
Trading Securities and other Financial assets at fair value through profit and loss	13.791.085,34	6.254.227,25
Other Provisions	8.446.963,72	3.639.077,56
Total	**32.000.994,93**	**36.224.148,01**
Deferred Tax Liabilities		
Intangible Assets	289.279,43	-
Tangible Assets - Differences in depreciations	2.904.872,54	3.259.572,76
Tangible Assets - Differences in depreciations	1.321.146,28	878.233,10
Trading Securities and other Financial assets at fair value through profit and loss	2.399.002,61	2.644.148,86
Financial derivatives	2.246.098,96	-
Deferred tax of reserves imposed on tax in special way	7.719.016,50	4.947.476,78
Available for Sale- Portfolio Securities	21.512.130,29	56.008.341,78
Total	**38.391.546,61**	**67.737.773,28**
Deferred tax expenses	**31.12.2006**	**31.12.2005**
Intangible Assets	1.112.104,10	1.137.280,44
Recognition of Financial derivatives	21.332.697,43	4.120.578,26
Loans and Advances to Customers	1.139.387,91	(1.639.873,33)
Employment benefit obligations	(1.709.374,00)	(336.827,00)
Other Provisions	(4.807.886,16)	(106.191,12)
Trading Securities and other Financial assets at fair value through profit and loss	(7.782.004,34)	(9.474.639,41)
Non deductible buildings' depreciations	(354.700,22)	(391.393,35)
Tangible Assets - Differences in depreciations	442.913,18	427.214,43
Deferred tax recognized to the results	**9.373.137,90**	**(6.263.851,08)**
Deferred tax recognized directly to the shareholder's equity	(34.496.211,49)	(116.833.673,80)
Net change in deferred tax	**(25.123.073,59)**	**(123.097.524,88)**

Amounts in €	**On Consolidated Basis**	
	31.12.2006	**31.12.2005**
Deferred Tax Assets		
Intangible Assets	-	822.824,67
Recognition of Financial derivatives	-	19.086.598,47
Loans and Advances to Customers	3.565.397,37	1.933.245,56
Employment benefit obligations	6.197.548,50	4.488.174,50
Trading Securities and other Financial assets at fair value through profit and loss	13.791.085,34	6.254.227,25
Other Provisions	8.446.963,72	3.639.077,56
Total	**32.000.994,93**	**36.224.148,01**
Deferred Tax Liabilities		
Intangible Assets	289.279,43	-
Tangible Assets - Differences in depreciations	2.904.872,54	3.259.572,76
Tangible Assets - Differences in depreciations	1.321.146,28	878.233,10
Trading Securities and other Financial assets at fair value through profit and loss	2.404.040,91	2.644.148,86
Financial derivatives	2.246.098,96	-
Deferred tax of reserves imposed on tax in special way	7.719.016,50	4.947.476,78
Available for Sale- Portfolio Securities	21.512.130,29	56.008.341,78
Total	**38.396.584,91**	**67.737.773,28**
Deferred tax expenses	**31.12.2006**	**31.12.2005**
Intangible Assets	1.112.104,10	1.137.280,44
Recognition of Financial derivatives	21.332.697,43	4.120.578,26
Loans and Advances to Customers	1.139.387,91	(1.639.873,33)
Employment benefit obligations	(1.709.374,00)	(336.827,00)
Other Provisions	(4.807.886,16)	(106.191,12)
Trading Securities and other Financial assets at fair value through profit and loss	(7.776.966,04)	(9.474.639,41)
Non deductible buildings' depreciations	(354.700,22)	(391.393,35)
Tangible Assets - Differences in depreciations	442.913,18	427.214,43
Deferred tax recognized to the results	**9.378.176,20**	**(6.263.851,08)**
Deferred tax recognized directly to the shareholder's equity	(34.496.211,49)	(116.833.673,80)
Net change in deferred tax	**(25.118.035,29)**	**(123.097.524,88)**

28. Other assets

Other assets are analyzed as follows:

Amounts in €	**ON CONSOLIDATED BASIS**		**ON STAND ALONE BASIS**	
	31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
Assets acquired through foreclosure proceedings	2.450.027,98	2.255.703,15	2.450.027,98	2.255.703,15
Commissions receivable	654.228,86	554.640,94	591.941,87	554.640,94
Amounts due from public sector collection agencies	-	12.390.428,39	-	12.390.428,39
Due from the Greek Government	51.743.831,29	64.688.153,42	51.743.168,79	64.688.153,42
Interest and other income receivable	4.874.220,95	2.915.196,62	4.874.220,95	2.915.196,62
Accrued interest	146.688.262,45	161.334.306,02	146.688.262,45	161.334.306,02
Other assets	59.925.330,96	18.218.173,54	59.920.389,50	18.218.173,54
Provision for impairment of other assets	(9.576.398,57)	(14.790.577,69)	(9.576.398,57)	(14.790.577,69)
Total	**256.759.503,92**	**247.566.024,39**	**256.691.612,97**	**247.566.024,39**

The movement in the provision for impairment of other assets is analyzed as follows:

	ON CONSOLIDATED & STAND ALONE BASIS	
Amounts in €	31.12.2006	31.12.2005
Balance at start of period	14.790.577,69	10.675.545,74
Expense for the period	-	4.115.031,95
Income for the period	5.214.179,12	-
Balance at period end	**9.576.398,57**	**14.790.577,69**

29. Due to Banks

	ON CONSOLIDATED & STAND ALONE BASIS	
Amounts in €	31.12.2006	31.12.2005
Due to banks		
Securities sold under agreement to repurchase	500.000.000,00	-
Total	**500.000.000,00**	**-**

30. Due to Customers

Deposits and other customer accounts are broken down as follows:

	ON CONSOLIDATED & STAND ALONE	
Amounts in €	31.12.2006	31.12.2005
Sight deposits	23.726.638,10	9.169.942,15
Savings deposits	7.698.619.410,25	7.649.928.856,16
Time Deposits	2.383.729.263,07	1.346.368.189,84
Securities sold under agreements to repurchase	587.490.491,36	932.932.387,74
Other Liabilities	32.393.245,49	15.439.389,31
Total	**10.725.959.048,27**	**9.953.838.765,20**

31. Retirement Benefit Obligations

Retirement benefit obligations relate to indemnities payable to employees upon retirement and are analyzed for the Bank as follows:

	ON STAND ALONE BASIS			
Amounts in €	31.12.2006	31.12.2005	31.12.2004	1.1.2004
Lump sum retirement benefits				
- Unfunded	**24.790.194,00**	**17.952.698,00**	**16.605.390,00**	**15.287.437,00**

The sums included in the balance sheet are:

Amounts in €	31.12.2006	31.12.2005	31.12.2004	1.1.2004
Present Value of unfunded benefits payable	27.759.426,00	20.897.956,00	17.825.417,00	15.287.437,00
Not recognized transient liabilities	-	-	-	(14.594.490,00)
Direct recognized transient liabilities	-	-	-	14.594.490,00
Unrecognised actuarial profits/(losses)	(2.969.232,00)	(2.945.258,00)	(1.220.027,00)	-
Liability in Balance Sheet	**24.790.194,00**	**17.952.698,00**	**16.605.390,00**	**15.287.437,00**

The sums recognised in profit or loss are:

Amounts in €	31.12.2006	31.12.2005
Current service cost	726.886,00	634.269,00
Interest cost	761.991,00	736.735,00
Recognition of actuarial loss	186.159,00	-
Recognised cost of previous employment	5.162.460,00	-
Total included in personnel expenses	**6.837.496,00**	**1.371.004,00**

The movement in the retirement benefit obligations is as follows:

Amounts in €	31.12.2006	31.12.2005
Opening balance	17.952.698,00	16.605.390,00
Total expense recognised in income statement	6.837.496,00	1.371.005,00
Benefits paid by the employer	-	(23.697,00)
Closing balance	**24.790.194,00**	**17.952.698,00**

The main actuarial assumptions used for accounting purposes are:

	31.12.2006	31.12.2005
Discount rate	4,10%	4,00%
Rate of compensation increase	4,00%	4,00%
Expected remaing service life	11,10	11,36
Expected rate of salary increase	4,00%	4,00%

32. Other liabilities

Other liabilities are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Capital/money transfer transactions account	4.693.621,26	4.700.949,69	4.693.621,26	4.700.949,69
Current income tax payable	23.069.940,61	134.334.458,65	23.069.940,61	134.334.458,65
Other taxes payable	16.652.697,63	29.957.725,37	16.637.069,21	29.957.725,37
Interest and other expenses accrued for the period	64.129.779,97	89.592.370,10	64.129.779,97	89.592.370,10
Insurance premiums payable	940.788,18	1.989.429,91	932.119,03	1.989.429,91
Dividends payable	-	208.772.615,53	-	208.772.615,53
Suppliers	16.553.918,68	15.694.602,85	16.540.145,54	15.694.602,85
Amounts payable to shareholders following share capital decrease	-	90.495.199,40	-	90.495.199,40
Other liabilities	49.618.722,21	17.975.218,65	49.618.722,21	17.975.218,65
Total	**175.659.468,54**	**593.512.570,15**	**175.621.397,83**	**593.512.570,15**

33. Share capital

Share capital movements are analyzed as follows:

	Number of shares	Par Value	Share Capital
Balance on 1 January 2005	150.000.000	3,7	555.000.000,00
Share Capital Decrease	24.458.162		90.495.199,40
Issue of new shares	15.324.932		56.702.248,40
Balance on 31 December 2005	**140.866.770**	**3,7**	**521.207.049,00**
Balance on 31 December 2006	**140.866.770**	**3,7**	**521.207.049,00**

The Extraordinary General Meeting of the Shareholders held on December 23rd, 2005 decided to decrease the Bank's Share Capital by € 90.495.199,40 by decreasing the number of shares through cancellation of 24.458.162 ordinary nominal shares, with a face value of € 3.70 each. The decrease was effected by returning to the Shareholders the face value of the shares cancelled in cash.

At the foregoing Extraordinary General Meeting of the Shareholders, it was decided to increase the Bank's Share Capital by € 56.702.248,40 through the issuance of 15.324.932 new ordinary nominal shares with a face value of € 3,70 each. Such increase was effected through: a) capitalization of € 52.145.652,67 from the accumulated special reserve up to 31.12.03, in implementation of the relevant provisions of Law 3082/2002, which arose from the revaluation of the Bank's real estate ; b) capitalization of € 4.556.593,91 of securities revaluation reserve; and c) capitalization of € 1,82 of retained earnings as at 31.12.03.

After the foregoing increase, the Bank's Share Capital stood at € 521.207.049,00 and is divided into 140.866.770 ordinary nominal shares with a face value of € 3,70 each. As at 31.12.06 the share capital was fully paid up.

34. Other Reserves ,Retained earnings and revaluation Reserves

Other Reserves, Retained earnings and revaluation Reserves are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS 31/12/2006	ON CONSOLIDATED BASIS 31/12/2005	STAND ALONE BASIS 31/12/2006	STAND ALONE BASIS 31/12/2005
Legal Reserve for the year	66.344.830,00	59.481.983,16	66.344.830,00	59.481.983,16
Special Reserves	17.000.000,00	17.000.000,00	17.000.000,00	17.000.000,00
Retained Earnings	156.095.070,55	37.038.153,43	156.675.340,68	37.550.592,38
Total	**239.439.900,55**	**113.520.136,59**	**240.020.170,68**	**114.032.575,54**

According to article 44 of Codified Law 2190/1920 every year 5% of Bank's net profits is held for statutory reserve until this reserve equals 1/3 of Share Capital. The tax free reserves which are concluded in the retained earnings and concerns profits from securities and also specially taxable income (with decreased factors), as income from interest of Greek Government Bonds and treasury bills that have not been distributed. The tax free reserves and reserves from specially taxable income as at 31.12.2006 amount to € 91.476.529,41.

Revaluation reserves comprise reserves resulting from the measurement at fair value of available for sale financial assets.

The movement of Available for sale securities revaluation reserve for the period 1.1-31.12.2005 and 1.1-31.12.2006 is as follows:

Amount in €	31.12.2006	31.12.2005
	Available for sale securities revaluation reserve	
Balance at start of period	286.208.210,10	338.121.741,97
Less: Deffered tax	(56.008.341,78)	(72.109.830,52)
Net starting balance	**230.199.868,32**	**266.011.911,45**
Net (gains)/losses transferred to income statement	(47.879.816,77)	(26.223.613,76)
Net (gains)/losses from changes in fair value	(106.673.892,40)	(25.689.918,11)
Deferred tax movement	30.461.149,97	16.101.488,74
Balance at period end	**106.107.309,12**	**230.199.868,32**

35. Commitments,Contingent liabilities and Assets

a) Contingent tax liabilities

The tax liabilities of the Bank and of its consolidated subsidiary are not final, as there are periods that have not been subject to tax audits. Such periods are:

Company	Open tax years
GREEK POSTAL SAVINGS BANK SA	2006
Greek Postal Savings Bank – EL.TA. Mutual Fund Management S.A.	2006

Given that the tax audit may not recognize certain expenses or appear some other differences, it is possible that additional taxes be imposed for periods not audited by the tax authorities.

b) Operating leases

The Bank's commitments (as lessee) mainly arise from buildings which are used as branches and vehicles used by Management. Its receivables (as lessor) mainly relate to rentals from buildings leased to Group's company.
From the lists of housing and real estate departments of Greek Postal Savings Bank and also from car rental contracts, the following can arise:

The minimum future lease payments for the company are:

	31.12.2006	31.12.2005
- within one year	2.819.902,84	1.444.077,81
- over one year and up to 5 years	10.143.085,56	7.518.480,37
- over 5 years	3.755.818,15	4.324.462,52
Total	**16.718.806,55**	**13.287.020,70**

The minimum future lease payments for the company are:

	31.12.2006	31.12.2005
- within one year	30.597,52	62.358,55
- over one year and up to 5 years	94.991,12	62.689,97
- over 5 years	-	1.490,15
Total	**125.588,64**	**126.538,67**

c) Other contingent liabilities

Capital Commitments

	31.12.2006	31.12.2005
Commitments to extend credit	**64.718.590,13**	**4.516.688,01**

d) Legal issues

There are certain claims and customer lawsuits against the Bank in the ordinary course of business. The total amount claimed by third parties in lawsuits filed against the Bank based on consultation with the Bank's legal department stands at € 1.462.952,26. In addition the total amount claimed by the Bank stands at € 975.447,02. It is not possible to charge default interest on the above totals.

The possible average charge estimated is 14%. With regard to the amounts claimed by third parties, and those claimed by the Greek Postal Savings Bank it is not possible to foresee their payment. There are no pending legal claims or liabilities for the Bank that could materially affect the financial position of the Bank as at 31 December 2006, hence no provision has been made for legal cases.

36. Transactions and Balances of Related Parties

In accordance with the provisions of Article 16 (4) of Law 3082 no loans nor credit may be granted to members of the Board of Directors, Members of Management, and their relatives. This prohibition ceases to apply when contracts are entered into on an arms length basis, consistent with current transactions of the Bank with its customers. Related parties are considered to be the affiliated entity, the members of the Board of Directors and the Bank's managers that participate in Committees.

Loans granted to related parties	**31.12.2006**	**31.12.2005**
Loans to Members of the Board of Directors and Company managers	4.823.805,21	3.875.996,96
Loan's Interest	60.658,96	9.959,39
	4.884.464,17	**3.885.956,35**

Members of the Board of Directors and of management fees and other benefits	**31.12.2006**	**31.12.2005**
Board of Directors and other committee participation fees	222.200,00	125.500,00
Board of Directors and member of management fees	2.587.938,76	1.563.371,80
Other benefits to Board of Directors and members of management	158.751,82	66.461,94
Total	**2.968.890,58**	**1.755.333,74**

Benefits Management and managers of the associated company-Greek Postal Savings Bank-EL.TA. Mutual Fund Management SA	**31.12.2006**	**31.12.2005**
Board of Directors and Postal's Savings Bank-EL.TA.'s Managers fees	**64.800,00**	**64.800,00**

Deposit balances	**31.12.2006**	**31.12.2005**
Bank Board of Directors members and managers	1.247.818,32	699.104,45
Deposit Interest	18.262,17	10.572,15
	1.266.080,49	**709.676,60**

Transactions with the associated company Greek Postal Savings Bank-EL.TA. Mutual Fund Management SA	**31.12.2006**	**31.12.2005**
Other Income	**40.439,91**	**56.796,75**

37. Restatement of prior year Cash Flow statement

Amounts in €	Adjustment Value ON CONSOLIDATED AND STAND ALONE BASIS From 1 January to 31.12.2005	Disclusure Value	Adjustments	Subnote
Net cash flow from :				
Operating activities	(534.585.658,26)	(501.411.545,91)	(33.174.112,35)	**(I)**
Investing activities	(374.792.559,62)	(407.966.671,97)	33.174.112,35	**(I)**
Financing activities	(90.000.000,00)	(90.000.000,00)	-	
Net increase of cash and cash equivalents	**(999.378.217,88)**	**(999.378.217,88)**	**-**	
Cash on hand and cash equivalents at the beginning of the period	2.439.907.021,35	2.439.907.021,35	-	
Cash on hand and cash equivalents at the end of the period	***1.440.528.803,47***	***1.440.528.803,47***	**-**	

Subnote:

I. Effect of changes in depreciation premium / discount of investment securities amount of 11.163.610,14€ and from gains amount of 44.337.722,49€

38. Cash and cash equivalents analysis

For the purpose of the editing of cash flow statement, the following accounts' balances whose maturity is smaller than 3 months from the acquiring date are regarded as cash and cash equivalents.

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2006**	**31.12.2005**	**31.12.2006**	**31.12.2005**
Cash and balances with central bank	148.863.699,85	191.266.079,14	148.862.119,78	191.266.079,14
Due from banks	718.313.216,55	1.249.262.724,33	717.937.115,12	1.249.262.724,33
Cash and cash equivalents	**867.176.916,40**	**1.440.528.803,47**	**866.799.234,90**	**1.440.528.803,47**

39. Post Balance Sheet Events

There are no other events after the date of the financial statements which need to be disclosed under the International Financial Reporting Standards.

40. Bank’s Note

1. The matter of exception in the Auditors’ report concerns the uncertainty whether the Bank’s income from charging “Dormant deposit accounts administration commission’’ comply with the provisions of Bank of Greece Directives 2501/31.10.2002 (customers information requirements on the terms of their bank transactions) as well as the decision of Central Bank of Greece Committee 178/3/19.7.2004 (clarification on interest rates and customers information on their bank transactions).

   The Management disagrees with the Auditors’ opinion since it considers that it has applied the policy of charging administration commissions on dormant deposit accounts, which has been applied by the banks in Greece and which fully complies with the provisions and decisions of the Bank of Greece.

2. The matter of emphasis in the Auditors’ report concerns the compliance with the application of Governor’ s Act number 2577/9.3.2006 (on Internal Auditing Systems) and further improvement, especially in the systems’ security area.

   The Bank’s Management informs that from the date the bank received an operating license from Bank of Greece (19/4/2006), it has been constantly improving the operation framework of Internal Auditing Systems in compliance with Governor’s Act number 2577/9.3.2006 and especially concerning the systems’ security area, from the date of installation of the Integrated Information System (1/10/2006), the implementation and development of system control procedures started up, in collaboration with external consultants company. This process is already in the second (out of three) stages of the project, which is expected to be completed in July, 2007.

41. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "GREEK POSTAL SAVINGS BANK S.A."

Report on the Financial Statements

We have audited the accompanying, stand alone financial statements of Greek Postal Savings Bank S.A. ("the Bank") and the consolidated financial statements of the Bank and its subsidiary ("the Group"), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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 harmonised with 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 entity'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 provide a reasonable basis for our opinion and are sufficient and appropriate to provide a basis for our audit opinion.

Audit Findings

The Bank for the first time recognised in the current year, income from charging "Dormant deposit accounts administration commission" amounting to Euro 21.2 million on the basis of a relevant decision of the Bank's Administration Policy Committee. In the opinion of our legal counsels, the compliance of this decision to charge the above commission to the dormant deposit accounts, with the provisions of Bank of Greece Directive 2501/31.10.2002 and the decision of the (Central) Bank of Greece Committee for Banking and Credit matters 178/3/19.7.2004 is disputable. In our opinion, the Bank should have assessed the extent of collectability of the above mentioned income from charging commissions to dormant accounts and take the relevant necessary provisions against that recognised income. The maximum possible loss for the Bank, in case of non collection of the total of the above mentioned commissions charged, will not exceed Euro 15.1 million, after taking into account the relevant income tax effect.

Opinion

In our opinion, except for the impact, if any, of the matter referred to in the previous paragraph, the financial statements present fairly, in all material respects, the financial position of the Bank and the Group as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

On 19 April 2006, the Bank received from the (Central) Bank of Greece an operating license in accordance with the provisions of Law 3082/2002. As of this date, the Bank is regulated under the "single licence" regime (single EU "passport") provided by Law 2076/92 (second Banking Directive), and therefore is subject to the particular provisions of the Governor's Act number 2577/9.3.2006 "Operation principles and assessment criteria for the organization and internal control systems of credit and financial institutions and their managing officers' respective functions". During 2006, the Bank installed a new Integrated Information System aiming to upgrade its existing infrastructure. Due to the large amount of data that had to be migrated to the new system, the process of fully complying with the requirements of the above mentioned Governor's Act had not been completed until the date of our report. The internal control system of the Bank continues to require further improvements, especially in the systems security area.

Report on Other Legal and Regulatory Requirements

The content of the Director's Report is consistent with the above financial statements.

Athens, April 12, 2007

The Certified Public Accountants

Michael Hadjipavlou	Epaminondas Giouroukos
Reg. No.: 12511	Reg. No.: 10351

Deloitte.

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II. SUBSIDIARIES FINANCIAL STATEMENTS

TT ELTA AEDAK
INCOME STATEMENT (31 DECEMBER 2006)
FISCAL YEAR 1.1-31.12.2006

	31.12.2006	**31.12.2005**
Sales	460.783,88	355.099,39
Cost of Sold	(198.304,27)	(214.428,37)
	262.479,61	**140.671,02**
Sales percentage	56,96%	39,61%
Other operating income	-	-
Administrative expenses	(331.320,40)	(286.151,95)
Distribution expenses	(35.492,16)	(15.842,93)
Financial operations results	20.273,35	6.170,61
Operating results (loss)	**(84.059,60)**	**(155.153,25)**
Sales percentage	-18,24%	-43,69%
Other expenses	(1.477,01)	(15.983,00)
Results (loss) before taxes	**(85.536,61)**	**(171.136,25)**
Income / Expense Tax	-	-
Deffered Taxes P-L	(3.981,84)	(1.056,47)
Result (loss) after taxes	**(89.518,45)**	**(172.192,72)**
Net result (loss)	**(89.518,45)**	**(172.192,72)**
Net result under IFRS	**(89.518,45)**	**(172.192,72)**

TT ELTA AEDAK
BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2006
FISCAL YEAR 1.1-31.12.2006

	31.12.2006	31.12.2005
ASSETS		
Non current assets		
Intangible fixed assets	52.744,45	37.615,69
Tangible fixed assets	86.983,61	46.248,63
Participations in assosiates	-	-
Other non current assets	4.941,46	10.215,62
Deferred tax assets	-	-
Total non current assets	**144.669,52**	**94.079,94**
Current assets		
Debtors and receivables	62.286,99	73.396,63
Other receivables	662,50	209,53
Financial assets at fair value throught profit and loss	569.395,16	553.467,80
Cash and balances	377.681,50	393.767,39
Total current assets	**1.010.026,15**	**1.020.841,35**
TOTAL ASSETS	**1.154.695,67**	**1.114.921,29**
LIABILITIES		
Shareholder's equity		
Share capital	2.210.000,00	2.210.000,00
Reserves	-	-
Retained earnings	(1.114.396,35)	(1.024.877,89)
Total equity	**1.095.603,65**	**1.185.122,11**
Long term liabilities		
Deferred tax liabilities	5.038,30	1.056,47
Employee benefit plans	15.983,00	15.983,00
Provisions	-	-
Total long term liabilities	**21.021,30**	**17.039,47**
Short term liabilities		
Short term bank debt	-	-
Suppliers & other liabilities	10.414,79	6.313,30
Other short term liabilities	27.655,93	13.953,35
Transit credit balances	-	2.493,06
Total short term liabilities	**38.070,72**	**22.759,71**
TOTAL LIABILITIES	**1.154.695,67**	**1.224.921,29**