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**Annual Financial Report**  
(for the year ended at 31<sup>st</sup> December 2010)

**According to article 5 of Law 3556/2007**  
The attached annual financial report  
is available on the website of T BANK at [www.tbank.com.gr](http://www.tbank.com.gr)

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**I. Declaration of Board of Directors members (according to article 4, § 2, Law 3556/2007)**

We hereby declare that, to the best of our knowledge, the consolidated and non-consolidated financial statements for the year ended on December 31st, 2010, which have been prepared in accordance with applicable accounting standards, fairly present the assets and liabilities, equity and semi-annual results of T BANK SA, as well as of the enterprises included in the consolidated financial statements as a group, in accordance with the provisions of article 4, paragraph 3 of Law 3556/2007.

Furthermore we declare that, to the best of our knowledge, the of the Board of Directors for the year ended on December 31st, 2010, provides a fair presentation of the information required by article 4, paragraph 2 and 6 of law 3556/2007.

Athens, March 30, 2011

The Chairman  
of the Board of Directors

The Vice-Chairman of the Board of  
Directors and Managing Director

The Deputy  
Managing Director

.....  
Kleanthis Papadopoulos

.....  
George Handjinicolaou

.....  
Andreas Taprantzis

## II. Board of Directors Annual Report

### A. OVERVIEW OF THE PERIOD FROM JANUARY 1st, 2010 TO DECEMBER 31st, 2010

In 2010, the Greek Banking System faced major challenges. Profits continued to fall, the quality of lending portfolios deteriorated, credit growth slowed down substantially, and the liquidity of Greek banks suffered great pressure. The Banks found themselves in a dire situation, caused by the deterioration of fiscal and economic conditions in Greece, which in turn led to the downgrade of the country's credit rating, sending ripple effects in regard to the fund-raising ability of both the Greek State and the Greek Banks. The exclusion of Greek banks from international markets and the outflow of deposits brought about by negative sentiment and the drop of disposable incomes, led to the Greek Banks' almost total dependence from the ECB. The adverse effects on the Bank's results due to liquidity pressures, reduced supply and demand for loans, and deteriorating lending portfolio quality, also put pressures on their capital adequacy.

These adverse effects of the economic crisis are reflected the financial results of the T BANK Group. In 2010, loan impairment allowances remained very high, while interest and commission income further decreased, offsetting the reduction of operating expenses and the substantial containment of interest expenses due to the decrease in interest rates as compared to 2009; as a result, the Group sustained a €1.3 million loss after taxes and minority interest.

#### Review of the Group's Results and Financial Figures

The evolution of the Bank's lending portfolio reflects the conditions prevailing in the Greek Banking System, with reduced loan supply due to scarce liquidity and reduced loan demand due to the recession. Given the increased credit risk it is exposed to, the Bank continues to form increased loan impairment allowances. Therefore, the loan impairment allowance, after writing-off bad debts, rose to €130.4 million from €103.7 million in December 2009. Gross loan balances fell by 2% to €1.9 billion. It is worth noting, though, that in the 4th quarter of 2010 loans increased by €77 million. This improvement was mainly the result of a €68 million increase in lending to small and medium-sized enterprises and a €20 million increase in shipping loans during the final quarter of 2010. The percentage of non-performing loans, including stock exchange transactions in arrears for more than a year, stood at 10.9% of total loans as per 31.12.2010, owing to the financial hardship experienced by households and enterprises, in conjunction with the Bank's lending growth containment policy.

Total investment in securities (available for sale, held for trading and held to maturity securities) increased by €499 million year-on-year, and rose to €51.1 million from €1.6 million at the end of 2009. In the 4th quarter of 2010 total investment securities increased by €62 million. The year-on-year and quarterly increases in investment resulted from increased investment in Greek Government Bonds, whose balance stood at €16.6 million at the end of 2010. The Bank is using GGBs as collateral for drawing liquidity from the ECB. This increase, along with the quarterly increase in lending, led to an increase of total assets by €129 million and €304 million or 13% on a quarterly and year-on-year basis respectively, to a total of €2.7 billion.

Following net deposit inflows of €244 million in the second half of 2010, total deposits stood at €1.70 billion on a consolidated basis, partly offsetting the deposit outflows experienced since September 2009.

Despite the rights issue that took place in the 1st quarter of 2010, the Group's total equity fell to €76.7 million from €107.4 million as per 31.12.09, as a result of accumulated losses during this, as well as the previous years. Thus, there was a further deterioration of capital adequacy ratios, with the total and core (Tier I) ratios standing at 4.5% ratio and 2.25% respectively.

The negative impact on lending due to the adverse economic climate was also reflected on interest and commission income. The substantial decrease of operating expenses and interest expenses both on a year-on-year and a quarterly basis, as well as the rise of income from interest on GGBs, was not, for the time being, enough to fully offset the drop of lending income and restore the Bank's profitability. Therefore, in 2010 the T BANK Group recorded a total loss of €1.3 million after taxes and minority interest.

Interest income was reduced by 16% year-on-year, to €100.6 million, with loan interest income reduced by 26% to €35.6 million and interbank and bond interest income increased by 272% to €15 million, due to major investment in high-yield Greek Government Bonds. The drop of interest income was fully offset by a 30% year-on-year decrease in interest expense, to €64.6 million, as interest expense on customer deposits fell by 28% and interest expense on bonds fell by 49%. Therefore, net interest income rose by 31% to €35.9 million, from €27.5 million in 2009.

The containment of lending operations, in conjunction with negative stock market conditions, led to a 35% reduction in net commission income, which fell to €1.2 million. Trading income —mainly from foreign currency deals— stood at €600 thousand.

Total operating expenses decreased by €3 million or 8% to €7.3 million, with administrative expenses reduced by 16% year-on-year to €29.9 million, mainly because of the containment of third party fees by 31% and of the cost of renting and maintaining the Bank's branches and administration buildings by 4%, and the drastic reduction of marketing expenses. Similarly, personnel expenses decreased by 2.1% year-on-year to €46.2 million, while depreciation decreased by 10% to €11.1 million. The planned further rationalization of expenses, with the cost cuts realized through the amalgamation of branches and head-office units, is expected to lead to an additional drop of operating costs.

Owing to the above, pre-tax losses fell to €71.8 million from €77.2 million in 2009. The loss after taxes and minority interest stood at €71.3 million, as compared to €61.8 million in 2009. This change in after tax results is due to the discontinuation of the recognition of a tax loss during 2010.

### Important events during the year from January 1st to December 31st, 2010, and up to the date of this Annual Financial Report

- In February 2010, the Bank did not exercise its right to recall in regard to the €50 million subordinate (Lower Tier II) bond (maturing in February 2015) issued by Aspis Finance Plc, and as a result the new interest rate equals the three-month Euribor plus a 2.65% spread (as compared to an interest rate of three-month Euribor plus a 1.35% spread till February 2010).
- On 25.02.2010, the PISC decided to revoke the operating license of insurance company Commercial Value SA, which, during this period, held 34.679% of the Bank's voting shares. The effect of the revocation of the insurance company's license on the results and assets of both the Bank and the Group was reflected on the financial statements for the year 2009.
- Following a resolution of the Extraordinary General Meeting of ASPIS Bank shareholders, held on 23.7.2009, and the resolution of the Board of Directors as per 01.03.2010, concerning the increase of the Bank's share capital through payment in cash and by way of pre-emptive rights for existing shareholders, at a subscription rate of for 2 new shares for each 1 existing share, which took place from 16.3.2010 to 30.3.2010, and after the exercise of the withdrawal right from 12.4.2010 to 14.4.2010, the final subscription rate stood at 62.92% and the total amount of funds raised stood at €48,374,403.60. Following the above, in accordance with the resolution of the Bank's Board of Directors as per 15.4.2010, the share capital was increased up to the subscription amount, i.e. by €48,374,403.60, 80,624,006 new common registered shares were issued at a par value of €0.60 each, and article 5 of the Bank's Articles of Association, regarding its share capital, was amended accordingly. Following the completion of the aforementioned rights issue, the Bank's share capital amounts to €86,812,836, divided in 144,688,060 common registered voting shares, at a par value of €0.60 each. In accordance with the approval, dated 20.04.2010, of the Athens Stock Exchange concerning the listing of 80,624,006 new common registered shares of the Bank that resulted from the aforementioned rights issue, the new shares were credited with the Bank's Shareholders' securities accounts in the Dematerialized Securities System (DSS) and their trading began on 22.04.2010. As per the same date, the total number of common Bank shares traded in the ASE amounts to 144,688,060 common registered shares, and the total number of voting rights on the Company's common registered shares amounts to 144,688,060.
- According to its relevant notification, Hellenic Postbank SA directly holds 47,602,370 voting shares of the Bank as per 22.04.2010, i.e. 32.90% of the Bank's total voting rights. There is no indirect holding. The acquisition of 32.90% of the Bank's share capital and voting rights was the result of the participation of Hellenic Postbank SA in the Bank's rights issue.
- According to his relevant notification, the Liquidator of insurance companies ASPIS PRONIA GENERAL INSURANCE SA, ASPIS PRONIA PROPERTY CASUALTY S.A. and Commercial Value SA, Mr. Konstantinos Vlachogiannis, indirectly controls 34,843,793 voting shares since 22.4.2010, i.e. 24.082% of the total voting rights of the issuer, as compared to 54.389% previously held. This reduction of his stake from 54.389% to 24.082% resulted from the non-exercise of preemptive rights during the Bank's rights issue.

On 23.04.2010, Fitch Ratings, the international ratings agency, upgraded the Bank's Rating Watch from "Negative" (RWN) to "Evolving" (RWE). Moreover, Fitch kept the Bank's credit rating to "B".

- The Annual General Meeting of the Bank's Shareholders that was held on 07.05.2010 decided to Change the Bank's name to "T BANK Banking SA", with the trade name "T BANK". The amendment of the Article of Association concerning the Bank's name was approved by the competent Ministry and posted in the Official Gazette on 21.06.2010.
- The Managing Directors Act of 16.06.2010 redefined the organizational structure of the Bank, through a reduction in the number of General Divisions and the segregation of the Credit sector (loan approval) from the Sales sector (Branch & Business Center network, Alternative networks and Stock Exchange Operations). The aforementioned change in the Bank's organization chart aimed at ensuring the Bank's more efficient operation and supporting and facilitating the achievement of its targets-operations.
- On 09.07.2010, the Bank received "Straight-Through Processing (STP) Excellence Award" by Deutsche Bank, for its international payment services in Euros and Dollars.
- On 29.10.2010, Fitch Ratings, the international ratings agency, revised the Bank's credit rating and Rating Watch, leaving the latter unchanged to "Evolving" (RWE) and downgrading the Bank's credit rating to "B-" from "B".
- Following the decision reached by the ASE on 26.11.2010, from 29.11.2010 the Bank's stock is traded in the Low Dispersion and Specific Features category, given that its closing price fell below the €0.30 limit.
- Following the decision reached by the Executive Committee on 30.12.2010, the Bank proceeded to the relocation/amalgamation of Branches and Business Units. In implementation of the above decision, 5 Branches and 3 Business Centers were amalgamated in Attica and Thessalonica during the first months of 2011 and till the drafting of this Report. Therefore, the number of operational Branches was reduced from 73 to 68 and the number of Business Center was reduced from 7 to 4.
- Following the aforementioned Managing Directors Act of 16.06.2010, the Managing Director's Act of 13.01.2011 redefined the organizational structure of the Bank, through a further reduction in the number of General Divisions and the amalgamation of Departments. The above change in the Bank's organization chart aimed at ensuring the Bank's more efficient operation and supporting and facilitating the achievement of its targets-operations.
- On 17.01.2011, the Bank's head office was relocated from 4 Othonos Street, Athens, to 22 Omirou Street, Athens, pursuant to the decision reached by the Board of Directors on 16.12.2010.
- On 24.02.2011, "tranche A" securities of the second "Byzantium II Finance Plc" mortgage loan securitization was given a "A (sf) / Rating Watch Negative" rating by the Standard & Poor's international credit rating agency. The securities were accepted for refinancing operations by the European Central Bank, as part of the latter's new policy.
- Until the second half of 2010, the Bank faced a major outflow of deposits, mainly as a result of the huge outflow of deposits experienced by the Greek Banking System and especially small and medium-sized Banks (according to the Bulletin of Conjunctural Indicators of the Bank of Greece. net deposits and repos decreased by 12.2% or €34.1 billion by November 2010, as compared to 31.12.2009) and the negative effect of the revocation of the licenses of the insurance companies-ex shareholders of the Bank on its good name and clientele. From 01.07.2010 to 28.02.2011, €252 million of the deposits that had fled during the previous period were recovered on an individual basis. Similarly, deposits of €244 million were recovered during the 2nd half of 2010 on a consolidated basis.
- In 2010, and until the drafting of this Report, the following changes have occurred in the makeup of the Bank's Board of Directors:
  - By means of Board resolution dated 01.03.2010 Non Executive-independent Member, Mr. Vasilios Apostolopoulos resigned from the Board of Directors (resignation date 26.02.2010).

- The Annual General Meeting of the Bank's Shareholders that was held on 07.05.2010 decided, among others, to elect a new Board of Directors, comprising the following nine (9) members:

Kleanthis Papadopoulos  
 Spyros Pantelias  
 Nicolaos Mallouchos  
 Konstantinos Vlachogiannis  
 Charalambos Siganos  
 Phedon Tamvakakis (Independent Member)  
 Demetrios Gkoumas (Independent Member)  
 Vassilios Dalakidis (Independent Member)  
 Stavros Androutsopoulos (Independent Member)

- Following the resolution of the Annual General Meeting of the Bank's Shareholders as per 07.05.2010 and the resolutions of the Board of Director as per 10.05.2010:

(a) the Board of Directors of the Bank that was elected by the Annual General Meeting of the Shareholders of 07.05.2010 was constituted into a body;

(b) it was decided to elect Mr. George Hadjinikolaou as the new member of the Bank's Board of Directors in the position of Vice Chairman and Managing Director, in replacement of Mr. Charalambos Siganos, who had resigned in the meantime; and

(c) following the aforementioned replacement, the Board of Directors of the Bank reached a new decision, in regard to its incorporation into a body.

- By means of Board resolution, dated 26.11.2010, Mr. Andreas Taprantzis was elected Deputy Managing Director of the Bank, in replacement of Mr. Nicolaos Mallouchos, who resigned.

Following the above, the current composition of the Bank's Board of Directors is the following:

<b>Board of Directors of T BANK SA</b>	
<b>Full name</b>	<b>BoD Position</b>
Kleanthis Papadopoulos of Angelos	Chairman - Non Executive Member
George Handjinicolaou of Petros	Vice-Chairman & Managing Director - Executive Member
Andreas Taprantzis of Velissarios	Deputy Managing Director - Executive Member
Spyros Pantelias of Christos	Non Executive Member
Konstantinos Vlachogiannis of Heracles	Non Executive Member
Demetrios Gkoumas of Georgios	<b>Non Executive-Independent Member</b>
Vassilios Dalakidis of Miltiades	<b>Non Executive-Independent Member</b>
Phedon Tamvakakis of Demetrios	<b>Non Executive-Independent Member</b>
Stavros Androutsopoulos of Vassilios	<b>Non Executive-Independent Member</b>

The effect of the aforementioned events has been presented in Financial Statements of the Bank and the Group.

## **B. PROSPECTS**

Capitalizing on its new shareholder structure, new corporate identity and new Management, and taking into consideration the adverse economic conditions and the risks faced by itself, as well as the entire Greek Banking System, T BANK has adjusted its strategic planning urgently and proportionately, with the aim of safeguarding itself against any further deterioration of the Greek economy,

boosting productivity and efficiency and restoring good name and clientele. In this context, the Management of T BANK has already given priority to:

- sustaining adequate liquidity;
- safeguarding the bank against increased credit risk;
- drastically cutting down on operating expenses;
- enhancing capital adequacy.

### C. RISKS AND UNCERTAINTIES FOR 2011

The Greek economy is still facing major challenges during 2011. The main features of the economic crisis that the Greek economy has gotten into are an excessive budget deficit and public debt, as well as the continuous erosion of the country's competitive position and growth potential. As a result of these chronic domestic macroeconomic imbalances the country's credit rating was downgraded and its capability to raise funds from international markets was reduced. The loss of faith to the prospects of the Greek economy also had an adverse effect on capital markets. In order to deal with this "dual" crisis, strict fiscal adjustment and growth-boosting measures have been adopted, and continue to be adopted — as part of the financial support provided by the European Union and the IMF. These measures aim at reducing the fiscal deficit, reinstating economic growth and restoring market confidence to the Greek economy.

Inevitably, the Greek banking system is directly affected in many ways by adverse developments in the Greek economy. The downgrade of Greece's credit rating led to the downgrade of the majority of Greek banks by international rating agencies. The markets' misgivings regarding the pace of restoring fiscal imbalances in the Greek economy led to the exclusion of Greek Banks from international money and capital markets, making them entirely dependent upon the ECB for raising liquidity, and caused a massive outflow of deposits —which has been reversed recently— thus increasing their borrowing costs. Moreover, the deterioration of economic conditions has an adverse effect on the quality of the Bank's loan books, and therefore on their income and profits. The Greek banks' capital adequacy has been severely hit in comparison to previous years, as a large part of the sector saw its profits decrease or went into the red.

The anticipated persistence of adverse conditions in the Greek economy and the capital markets during 2011 sends negative ripple effects throughout the financial system, and as a result the entire Greek banking system and, consequently, T BANK, are still exposed to increased liquidity, market and credit risk. In summary, the challenges that the Greek banking system and, by extension, T BANK are called to face, are the following:

- **Deterioration of lending portfolio quality** due to the further erosion of the financial position of both households and firms. The possible rise of non-performing loans may lead to an increase in the respective loan impairment allowances, which may have adverse consequences on the Bank's results.
- **Recovery of the deposits that flew out of the Greek Banking System during 2010 and finding of alternative sources of liquidity as part of the imperative of gradually reducing dependence from the ECB.**  
More specifically, as far as T BANK is concerned:
  - In 2010, the Bank had drawn liquidity from the ECB using as collateral Greek Government Bonds and securitization bonds totaling €631 million, as well as special government securities issued by the Public Debt Management Agency in accordance with article 3 of Law 3723/2008, totaling €79 million (31.12.2010) and maturing in 2011. Therefore, a possible imposed reduction of dependence from the ECB without having found alternative sources of liquidity (for example, by raising customer deposits) or the possible impairment of the Greek Government Bonds value (haircut) may affect T BANK's liquidity.
  - Owing to the major outflow of deposits from the Greek Banking System and the negative effect of the revocation of the licenses of the insurance companies-ex shareholders of the Bank on its good name and clientele, from the 4th quarter of 2009 till the second half of 2010 the Bank suffered a substantial outflow of deposits. In contrast, part of the deposits, amounting to €244.43 million —on a consolidated basis— was recovered during the second half of 2010, a trend that is expected to persist.
  - In case that the two (2) aforementioned factors have, either jointly, or individually, a negative effect on liquidity, the Bank's exposure to liquidity risk may further increase.
- **The above risks (credit and liquidity risk) have a direct effect on the Bank's results.** More specifically,
  - the possible maintenance and/or further increase of high interest rates aimed at recovering more deposits and enhancing liquidity;
  - the possible impairment (haircut) of the value of Greek government bonds held in the Bank's portfolio;
  - a possible new increase in provisions may have adverse consequences on the Bank's results.

- Moreover, given the forecasts of a further slowdown in economic activity during 2011, the Greek banking system has increased needs more capital in order to sustain and/or enhance its capital adequacy.** In case negative stock market conditions persist, the capability to raise funds from capital markets will be restricted.

More specifically, as far as T BANK is concerned, its capital adequacy is affected by both the possible increase of the Bank's exposure to credit, as well as liquidity and market, risks, and their possible negative effect on the Bank's results. More specifically, on December 31st 2010 the total capital adequacy ratio stood at 4.5% on a consolidated, and at 5% on a non-consolidated, basis. The Tier I ratio stood at 2.25% on a consolidated, and at 2.5% on a non-consolidated, basis. The main shareholder Hellinik Postbank SA (TT) has insured the Management of the Bank that it intends to enhance Bank's capital adequacy in order to enable its operation unhamperedly. The Management in coordination with the main shareholder examines the measures that should be taken in order to increase the ratio over the minimum limit.

**The Bank is exposed to litigation risk, with possible effects on its results, financial position and capital adequacy.**

Presently, there are pending extrajudicial summons and lawsuits of natural persons against Aspis Capital SA, ASPIS PRONIA GENERAL INSURANCE S.A., the ASPIS Group of Companies and the Bank in regard to bonds issued and sold to investors by Aspis Capital SA, the ASPIS Group of Companies and ASPIS PRONIA GENERAL INSURANCE S.A., with the Bank acting as Manager and payments administrator. The Bank's Management represents that it has never been involved in any way in the sale of the securities of the aforementioned companies, and that it acts exclusively as the payments administrator, without providing any guarantee in regard to the fulfillment of the corresponding issuers' obligations. The possibility of the corresponding lawsuits being successful will depend on the Court's assessment of the evidence. However, the persons responsible for handling the cases reckon that the possibility of success is limited.

Moreover, by the end of 2008 the Group had promoted, through the Bank's branch network and through contracts with ASPIS INSURANCE BROKERAGE SA, a UNIT-LINKED insurance policy offered by Commercial Value under the brand name ASPIS VALUE. There are pending extrajudicial summons and lawsuits from natural persons against Commercial Value SA. Due to the revocation of the operating value of COMMERCIAL VALUE it is considered possible that, in case the beneficiaries of the ASPIS VALUE insurance product are not compensated by COMMERCIAL VALUE, or are not offered any state or other guarantee, they will take legal action against the Bank (besides, legal action has been taken—in approximately 10 cases—against the Bank). The possibility of the corresponding lawsuits being successful will depend on the Court's assessment of the evidence. However, their possibility of success is estimated to be limited.

**Risk Management**

The Group is methodically monitoring credit risk, operational risk, as well as the liquidity and market risks. Given market conditions, T BANK adjusted its strategic planning urgently and proportionately, with the aim of safeguarding the Bank against any further market deterioration, and boosting productivity and efficiency. Provisioning policy has been adjusted on the basis of new conditions, in order to safeguard the Bank against increased future risks. Credit policy has been revised and strict lending criteria are being implemented. Aiming at the optimum management and mitigation of credit risk, the Bank has centralized and upgraded lending procedures, through the centralization of approval levels, the formation of a dedicated cheque control department, and the formation of a special bad-debt-monitoring committee. Moreover, the Bank reinforces overdue claim collection mechanisms by means of a new IT application for the management of delinquencies and permanent arrears, which has come on-stream.

On the risk management level, the Board of Directors, focused on promoting stability and continuation of the Group's operations, has established an effective risk management operations framework that enables the Group to recognize and analyze all types of risks it is exposed to. The Risk Management Division operates as an independent unit in the Bank, reporting to the Risk Audit Committee and the Board of Directors. The unit is responsible for improving, on a continual basis, the existing management methods, for identifying and properly analyzing the risk that the Group faces through quantitative methods, as well as for developing new quantitative tools that will enhance the Group's risk management framework. The Board has established the Assets-Liabilities Committee (ALCO), and an Audit Committee, which are responsible for developing and monitoring the risk management policies of the Group in their specified areas.

**Credit Risk<sup>1</sup>**

Credit risk measurement is central to the Bank's risk management system. Credit risk is the risk of financial loss because of counterparty defaults.

<sup>1</sup> For detailed information see Note 4 to the Financial Statements of the Bank and the Group, respectively, as per 31.12.2010.

Loans, as well as approved and irrevocable credit lines to both natural persons and businesses, are the key sources of credit risk. Moreover, in the case of investment and trading activities, credit risk may emanate from transactions on derivative products and the clearing of financial assets.

The objective of credit risk management is to maximize the Bank's profitability by monitoring the level of expected and unexpected losses. By utilizing historical data and information systems, the Bank develops, assesses and implements credit scoring models. Certain early risk identification criteria are also assigned to the various loan portfolios, and, if deemed necessary, corrective measures are suggested.

As regards loans to individuals, a risk assessment model was developed as part of the Bank's electronic credit application processing system, which employs certain criteria to classify each applicant in a specific category of risk. These systems, which are used for the proper evaluation of debtors, are regularly reviewed, and, if deemed necessary, modified.

In regard to business loans, the Bank uses an internal rating system to classify each application/customer in terms of credit risk, based on available financial data and qualitative criteria. In the case of large or small and medium-sized enterprises, the Credit Risk Tracker rating system of Standard & Poor's is implemented.

Moreover, the Problem Loan Management Committee is regularly meeting in order to monitor, and make decisions for dealing with, the delinquencies and permanent arrears of the Group's lending portfolios

#### **Liquidity risk**

Liquidity risk is the risk of the Group being unable to meet its financial obligations due to inadequate liquidity.

The Group's philosophy is to manage its liquidity to ensure, by all possible means, that it has adequate liquid assets to cover its obligations under normal or abnormal circumstances without affecting its reputation.

Liquidity risk arises with respect to the funding of the Group's activities and the management of positions. It includes both the risks of being unable to finance its liabilities at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

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

Moreover, it is monitoring the compulsory liquidity ratios —the liquidity ratio and the maturity mismatch ratio— as determined by Bank of Greece Governor's Act 2560/05 on the adequate liquidity of credit institutions.

#### **Market risk <sup>2</sup>**

The Group's market risk is the risk arising from changes in market parameters such as changes in interest rates, equity prices and foreign exchange rates. For market risk, the Risk Management Division elaborates, develops and carries out risk methods that are based on Value-at-Risk (VaR) models. More specifically, VaR measures the worst expected loss over a given horizon, under normal market conditions, and at a given confidence level.

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<sup>2</sup> For detailed information see Note 4 to the Financial Statements of the Bank and the Group, respectively, as per 31.12.2010.

Since this statistical model cannot cover any financial loss that may occur as a result of extreme events, the Risk Management Division applies stress tests on its financial assets portfolio. More specifically, it employs the Extreme Value Theory, in order to reach conclusions concerning changes in the Bank's financial asset portfolio value under extreme economic conditions. In order to calculate VaR, the Risk Management Division employs the Variance-Covariance method, based upon a 99 percent confidence level, assuming a 10-day holding period and using one-year historical data. As at December 31 2010, VaR for the the Group's securities' portfolio stood at €4,552 thousand and VaR for its foreign exchange position stood at €28 thousand. For the purpose of Value-at-Risk calculation the securities portfolio of the Group includes the Bank's shares, mutual funds and bonds classified either as available for sale or trading. Moreover, on December 31, 2010 the Bank held a long position of €642 thousand against several currencies. Moreover, the Risk Management Division uses the Bank's IT systems to monitor, on a daily basis and throughout the entire trading day, the positions of the Treasury Division, as well as compliance with the trading limits set by the Assets-Liabilities Committee (ALCO).

#### **Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors.

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

Through continuous reports of the Risk Management Division regarding the Group's exposure to operational risk, the Management may be informed about this type of risk, and decide on the strategy that must be adopted in order to mitigate the Group's loss from operational events.

In this framework, the Group is in the process of developing a Loss Database for operational risk, which is a precondition for implementing the Standardized Approach. Nevertheless, in the present stage, the Group is going to implement the Basic Indicator Approach, for the computation of its operational risk charge.

#### **D. TREASURY SHARES ARTICLE 103 §. 5 Law 2190/20**

Neither T Bank nor the consolidated subsidiaries hold any treasury shares.

#### **E. SUPPLEMENTARY REPORT OF THE BOARD OF DIRECTORS, ARTICLE 4 §. 7 & 8 Law 3556/2007**

This supplementary report of the Board of Directors to the Annual General Meeting of the Shareholders contains analytical information about the following issues and up to 31.12.2010, as stipulated by paragraphs 7 & 8, article 4, Law 3556/2007.

##### **1) Share capital structure of the Bank**

The share capital of T BANK SA (the "Bank") amounts to eighty six million eight hundred and twelve thousand eight hundred and thirty six euros (€86,812,836.00) divided in one hundred and forty four million six hundred and eighty eight thousand sixty (144,688,060) common registered voting shares, at a par value of sixty cents (€0.60) each. The Bank's shares are listed in the Athens Stock Exchange.

The rights that are derived from the share depend on the percentage of shares owned. In accordance with the Law and the Bank's Statute, each share provides the following rights:

- Each share has one vote at the General Meeting of the Shareholders
- No shareholder may participate or vote in the General Meeting of the Bank if he/she has not previously submitted a certification from the Central Securities Depository demonstrating that he/she is a shareholder in accordance with paragraph 1 article 51 of Law 2396/1996. This certification, as well as all proxies must be submitted to the Bank at least five (5) days prior to the date of the General Meeting. Those shareholders who do not abide to this rule may only participate if the Meeting allows them to.

- A right to earn dividend from the Bank's annual net profit; this dividend amounts to at least 35% of after tax profit, excluding charges for the formation of the legal reserve, is distributed as minimum dividend and any additional amount is decided by the General Meeting. All shareholders are entitled to a dividend, provided that they have been registered with the Shareholders' Register kept by the Bank, on the date the decision for the distribution of the dividend is made.
- The dividend for each share is paid to the Bank's shareholders within two (2) months from the date of the Annual General Meeting that approved the annual financial statements. The method and place of payment is announced at the daily Press. The right to collect the dividend is written off in favour of the Greek State within 5 years after the end of the year in which the General Meeting approved its distribution.
- A pre-emptive right in any share capital increase through payment in cash and the acquisition of new shares
- Right to obtain a copy of the financial statements, along with the auditors' report and the report of the Bank's Board of Directors
- The General Meeting of the Shareholders of the Bank maintains all its rights during the liquidation of the company and convenes after an invitation from the liquidators, whenever they deem necessary, or from the shareholders, as provided for by the Bank's Articles of Association.
- The liability of the Bank's shareholders is limited to the par value of the shares they own.

## 2) Restrictions in transferring the shares of the Bank

The Bank's Articles of Association impose no restrictions on the transfer of its shares.

## 3) Significant direct or indirect holding as per articles 9-11, Law 3556/2007

According to its relevant notification, Hellenic Postbank SA directly holds 47,602,370 voting shares of the Bank as per 22.04.2010, i.e. 32.90% of the Bank's total voting rights. There is no indirect holding. The acquisition of 32.90% of the Bank's share capital and voting rights was the result of the participation of Hellenic Postbank SA in the Bank's rights issue.

According to his relevant notification, the Liquidator of insurance companies ASPIS PRONIA GENERAL INSURANCE SA, ASPIS PRONIA PROPERTY CASUALTY S.A. and Commercial Value SA, Mr. Konstantinos Vlachogiannis, indirectly controls 34,843,793 voting shares since 22.4.2010, i.e. 24.082% of the total voting rights of the issuer, as compared to 54.389% previously held. This reduction of his stake from 54.389% to 24.082% resulted from the non-exercise of preemptive rights during the Bank's rights issue.

Following the aforementioned changes in share ownership, the most important direct and indirect holdings, as set out in article 9-11 of law 3556/2007, are the following:

Shareholder	Number of Shares & Voting Rights	% of the share capital
<b>Liquidator</b> <i>Commercial SA,</i> <i>ASPIS PRONIA GENERAL INSURANCE S.A.</i> <i>ASPIS PRONIA LIFE INSURANCE S.A.</i> (under liquidation)	34.843.793	24,082%
<b>Hellenic Postbank SA</b>	47.602.370	32,900%
<b>Other shareholders (&lt;5%)</b>	62.241.897	43,018%
<b>TOTAL</b>	<b>144.688.060</b>	<b>100%</b>

## 4) Shares conferring special control rights

None of the Bank's shares provide their holders with any special rights of control.

**5) Limitations on voting rights**

The Bank's Articles of Association make no provision for any limitations on the voting rights emanating from its shares.

**6) Agreements among the Bank's shareholders.**

The Bank is not aware of any agreement among its Shareholders, which entails limitations on the transfer of shares or the exercise of the voting rates emanating from its shares.

**7) Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Bank's Articles of Association**

The rules set out in the Bank's Articles of Association on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those provided for by CA 2190/20. The term of the Board's members is three years. The members of the Board of Directors can be reelected.

**8) Authority of the Board of Directors to issue new shares or to purchase own shares**

In accordance with the Articles of Association and article 13 par. 1 (b) of Law 2190/1920, by virtue of a resolution of the General Meeting, subject to the publication requirements of article 7b, the Board of Directors may be authorized, within the first five years since the formation of the company, to decide, by majority of at least two thirds (2/3) of its total members, to increase the share capital, fully or partially through the issuance of new shares, by an amount that can not exceed the paid up capital on the date the said authorization was granted to the Board. The aforementioned authorization to the Board of Directors may be renewed by the General Meeting for a period of no more than five years, and such renewal comes into force after the end of the five-year period. This resolution of the General Meeting is subject to the publication requirements of article 7b.

**9) Significant agreements put in force, amended or terminated in the event of a change in control, following a public offer**

The Bank has no agreements that are put in force, amended or terminated in the event of a change in its control following a public offer.

**10) Agreements with members of the Board of Directors or employees of the Bank**

The Bank has no special agreements with members of its Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason, or termination of their term of office or employment due to a public offer. There are some agreements for the payment of specific compensation to certain General / Deputy General Managers, as well as certain Bank employees in case of termination of the contract without good reason.

**F. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE AND TILL THE DRAFTING OF THIS REPORT**

- In implementation of the decision reached by the Executive Committee on 30.12.2010, 5 Branches and 3 Business Centers were amalgamated in Attica and Thessalonica during the first months of 2011 and till the drafting of this Report. Therefore, the number of functioning Branches was reduced from 73 to 68 and the number of Business Center was reduced from 7 to 4.
- Following Managing Directors Act of 16.06.2010, the Managing Director's Act of 13.01.2011 redefined the organizational structure of the Bank, through a further reduction in the number of General Divisions and the amalgamation of Departments. The above change in the Bank's organization chart aimed at ensuring the Bank's more efficient operation and supporting and facilitating the achievement of its targets-operations.
- On 17.01.2011, the Bank's head office was relocated from 4 Othonos Street, Athens, to 22 Omirou Street, Athens, pursuant to the decision reached by the Board of Directors on 16.12.2010.
- On 24.02.2011, "tranche A" securities of the second "Byzantium II Finance Plc" mortgage loan securitization was given a "A (sf) / Rating Watch Negative" rating by the Standard & Poor's international credit rating agency. The securities were accepted for refinancing operations by the European Central Bank, as part of the latter's new policy.
- Until the second half of 2010, the Bank faced a major outflow of deposits, mainly as a result of the huge outflow of deposits experienced by the Greek Banking System and especially small and medium-sized Banks (according to the Bulletin of Conjunctural Indicators of the Bank of Greece. net deposits decreased by 12.2% or €34.1 billion by November 2010, as

compared to 31.12.2009) and the **negative effect** of the revocation of the licenses of the insurance companies-ex shareholders of the Bank on **its good name and clientele**. From 01.07.2010 to 28.02.2011, €252.02 million of the deposits that had fled during the previous period were recovered on an individual basis. Similarly, deposits of €44.43million were recovered during the 2nd half of 2010 on a consolidated basis.

## G. CORPORATE GOVERNANCE STATEMENT

### Corporate Governance Code

- i. T Bank voluntarily complies with the Hellenic Federation of Enterprises (SEV) Corporate Governance Code for ASE listed companies.
- ii. The Corporate Governance Code is available at the Bank's website, [http://www.tbank.com.gr/tbank/index.php?option=com\\_content&view=article&id=133&Itemid=93](http://www.tbank.com.gr/tbank/index.php?option=com_content&view=article&id=133&Itemid=93)
- iii. The Bank is implementing the special practices for listed companies described in the SEV Corporate Governance Code, **excluding the following practices:**
  - **Section A.I (1.2), Section A.V. (5.4)-(5.8) Board Nomination Committee** Up to the preparation of this Statement it had not been deemed necessary to establish a Committee to oversee the procedure for the nomination of the Bank's board members. The Bank's Board will discuss the establishment of such a Committee in the future.
  - **Section A.VI.(6.2) Company Secretary** The Bank's Board of Directors has appointed a Company Secretary, who, nonetheless, is not employed on a full time basis due to the Bank's size.
  - **Section A.VII.(7.1) – (7.3.) Evaluation of the Performance of the Board and its Committees.** Up to the preparation of this Statement, no special procedures for evaluating the performance of the Board and its Committees had been established. The Bank's Board of Directors will establish such procedures in the future.
- iv. T Bank does not implement any other corporate governance practices than those included in the SEV Corporate Governance Code and the provisions of law 3873/2010.

### Internal Control and Risk Management Systems of T Bank and the Group

- i. **Description of the main features and elements of the Internal Control and Risk Management Systems** — in regard to the procedure for preparing the consolidated financial statements.

The Internal Control System aims, among others, at ensuring the completeness and accuracy of the data and information required for the precise and timely determination of the Institution's financial position and the preparation of reliable financial statements. In this context, the Bank has established **accounting procedures (accounting systems)**.

The main features of the Accounting System are the following:

1. The financial statements are prepared by the Financial Services Division  
The structure of the **Financial Services Division** is the following:  
**Chief Financial Officer (CFO)**  
**Department of Accounting & Taxation**, comprising the following Units  
*Financial Statements & Subsidiaries Unit*  
*Regulatory Reports Unit*  
*Supplier & Payment Management Unit*  
*Tax Liability Management Unit*  
*Expense Recording Unit*  
**Department of Financial Planning and Control**

2. The persons responsible for monitoring the operations of each unit are aware of the unit's work and are properly trained in accordance with the job description included in the Division's Internal Regulation. Personnel training is achieved through internal training, seminars and employee certification policies.
3. All the financial information used for preparing the annual and interim financial statements are extracted from the following systems:
  - Main banking transactions system
  - Treasury transaction monitoring and execution system
  - Stock market transaction monitoring and execution system
  - Payroll system
  - Financial Services Main Accounting-Costing System
  - Subsidiary Company financial data consolidation sub-system

The above systems ensure monitoring of each customer's business transactions in total, and in particular their credit exposures and deposits balances, so as to ensure both effective risk management and the proper reporting of information required by supervisory or other authorities, such as the Hellenic Deposit Guarantee Fund and other bodies.

The following reports are produced by the Financial Services System:

On a individual and consolidated basis

- Brief Financial position statement
- Brief total income statement
- Detailed control report per item
- Brief and analytical reports of notes to the financial statements.
- Cost Statements

The accounting system and sub-system produces true and fair information both for financial reporting and for management or decision-making purposes, and ensure the reliability of annual or interim financial statements, according to the applicable accounting standards, as provided for in the law.

4. In order that the above principles are adhered to, and to enhance both the comparability of financial information and the effectiveness of supervision, the Bank applies the International Financial Reporting Standards.
 

The accounting books kept in accordance with the IFRS are monitored by the Financial Services' Main Accounting-Costing system.
5. Accounting entries with respect to every transaction or set of similar transactions are duly controlled and reconciled in accordance to the Bank's own internal rules. After evaluating the level of risks involved, the Bank may, exceptionally, determine specific thresholds for transactions, such as small cash desk transactions, for which no additional controls may be required prior to their processing for their recording or further processing in the accounting systems.
6. Approved and legitimate transactions shall be recorded accurately and in a timely manner in the accounting system, with all the details required under the applicable accounting practice and standards.
7. The segregation of roles ensures that the control of transactions and entries is performed by different persons than those initially recording the transactions.
8. Both the initial recognition, and the subsequent measurement of each asset or liability, as well as their impact on the Bank's profit and loss account or equity, conform to the applicable accounting standards.
9. Open positions from transactions that involve market risk are reconciled at least every month in cooperation with the Banking and Financial Division.
10. The Bank has established appropriate procedures to ensure the systematic and secure keeping of records for no less than the minimum time period provided for by the law, in a way that allows subsequent access and verification (by building-in audit trails), the reproduction of transactions in chronological order, the support of book entries by relevant original documents and the documentation of changes in account balances, by means of appropriate information on the book entries involved.
11. Regular as well as ad hoc audits of accounting entries are performed, in order to monitor compliance with the approved asset and liability recognition, measurement and valuation methods.
12. With respect to regulatory reporting filled with supervisory authorities, the Bank ensures that the financial data included in the reports:
  - i. are complete, reliable and derived from the accounting systems or, in the case that they constitute purely prudential information, including estimates, that information is correct and adequately documented; and
  - ii. are submitted to the competent authorities within the prescribed deadlines.

13. The Bank has documented procedures in place for the selection and procurement of hardware and software products, as well as for the appointment of adequately qualified staff, taking into consideration current and expected future operational needs, the prospects of development in the size and nature of business, in conjunction with the Bank's financial means and constraints in order to ensure effective accounting and IT support.
14. Back-up files and systems are provided, to ensure the Bank's business continuity.
15. The following practices have been adopted for effectively dealing with / eliminating fraud risk:
  - i. In general, the Bank and its Financial Services are applying the four eyes principle, given that no transaction can be performed without being certified by a second person having more access privileges to the system than the first one.
  - ii. The Financial Division is the only unit allowed to record expenses
  - iii. Critical accounts are controlled by means of automated procedures, or are regularly checked by persons responsible for account control
16. More specifically, in regard to the operation and interconnection of the systems generating the financial information used for the preparation of annual and interim financial statements:
  - All data contained in the systems mentioned in (1) are accumulated in the Financial Services System by means of accounting entries created by individual systems in the following manner:
    - The data of the main banking transactions system are transferred to the Financial Services system on a daily basis, and more specifically on the following day.
    - The same stands for the transactions of the Treasury and Stock Market Divisions.
    - Payroll-related transactions are transferred on the next day.
    - Subsidiary company transactions are transferred on a regular basis and supported by a special mechanism for interconnecting their accounts with the Group's accounting plan.
    - No transactions related to the other systems are entered in the Financial Services main system.
  - Financial data are directly entered into the financial services main system in the following cases:
    - Entry of expenses, fixed assets and depreciation/amortization charges
    - Entry of income not generated by network transactions
    - Entry corrections
    - In the cases different account treatment is required, in accordance with the IFRS and the applicable tax regulations.
    - Manual entries, concerning special accounting treatments. Manual entries are not performed through special applications.
  - Consolidated financial statements are issued by a special application, which accumulates subsidiary company data. This is achieved by matching the subsidiaries' accounting plan with that of the parent company (T BANK SA). According to the applicable procedure, the trial balances are sent to, and checked by, the Financial Statements & Subsidiaries Unit, in order to identify and explain any significant changes. Following this check, all intercompany entries, eliminations and adjustments are performed, and the data are finalized after a final check.

#### **Risks related to the preparation of the financial statements**

- *Data transfer errors*  
Refers to technical errors that may arise from the transfer of data from the transaction systems to the main financial services systems. These errors are dealt with the following control procedures:
  - System (financial – banking transactions) trial balance control
  - Account balance control, with detailed client inventory
  - Control of account balances with open transaction reports or data kept with other services (custody, banking operations)
- *Subsidiary company account errors*  
These refer either to erroneous entries or entries in the wrong accounts. They are dealt with through the following procedures:
  - Pre-control of trial balances prior to their automated upload to the consolidation program. These controls aim at identifying major deviations in pre-selected accounts and at justifying these deviations.
  - Procedures for notifying the companies anytime each side (the parent or subsidiary companies) opens new accounts.

- *Manual entry errors*

These are dealt with by checking changes in accounts showing activity related to the Bank's compliance with the IFRS.

### **Internal Control & Approval of Financial Statements**

- The procedures for preparing the annual and interim financial statements are evaluated by the Audit Committee, in accordance with its Internal Rules.
- The Audit Committee oversees the audit of the financial statements by the Statutory Auditors cooperating with them on a regular or ad hoc basis.
- The Audit Committee presents the Board of Directors with a proposal for the selection of statutory auditors and secures their independence in accordance to the applicable legislation.
- The Board of Directors verifies, with the support of the Audit Committee, the accuracy of the individual and consolidated annual and interim financial statements to be issued, in order to approve them.

### **Risk Management**

On the risk management level, the Board of Directors, focused on promoting stability and continuation of the Group's operations, has established an effective risk management operations framework that enables the Group to recognize and analyze all types of risks it is exposed to. In order to achieve this target, the Risk Management Division has been assigned with identifying, analyzing and measuring (the quantitative dimension of quantified risks or the qualitative dimension of non-quantified risks) the risks the Bank is exposed to.

The Risk Management Division operates as an independent unit in the Bank, reporting to the Risk Audit Committee and the Board of Directors on a regular basis, and proposing to the Bank's Management measures for dealing with risks. The operation, roles and responsibilities of the Risk Management Division are specified and described in its Internal Rules, as applicable.

The supervision, monitoring and control of the proper application and functionality of risk management policies have been assigned to the Assets-Liabilities Committee (ALCO) and the Audit Committee.

#### **ii. Annual assessment of the Bank's corporate strategy, main business risks and Internal Control Systems**

The Board of Directors of the Bank declares that it has reviewed the main business risks faced by the Group, as well as the Internal Control Systems. The Board of Directors is annually reassessing the Bank's corporate strategy, main business risks and Internal Control Systems.

#### **iii. Provision of non-audit services to the Bank by its statutory auditors and assessment of the impact of this fact on the objectivity and effectiveness of statutory audits, taking into account the provisions of Law 3693/2008**

The statutory auditors of the Bank for the year 2010, "KPMG Certified Auditors SA", as elected by the Annual General Meeting of the Bank's Shareholders that was held on 07.05.2010, do not provide, and have not provided, the Bank or its subsidiaries with any non-audit services apart from those provided for by the law.

### **Takeover bids**

- There are no binding takeover bids, and/or rules forcing the transfer and acquisition of the existing shares, nor any statutory provision regarding takeover.
- There are no third party bids for the acquisition of the Bank's share capital during the current or the previous year.

### **General Meeting of the Shareholders**

#### **i. Operation and main powers of the General Meeting of the Bank's Shareholders**

The operation and the main powers of the General Meeting of the Bank's Shareholders is governed by the applicable provisions of its Articles of Association and CA 2190/1920.

More specifically:

1. The General Meeting of the Shareholders is the supreme body of the company, and decides on all corporate affairs. Its legal decisions are binding for all Shareholders with no exception, even absent or dissentient ones. The responsibilities of the General Meeting are those provided for by the applicable law, and the specific provisions of the Articles of Association.
2. According to article 16 of the Bank's Articles of Association, the applicable provisions of Companies' Act 2190/1920 apply on issues of convention, quorum, majority, decision making and responsibilities of the General Meeting. According to article 17 of the Bank's Articles of Association, the applicable provisions of CA 2190/1920 apply in regard to the right to participate and vote in the General Meeting.
3. Until the final election of a presiding board, the General Meeting is chaired by the Chairman of the Board of Directors, and in case of absence or impediment, by the Vice-Chairman of the Board of Directors. If the Vice Chairman also faces an impediment, then the Board appoints one of its members. The persons appointed by the Chairman act as Secretaries.
4. After the ratification of the shareholders who have voting rights, the General Meeting elects its Chairman and two (2) Secretaries who also act as scrutineers.
5. The GM is in quorum and discusses the issues of the agenda when the shareholders present or represented at it account for at least one fifth (1/5) of the paid up share capital. If such quorum is not achieved, the General Meeting is reconvened within twenty (20) days from the date of the cancelled meeting, invited at least ten (10) days in advance, and, in this repetitive meeting, is in quorum and validly discussing the issues of the original agenda no matter which is the percentage of the paid up share capital that is represented.
6. Exceptionally, concerning decisions related to the change in the company's nationality, the undertaking's object, the increase of shareholder obligations, a share capital increase not provided for by the Articles of Association, in accordance with paragraphs 1 and 2 of article 13 of CA 2190/1920, as applicable, unless it is imposed by law or effected through the capitalization of reserves, a share capital decrease, unless effected in accordance with par. 6 of article 16 of CA 2190/1920, as applicable, the change in the distribution of profits, the merger, split-off, conversion, revival, extension, or dissolution of the Company, the provision or renewal of authorization to the Board of Directors regarding share capital increases in accordance with par. 1 article 13 of CA 2190/1920, as applicable, and in any other case stipulated by law, the Meeting is in quorum and validly discussing the issues of the agenda, when the shareholders present or represented at it, account for at least two thirds (2/3) of the paid up share capital. If such quorum is not achieved, the General Meeting is reconvened within twenty (20) days from the date of the cancelled meeting, invited at least ten (10) days in advance, and this repetitive meeting is in quorum and validly discussing the issues of the original agenda when at least half (1/2) of the paid up capital is represented at it. If such quorum is again not achieved, the General Meeting, after being reconvened and in accordance with the above, is in quorum and validly discussing the issues of the original agenda when at least one fifth (1/5) of the paid up share capital is represented at it.
7. The decisions of the General Meeting are reached by absolute majority of the votes represented at it. Every shareholder has the right to vote at the General Meeting. Each vote requires one (1) share.
8. Exceptionally, the decisions provided for by above paragraph 4 are reached by a majority of two thirds (2/3) of the votes represented at the Meeting.
9. The General Meeting must convene at the company's domicile or another municipality within the prefecture of the domicile, or other municipality bordering the domicile, at least once per financial year and within six (6) months before the end of the same financial year.

## ii. Description of the Shareholders rights

In regard to the rights of the Bank's shareholders the applicable provisions of its Articles of Association and CA 2190/1920 are implemented.

More specifically:

- Each share of the Bank incorporates all the rights and obligations specified by Companies Act 2190/1920 (hereinafter "the Law") and the Bank's Articles of Association, which do not contain any provisions that are more restrictive than those of the law. The ownership of a share implies ipso facto the acceptance of the Bank's Articles of Association and the legitimate decisions of the General Meetings of the Shareholders.
- The Bank has issued only common registered shares. Each common share provides its holder with the right to one vote at the General Meeting of the shareholders. The Bank's Articles of Association do not include any restrictions of voting rights, or any share conversion clauses.
- The Bank's Articles of Association do not include any special rights in favor of specific shareholders.
- All shares issued by the Bank till today are listed in the Securities Market of the ATHEX and are freely negotiable.

- Shareholders participate in the management, profits and liquidation proceeds of the Bank in proportion to their participation in the share capital and in accordance with the provisions of the Law and the Articles of Association. The rights that emanate from each share are transferred to successor in interest or special successor of the shareholder.
- The shareholders can only exercise their rights in relation to the Bank's management through the General Meetings.
- The shareholders have a preemptive right on any share capital increase of the Bank, in proportion to their participation in the existing share capital, as specified in article 13 paragraph 7 Companies' Act 2190/1920 as amended.
- The shareholders bear no liability except the nominal value of the shares they own. The creditors of the shareholders and their successors in interest or special successors can in no case cause the confiscation or sealing of any asset, or the books, of the Bank, or demand the division or liquidation of its assets, or get involved in any way in its management or administration.
- Every shareholder, irrespective of place of residence or sojourn, is considered to be a permanent resident of the Bank's domicile as to any relation with the Bank, and is subject to Greek law. Every dispute between the Bank and the shareholders or any third party, is subject to the sole jurisdiction of ordinary courts, and the Bank can be only indicted in front of the courts of its domicile.
- The transfer of common shares is performed against the Bank, in accordance with the definitions of article 8b of CA 2190/1920, as applicable, and is subject to the provisions of applicable laws. By means of the legitimate and compliant to the Articles of Association transfer, the new shareholder replaces the previous one, and undertakes against the Bank all the rights and obligations that emanate from corporations law, the Bank's Articles of Association, and the decisions of the General Meeting.
- Each share is indivisible and provides the right to one vote at the General Meeting. In order to have a voting right, the co-owners of shares must appoint in writing a common representative for this share, who will represented them at the General Meeting, and until such person is appointed, their rights are suspended.
- Each shareholder is entitled to participate in the General Meeting of the Bank's Shareholders either in person, or by proxy. The pledging of shares for the participation of the shareholder in the General Meetings of the Shareholders, is subject to the provisions of CA 2190/1920, Law 3884/2010 (article 6) and the Rulebook of the Dematerialized Securities System of the Central Securities Depository as applicable.
- Every shareholder can obtain the annual financial statements of the Bank and the relevant reports of the Board and the Auditors of the Bank, ten (10) days prior to the Annual General Meeting (Article 27par.) 1&2190 of CA 2190/1920 as amended).
- From the day the convocation of a general meeting has been published and up to the day of the general meeting, the Bank is posting at least the following information on its website: a) the convocation of the general meeting b) the total number of shares and voting rights at the date of the convocation, including separate totals for each class of shares where the company's capital is divided into two or more classes of shares; c) the documents to be submitted to the general meeting; d) a draft resolution or, where no resolution is proposed to be adopted, a comment from the Board of Directors for each item on the proposed agenda of the general meeting, as well as draft resolutions tabled by shareholders as soon as practicable after the company has received them; e) the forms to be used to vote by proxy and to vote by correspondence, unless those forms are sent directly to each shareholder. Where the aforementioned information cannot be made available on the Internet for technical reasons, the company shall indicate on its Internet site how the relevant forms can be obtained on paper, and sends the forms by postal services and free of charge to every shareholder who so requests. (Article 27 par. 3&2190 of CA 2190/1920 as amended).
- Following an application by Shareholders representing 1/20 of the paid in Share Capital, the Board is obliged to convene an Extraordinary General Meeting of the shareholders, and specify the meeting date, which must not be later than forty five (45) days from the date the aforementioned application was delivered to the Chairman of the Board. The application includes the subject of the agenda. If the Board does not convene a general meeting within twenty (20) days from the delivery of the application, the convention is made by the applicant shareholders at the company's expense, by decision of a Single Court of First Instance of the companies domicile, issued as part of the motion for interim measures. This decision specifies the place and time of the meeting, as well as the agenda.
- Following an application by Shareholders representing 1/20 of the paid in Share Capital, the Board is obliged to include additional issues to the agenda of a General Meeting that has already been convened, if the relevant application is delivered to the Board at least fifteen (15) days prior to the General Meeting. The additional issues must be published or disclosed, by responsibility of the Board, at least seven (7) days prior to the General Meeting. In the case of companies listed in a regulated market, the request for the inclusion of additional issues is accompanied by justified opinion or draft decision for approval by the General Meeting and the revised agenda is announced in the same manner as the previous one, thirteen (13)

days prior to the date of the General Meeting, at the same time being made available to the shareholders on the company's website along with the justified opinion or draft decision submitted by the shareholders in accordance with the provisions of article 27 paragraph 3 of Law 2190/20. (Article 39 para 1 of CL 2190/1920 as amended).

Moreover, following an application from shareholders representing 1/20 of the paid in share capital, the Board of Directors makes available to the shareholders, in accordance with the provisions of article 27 paragraph 3 of Law 2190/20 and at least six (6) days prior to the date of the general meeting, draft resolutions on the issues included on the initial or the revised agenda, provided that the relevant application is delivered to the Board at least seven (7) days prior to the date of the general meeting.

The Board of Directors is not obliged to include to the agenda, publish or announce, certain issues, along with the justified opinions and draft resolutions submitted by the shareholders in accordance with the above paragraphs, if their content is obviously contrary to the law and ethics. (Article 39 par. 2a, 2b of CL 2190/1920 as amended).

- Following an application from shareholders representing 1/20 of the paid in share capital, decisions on certain issues of the General Meeting's agenda are taken by roll call vote. (Article 39 par. 7 of CA 2190/1920 as amended).
- Following an application by Shareholders representing 1/20 of the paid in Share Capital, the Chairman of the meeting is obliged to defer only once the decisions of the General Meeting, Annual or Extraordinary, on all or certain issues, setting as the date for the resumption of the meeting the date specified in the shareholders' application, which cannot, nonetheless, be later than thirty (30) days from the deferment date. The general meeting convened after such deferment is considered to be a continuation of the previous one, and it is not necessary to repeat the procedures for convoking the shareholders, and can be attended by new shareholders, in adherence to the provisions of articles 27 paragraph 2, 28 and 28a of Law 2190/20. (Article 39 para 3 of CL 2190/1920 as amended).
- Moreover, following an application from shareholders representing 1/20 of the paid in share capital, the Board of Directors is obliged to announced to the general meeting, provided it is an annual meeting, the amounts paid during the past two years to each member of the Board or the company's managers, as well as any benefit offered to these persons due to any reason or contract between the company and these persons.
- Following an application from any shareholder, submitted to the company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting the demanded specific information about the company's affairs, to the extent that these are useful for the actual evaluation of the agenda. The Board of Directors may give single answers to shareholder applications with the same content. There is no obligation to provide information when this information is already available on the company's website, especially in the form of Frequently Asked Questions.
- In all the above cases the Board can deny to provide this information due to a good material cause, which is inscribed in the minutes. Such a cause may be, according to case, the representation of requesting shareholders in the Board in accordance with paragraphs 3 or 6 of article 18 of law 2190/20.
- Following an application from shareholders representing 1/5 of the paid in share capital, submitted to the company within the deadline specified by paragraph 4 of article 39 of Law 2190/1930 (at least five (5) full days prior to the General Meeting), the Board of Directors is obliged to provide the General Meeting with information about the progress of corporate affairs and the company's financial position. The Board can decline to provide this information due to a good material cause, which is inscribed in the minutes. Such a cause may be, according to case, the representation of requesting shareholders in the Board in accordance with paragraphs 3 or 6 of article 18, if the corresponding members of the Board have been adequately informed and any dispute of the justification of the refusal to provide information is solved by a ruling from the Single Court of First Instance of the company's domicile, issued during the provisional measures process. By means of the same ruling the court obliges the company to provide the information it refused. (Article 39 par. 4, 5 & 6 of CL 2190/1920 as amended).
- **Dividend Right:**
  - The Bank is required to pay a dividend equal to at least 35% of its annual net distributed profits, excluding charges for the formation of the legal reserve. Any decision not to pay dividend from the annual net distributed profits is permissible only under the conditions set by article 45 paragraph 2b of CA 2190/1920 in conjunction with the provisions of article 3 DL. 48/1967 as applicable.
  - Every shareholder registered with the Share Register kept by the Bank is entitled to a dividend on the date of the approval of the annual financial statements by the Annual General Meeting of the shareholders or whenever specified.
  - The dividend payable against each share must be paid to the Bank's shareholders within two (2) months from the date of the Annual General Meeting that approved the annual financial statements, and on a date determined by the Annual General Meeting or, if the General Meeting has also given authorization, by the Board of Directors. The method and

place of payment is announced at the Press. Any shareholders that did not collect their dividends in due time are not entitled to any interest.

- Dividends unclaimed for more than five years since they became claimable are written off in favor of the State
- The Bank is allowed to distribute an interim dividend or a portion of such, provided that at least twenty (20) days prior to distribution a financial statement presenting the company assets and profits has been published in a daily newspaper of Athens, which according to the judgment of the Board of Directors has a wide circulation, as well as in the SA and Ltd Issue of the Government Gazette, and submitted to the competent Regulator. The dividend thus distributed cannot exceed half (1/2) of the net profits shown in the above financial statement.
- **Entitlement to the liquidation proceeds:** The liquidation process follows the dissolution of the Bank, which occurs:
  1. By decision of the General Meeting of the Shareholders,
  2. By the Bank's entry in insolvency proceedings and
  3. By court decision that orders the dissolution of the Bank in accordance with the provisions of articles 48 and 48a of CA 2190/1920 as applicable.

Excluding the case of insolvency proceedings, the Bank's dissolution is followed by liquidation. In the case of paragraph (1), the General Meeting appoints a liquidator. In the case of paragraph (3), the liquidators are appointed by the court, by means of the same decision that orders the dissolution of the Bank.

The General Meeting of the shareholders retains all its rights throughout the entire liquidation process.

The liquidators must complete, without any delay, the pending cases of the Bank, convert the corporate assets to cash, repay its debts and collect its claims. They can also perform new transactions, provided that these serve the liquidation and the Bank's interests.

## Board of Directors

### i. Composition, Responsibilities, Duties and Conduct of the Board of Directors

The Bank is managed by the Board of Directors (the Board), which

- is responsible for drawing up the Bank's strategic policy and for supervising its management and adequate control for the ultimate purpose of maximizing long-term value and promoting corporate interests, in accordance with the law;
- decides on and regularly reassesses the corporate government practices and principles and ensures adherence to transparent procedures for the nomination of new Board members;
- prepares, and submits to the regulators, a report analytically presenting the Bank's transactions with affiliated companies;
- is responsible for appointing the Heads of the Internal Audit Division, the Risk Management Division and the Regulatory Compliance Division;
- guarantees, with the support of the Internal Control Committee, the effectiveness of the internal control system, as well as the independence of the Internal Audit Division, and the Regulatory Compliance Division. In this context:
  - the Audit Committee informs the Board, within the 1st quarter of each year, by means of an annual evaluation report, about the adequacy and effectiveness of the ICS based in the data/findings of the Internal Audit Division, as well as the findings of the external auditors and the regulators;
  - following a proposal from the Internal Control Committee, the assessment of the adequacy of the Internal Control System is assigned, every three-years, to certified auditors (other than the statutory auditors);
  - the Board is informed by the Risk Management Division about matters within the Division's responsibility, by means of relevant reports.

In order to avoid conflicts of interest, [insider information] the Bank adopts best international corporate management practices and principles, mainly concerning the segregation of the executive and supervisory duties if the Board's Members.

The size, term, responsibilities, roles, duties and conduct of the Board are specified by the Bank's Articles of Association and Internal Rules of Operation, always in adherence with the applicable provisions of CL 2190/20.

The current Board of the Bank comprises 9 members, of which:

- 2 are executive members (the Vice-Chairman & Managing Director and the Deputy Managing Director) and
- 7 are non-executive members (Chairman and other Members)
- 4 of the non-executive members are Independent

The Composition of the current Board of Directors of T BANK SA was determined by the Annual General Meeting of 07.05.10 and the Decisions reached by the Board on 10.05.2010 (Gazette 4329/09.06.2010) and 26.11.2010 (Gazette 14325/21.12.2010) on the incorporation, new incorporation and re-incorporation of the Board into a body, and is the following:

<b>Board of Directors of T BANK SA (Re-incorporation into a body, Board Resolution 26.11.10)</b>	<b>Date of first election to the Bank's Board</b>
<i><b>Executive Members</b></i>	
George Handjinicolaou of Petros -Vice-Chairman & Managing Director	Board 10.05.10
Andreas Taprantzis of Velissarios- Deputy Managing Director	Board 26.11.10
<i><b>Non-Executive Members</b></i>	
Kleanthis Papadopoulos of Angelos - Chairman	GAM 07.05.10 & Board 10.05.10
Spyros Pantelias of Christos	GAM 07.05.10 & Board 10.05.10
Konstantinos Vlachogiannis of Heracles	GAM 07.05.10 & Board 10.05.10
<i><b>Independent, non-Executive Members</b></i>	
Demetrios Gkoumas of Georgios	GAM & Board 30.07.08
Vassilios Dalakidis of Miltiades	GAM & Board 30.07.08
Phedon Tamvakakis of Demetrios	GAM & Board 29.04.09
Stavros Androutsopoulos of Vassilios	Board 19.10.09

The members of the Board are elected by the General Meeting of the Shareholders for a term of three years. The current Board of Directors of the Bank was elected by the Annual General Meeting held on 07.05.10 and its term ends on May 6th, 2013. The term of the Board may be extended till the first Annual General Meeting that will be convened after their term has ended, albeit may not exceed a total of four years.

The members of the Bank's Board that served and stepped down during the year 2010 are the following:

<b>Members of the Board of T Bank who stepped down during 2010</b>	<b>From</b>	<b>To</b>
<b>CHARALAMBOS SIGANOS</b> Non Executive Member	GAM 07.05.10 & Board 10.05.10	Board 10.05.10
<b>NICOLAOS MALLOUCHOS</b> General Manager, Executive Member	GAM & Board 30.07.08	Board 26.11.10
<b>DIONYSIOS-IOANNIS STAVROPOULOS</b> Chairman - Non Executive Member	GAM & Board 30.07.08	GAM 07.05.10
<b>CHRISTOS SOROTOS</b> Vice Chairman & Managing Director  Board Member	GAM & Board 30.07.08  GAM 13.06.08 & Board 19.06.08	GAM 07.05.10
<b>VASILIOS APOSTOLOPOULOS</b> Indep. Non Executive Member	GAM & Board 29.04.09	Board 26.02.10

Short CVs of the members of the current Board of Directors are set out below:

**Kleanthis Papadopoulos of Angelos – Chairman, Non-executive Member**

A graduate from the University of Bristol (BS, 1984), the London School of Economics (MSc, 1985) and the Wharton School of the University of Pennsylvania (MBA, 1991). He has 25 years of experience in the financial sector. He is the Chairman of the

Board (Executive Member) of Hellenic Postbank. He has occupied key positions in overseas companies, including UBS, SBC Warburg, Swiss Bank Corporation, SBC O' Connor and Security Pacific.

**George Handjicolaou of Petros -Vice-Chairman & Managing Director, Executive Member**

A graduate of the Economics Department of the Law School of the Athens University and holder of an MBA and a PhD from the New York University (N.Y.U). He has 25 years of experience, covering the entire range of financial market operations. Among others, he has served as 1st Vice Chairman of the Hellenic Capital Market Commission (June 2009-May 2010), and Deputy Managing Director of the International Swaps and Derivatives Association (ISDA) in London. He was one of the founders and the Managing Director of New York-based Etolian Capital (2002-2007). From 2000 to 2002 he was the Managing Director of Merrill Lynch. From 1986 to 1998 he was mainly involved with derivative products as head of trading and Managing Director for all global markets (Bank of America/Security Pacific and UBS). He has taught at the NYU and the Baruch College. He has also served with the World Bank, and has been Treasurer of the IFC (International Finance Corporation).

**Andreas Taprantzis of Velissarios- Deputy Managing Director, Executive Member**

Holder of an MSc a Phd in Chemical Engineering by the National Technical University of Athens (NTUA) A holder of an MBA, an AMP Advanced Management & Leadership) certificate by INSEAD and a Third Class certificate for financial and industrial studies. He has twenty year of managerial experience in many economic sector and businesses. He has been Operations and Network General Manager with Hellenic Postbank (January-November 2010) and has occupied key positions with the Hellenic Post (since 2001) including that of Managing Director (April 2005-May 2009). He has also served as a member of the Board of Hellenic Postbank (June 2006-June 2009). He is the Chairman of the Postal Operations Council of Berne-based Universal Postal Union (elected in August 2008 for a four-year term until 2012, following a vote among 3,000 representatives of postal operators and regulators from 191 countries).

**Konstantinos Vlachogiannis of Heracles – Non Executive Member**

A graduate of the Law School of the National & Kapodistrian University of Athens. He is the Insurance Liquidator for ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and COMMERCIAL VALUE SA. He has worked as an Associate with the Spyridon Stamatakis Law Office (1996-1998), the Nick Gropas & Ekat. Paidas Law Office (1998-1999), the Panayotis Klimantiris Law Office (1999-2002) and the Anast. Vergos Law Office (2002-2006). Moreover, from 2006-2010 he has been a freelance attorney, involved in all fields of law (automobiles, criminal law, administrative law, leasing, factory, banking law, labour law, company law, insurance law etc)

**Spyros Pantelias of Christos – Non Executive Member**

Holder of a PhD and an MSc in Economics from the Washington University in St. Louis and a graduate of the Economics Department of the Athens University.

He is the Executive Vice-Chairman of the Board of Hellenic Postbank SA since late 2009. He has also been Group General Manager, Head of Investment Banking, Asset Management and Stock Market Operations of the Bank of Cyprus (2007-2009). He has also served as Deputy General Manager with Emporiki Bank (2005-2007), General Manager with EFG Telesis Finance (2002-2004), as well as Deputy General Manager with General Bank (2000-2002). He has also worked with the National Bank of Greece, the Hellenic Bank Association and the Reuters News Agency.

**Vassilios Dalakidis of Miltiades - Non Executive-Independent Member**

A graduate of the University of Piraeus. He has occupied various key positions in the National Bank of Greece, including those of General Auditor (1990-1993), General Credit Manager (1993-1994), General Manager of NBG Cyprus Ltd (1994-1995) and Advisor to the Governor of the Bank of Greece. He has also been a Management Advisor at EFG Eurobank (1998- 31.5.2008).

**Demetrios Gkoumas of George - Non Executive-Independent Member**

A graduate of the Business Administration Department of the Athens University of Economics and Business (ex-ASOEE) He is Chairman of the Investment Committee of the PIRAEUS-TANEO Capital Fund of Piraeus Capital Management. He is also a member of the Board at ARCON Development SA and TRASTOR SA. He has also been a member of the Board at Germanos SA. He has occupied various key positions in the National Bank of Greece and the NBG Group (1963-2004), including those of Investment and Capital Markets Manager at NBG, Managing Director at ETEVA and General Manager of NBG responsible for Investment Banking. He has been a member of the Hellenic Capital Market Commission (1991-1993) and the Central Private

Investment Council of Advisors of Law 1262, and a lecturer with the training center of the ATHEX. He has also been Chairman or Board member of many companies in which the National Bank of Greece has stakes in Greece and abroad, as well as in third companies.

**Phedon Tamvakakis - Non Executive-Independent Member**

A holder of an MA in Investment & Finance, from the Exeter University, UK. He is a founding member (1987) and Managing Director of ALPHA TRUST SA and Vice Chairman of the Board and Managing Director of ALPHA TRUST ELLINIKI GI SA. He is Vice Chairman of the Board of the Association of Greek Institutional Investors and the Vice Chairman of the Board of Quest Participations SA (ex Info-Quest). He is also a member of the Board of Directors of Taylor Young Investment Management Ltd. and the Athens Stock Exchange Members' Common Guarantee fund.

**Stavros Androutsopoulos - Non Executive-Independent Member**

A graduate of the Athens University of Economics and Business (ex-ASOEE) and holder of a Master in Business Administration from the Athens University of Economics and Business (ex-ASOEE). He has occupied various key positions in the National Bank of Greece, including the position of Head of the International Operations Sector (2000-2002). He has also been the General Manager (1994-1997) and Managing Director (1997-2000) of the National Bank of Greece in France (Banque Nationale de Grece, France, Paris) as well as Senior Manager Europe (1993-1994) of the National Bank of Greece, based in London. He has also occupied various key positions at the South African Bank of Athens Ltd — a National Bank of Greece subsidiary— based in Johannesburg (1975-1993), among them Managing Director (1987-1993) and Deputy General Manager (1983-1987).

**The professional obligations and memberships in the Boards of companies other and the Bank** (including professional obligations as non-executive members of other companies, as well as non-profit organizations) **of the members of the current Board of Directors of the Bank**, are presented in the following table:

Full Name	Position in the Bank	Company/Organization	Position
Kleanthis Papadopoulos	Chairman - Non Executive Member	Hellenic Postbank SA Hellenic Bank Association Attica Bank Postcredit	Board Chairman Member Board Member Board Chairman
George Handjinicolaou	Vice-Chairman & Managing Director -	“Association of Peristians in Greece” Non-profit organization	President
Andreas Taprantzis	Deputy Managing Director	Postal Operations (Council of the Universal Postal Union), Berne, Switzerland Postbank Green Institute, Provision of Environmental Communication, Strategic Planning and Project Management Services Postcredit	Chairman (elected in 2008 for a 4-year term)  Board Member  Board Member
Spyros Pantelias	Non Executive Member	Hellenic Postbank SA ATHEX SA  Hellenic Petroleum SA Hellenic Post SA	Executive Vice-Chairman Independent non-executive member Non executive member Board Member
Konstantinos Vlachogiannis	Non Executive Member	ASPIS PRONIA GENERAL INSURANCE SA  ASPIS PRONIA PROPERTY CASUALTY S.A.  COMMERCIAL VALUE SA	Insurance Liquidator (Gazette 11292 21/9/2009) Insurance Liquidator (Gazette 11292 21/9/2009) Insurance Liquidator (Gazette 2682 21/4/2010)

Demetrios Gkoumas	Non Executive-Independent Member	Fund Piraeus Capital Management TRASTOR SA ARCON Development SA	Investment Committee Chairman Board Member Board Member
Vassilios Dalakidis	Non Executive-Independent Member	-	-
Phedon Tamvakakis	Non Executive-Independent Member	<p style="text-align: center;"><b>Executive administrative positions:</b></p> <p>ALPHA TRUST SA      Founder &amp; Managing Director, Vice Chairman, Member of Investment Committee</p> <p>ALPHA TRUST Elliniki Gi SA      Vice Chairman and Managing Director Board Member</p> <p>Taylor Young Investment Management Limited (regulated by the FSA)      Board Member</p> <p>Union of Greek Institutional Investors      Vice Chairman</p> <p style="text-align: center;"><b>Non-Executive administrative positions:</b></p> <p>Quest Participations SA (ex Info-Quest SA)      Vice Chairman (since 17/1/2011)</p> <p>American School of Classical Studies at Athens      Trustee &amp; Co Chairman</p> <p>Gennadius Library      Overseer</p> <p>Athens Stock Exchange Members' Guarantee Fund      Board Member</p> <p>Galileo Investment Holdings Limited      Board Member (until 28/9/2010)</p>	
Stavros Androutsopoulos	Non Executive-Independent Member	-	-

In order to avoid conflicts of interest, the Bank adopts best international corporate management practices and principles, mainly concerning the segregation of the executive and supervisory duties if the Board's Members.

## ii. Operation of the Board of Directors

The operation of the Board of Directors is governed by the applicable provisions of the Bank's Articles of Association and CL 2190/1920. The operation of the Board is described in detail in the current Internal Rules of the Bank. The Rules of Operation of the Board are included in the current Internal Rules of the Bank.

Number of Board of Directors Meetings

During 2010, the Board of the Bank held 20 meetings, 5 of which were held by way of circulation.

Frequency of each Board member's participation in the meetings

<b>Members of the Board of T BANK SA during 2010</b>	<b>Frequency of Board Member participation in the meetings*</b>
<b>KLEANTHIS PAPAPOPOULOS</b> Board Chairman - Non Executive Member	<b>10 out of 11</b>
<b>GEORGE HANDJINICOLAOU</b> Vice-Chairman & Managing Director	<b>10 out of 10</b>
<b>ANDREAS TAPRANTZIS</b> Deputy Managing Director	<b>3 out of 3</b>
<b>SPYROS PANTELIAS</b> Non Executive Member	<b>11 out of 11</b>
<b>KONSTANTINOS VLACHOGIANNIS</b> Non Executive Member	<b>11 out of 11</b>
<b>DEMETRIOS GKOUHAS</b> Indep. Non Executive Member	<b>17 out of 20</b>
<b>VASSILIOS DALAKIDIS</b> Indep. Non Executive Member	<b>20 out of 20</b>
<b>PHEDON TAMVAKAKIS</b> Indep. Non Executive Member	<b>18 out of 20</b>
<b>STAVROS ANDROUTSOPOULOS</b> Indep. Non Executive Member	<b>18 out of 20</b>
<b>Members of the Board of T BANK who stepped down during 2010</b>	
<b>CHARALAMBOS SIGANOS</b> Non Executive Member	<b>1 out of 1</b>
<b>NICOLAOS MALLOUCHOS</b> General Manager, Executive Member	<b>17 out of 17</b>
<b>DIONYSIOS-IOANNIS STAVROPOULOS</b> Chairman - Non Executive Member	<b>8 out of 9</b>
<b>CHRISTOS SOROTOS</b> Vice Chairman & Managing Director	<b>9 out of 9</b>
<b>VASSILIOS APOSTOLOPOULOS</b> Indep. Non Executive Member	<b>1 out of 1</b>

\* Number of each member's participations in the Board's meetings during 2010, based on the time each member served with the Bank's Board during 2010 (e.g., X participated in X out of Y meetings held during 2010 as long as X was a member of the Board).

#### **Evaluation of the efficiency and Performance of the Board of Directors**

Up to the preparation of this Statement, no special procedures for evaluating the performance of the Board and its Committees had been established. The Bank's Management will establish such procedures in the future.

**iii. Information about the fees of the Board's members**

Executive and Non Executive Members	Fee for participating in Board Meetings		Fee for participating in Board Committees		Fee for participating in the Board of T Bank	
	2009	2010	2009	2010	2009	2010
ANDREAS TAPRANTZIS Deputy Managing Director (since 26/11/2010)						
GEORGE HANDJINICOLAOU Vice-Chairman & Managing Director (since 10/5/2010)		20,000				
KLEANTHIS PAPADOPOULOS Board Chairman (since 7/5/2010)		20,000				
SPYROS PANTELIAS Non Executive Member (since 7/5/2010)		20,000				
KONSTANTINOS VLACHOGIANNIS Non Executive Member (since 7/5/2010)		20,000				
DEMETRIOS GKOUMAS Non Executive-Independent Member (since 30/7/2008)	30,000	30,000				
VASSILIOS DALAKIDIS Non Executive-Independent Member (since 30/7/2008)	30,000	30,000	10,000			
PHEDON TAMVAKAKIS Non Executive-Independent Member (since 29/4/2009)	22,500	30,000				
STAVROS ANDROUTSOPOULOS Non Executive-Independent Member (since 19/10/2009)	6,250	30,000				
CHRISTOS SOROTOS Vice Chairman & Managing Director (until 7/5/2010)		10,000				
IOANNIS-DIONYSIOS STAVROPOULOS Chairman (until 7/5/2010)	30,000	10,000				
NICOLAOS MALLOUCHOS General Manager (until 26/11/2010)		27,500				
VASSILIOS APOSTOLOPOULOS Non Executive-Independent Member (until 26/2/2010)	22,500					
SPYROS DESYLLAS Non Executive-Independent Member (until 3/4/2009)	7,500					
NICOLAOS MOUSTAKIS Non Executive-Independent Member (until 22/9/2009)	12,500					
<b>Total</b>	<b>161,250</b>	<b>247,500</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Administrative, Management and Supervisory Bodies and Committees of T BANK SA

The **Board Committees** described in the applicable Internal Rules of Operation of the bank, or the Internal Rules of individual Committees are the following:

- **Audit Committee**
- **Remuneration Committee**

Moreover, the **Administrative and Management Committees** of the Bank include the following:

- **Asset & Liability Committee**
- **Executive Committee**

### Audit Committee

#### **i. Composition, Operation, Subject, Responsibilities of the Committee and description of the issues discussed at its meetings**

The Audit Committee was established in June 2006 by virtue of Board resolution no. 247/28.6.2006. The current composition of the Audit Committee was set by means of resolution of the Board of Directors as per 19.10.09, and was reset by means of resolution of the Extraordinary General Meeting of ASPIS Bank shareholders, held on 07.05.10, in accordance with article 37 Law 3693/2008.

The operation, subject, responsibilities and term of the Audit Committee are described in detail in its Internal Rules.

The current composition of the Audit Committee is the following:

Chairman:	Vassilios Dalakidis - Non Executive-Independent Member
Members:	Demetrios Gkoumas - Non Executive-Independent Member Stavros Androutsopoulos - Non Executive-Independent Member

The Internal Rules of the Audit Committee is available at the Bank's website:

[http://www.tbank.com.gr/tbank/index.php?option=com\\_content&view=article&id=133&Itemid=93](http://www.tbank.com.gr/tbank/index.php?option=com_content&view=article&id=133&Itemid=93)

#### **ii. Number of Committee meetings and frequency of each member's participation**

In 2010, the Audit Committee convened 4 times, more specifically on 10/03/2010, 07/04/2010, 12/10/2010 and 26/11/2010, being in full quorum.

#### **iii. Evaluation of the efficiency and Performance of the Committee**

Up to the preparation of this Statement, no special procedures for evaluating the performance of the Board of Directors' Committees had been established. The Bank's Management will establish such procedures in the future.

### Remunerations Committee

#### **i. Composition, Operation, Subject, Responsibilities of the Committee and description of the issues discussed at its meetings**

The Remunerations Committee was established by virtue of a resolution of the Board of Directors dated 28.08.2008. The operation, subject, responsibilities and term of the Remuneration Committee are described in detail in its Internal Rules. The current composition of the Remuneration Committee was set by a resolution of the Board of Directors, dated 19.10.09, and is the following:

Chairman:	Vassilios Dalakidis - Non Executive-Independent Member
Members:	Demetrios Gkoumas - Non Executive-Independent Member Stavros Androutsopoulos - Non Executive-Independent Member

The Internal Rules of the Remuneration Committee is available at the Bank's website:

[http://www.tbank.com.gr/tbank/index.php?option=com\\_content&view=article&id=133&Itemid=93](http://www.tbank.com.gr/tbank/index.php?option=com_content&view=article&id=133&Itemid=93)

**ii. Number of Committee meetings and frequency of each member's participation**

In 2010, the Remuneration Committee convened 2 times, more specifically on 19.02.10, and 28.04.10, being in full quorum.

**iii. Evaluation of the efficiency and Performance of the Committee**

Up to the preparation of this Statement, no special procedures for evaluating the performance of the Board of Directors' Committees had been established. The Bank's Management will establish such procedures in the future.

**Executive Committee**

**i. Composition, Operation, Subject, Responsibilities of the Committee and description of the issues discussed at its meetings**

The operation, subject, responsibilities and term of the Remuneration Committee are described in the Internal Rules of Operation of the Bank.

The current composition of the Committee is the following:

<b>Chairman:</b>	George Handjinicolaou,	BoD Vice-Chairman & Managing Director
<b>Vice-Chairman:</b>	Andreas Taprantzis,	Deputy Managing Director
<b>Members:</b>	Pericles Chanakis,	Deputy General Manager (Credit)
	Alexandros Topaloglou,	CFO
	Nicolaos Tsianelis,	Deputy General Manager (Branch Network)
	Dionyssios Vogassaris,	Deputy General Manager (Corporate)

**Asset & Liability Committee**

**i. Composition, Operation, Subject, Responsibilities of the Committee and description of the issues discussed at its meetings**

The operation, subject, responsibilities and term of the Remuneration Committee are described in the Internal Rules of Operation of the Bank. The current composition of the Committee is the following:

<b>Chairman:</b>	George Handjinicolaou,	BoD Vice-Chairman & Managing Director
<b>Vice-Chairman:</b>	Andreas Taprantzis,	Deputy Managing Director
<b>Members:</b>	Alexandros Topaloglou,	CFO
	Pericles Chanakis,	Deputy General Manager (Credit)
	Ioannis Levendidis,	Head of Risk Management
	Panagiotis Laskaris,	Head of Financial Planning and Control
	Nikolaos Dalianis	Head of Accounting and Taxation
	Georgios Gavras,	Head of Product Development
	Fillipos Tzetzos,	Head of Treasury

## H. RELATED PARTY TRANSACTIONS

The transactions of the Bank and the Group with related parties (Board Members, Managers and other related parties), the income and expense from these transactions during the period January 1st-December 31st, 2010, and the balances on the latter date, are cumulatively included in Notes 32 and 34 to the attached consolidated and individual financial statements respectively. All banking transactions with related parties are objective, are conducted at arm's length, and are part of the Group's daily operations.

(Amounts in € 000)

Category	Company Name	Loans	Deposits	Interest Income	Interest expense	Other income	Other expenses	Letters of Credit	Stock Market Transactions	Interbank Receivables	Interbank Liabilities	Other assets	Other liabilities
<b>Board of Directors &amp; Senior management</b>		<b>456</b>	<b>1,015</b>	<b>14</b>	<b>19</b>	<b>0</b>	<b>1,601</b>						<b>51</b>
	HELLENIC POSTBANK			21	893					1,903	62,484	34,471 *	20
	ASPIS PRONIA GENERAL INSURANCE SA	1,469	5,146	242	109	1	184	242				0	27
	ASPIS BOND (UNIT LINKED FUND)		136		3								
	ASPIS PRONIA PROPERTY CASUALTY S.A.	162	4,308	14	144	0	-1	0				6	10
	COMMERCIAL VALUE SA	588	28,349	5	703	15	-24	0					2
<b>Other Related Parties</b>		<b>2,219</b>	<b>37,939</b>	<b>282</b>	<b>1,852</b>	<b>16</b>	<b>159</b>	<b>242</b>	<b>0</b>	<b>1,903</b>	<b>62,484</b>	<b>34,477</b>	<b>59</b>
<b>Total</b>		<b>2,675</b>	<b>38,954</b>	<b>296</b>	<b>1,871</b>	<b>16</b>	<b>1,760</b>	<b>242</b>	<b>0</b>	<b>1,903</b>	<b>62,484</b>	<b>34,477</b>	<b>110</b>

\*Current Account Receivables

### III. Information according to article 10, Law 3401/2005

The corporate announcements for the year 2010 have been posted on the Bank's website:

[http://www.tbank.com.gr/tbank/index.php?option=com\\_content&view=article&id=233&Itemid=182](http://www.tbank.com.gr/tbank/index.php?option=com_content&view=article&id=233&Itemid=182)

The following announcements were posted during the year from January 1st, 2010 to December 31st, 2010.

Corporate announcements for the year 2010

Date	Announcement
5/2/2010	Apollo Management International informed the Bank that due to the uncertain macroeconomic environment it has decided not to pursue the dialogue relating to their participation in the intended capital increase.
9/2/2010	The TT HELLENIC POSTBANK S.A. announced that its Board of Directors will meet to examine its interest to participate in the Bank's capital increase.
26/2/2010	Mr. K. V. Apostolopoulos, Independent, Non-executive member, resigns from the Board of Aspis Bank
2/3/2010	Announcement for subscription price for the rights offering in cash
3/3/2010	Information to investors about the revocation of the operating license of Commercial Value SA
5/3/2010	T BANK SA announcement to investors about the control of the voting rights of ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and COMMERCIAL VALUE SA, by the insurance liquidator appointed by the PISC, Mr. Konstantinos Vlachogiannis
5/3/2010	Announcement by the insurance liquidator to the Bank about the non-participation of ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and COMMERCIAL VALUE SA to the rights issue of ASPIS BANK SA and the sale of their pre-emptive rights
8/3/2010	Announcement of the time schedule of the rights issue to investors
8/3/2010	Announcement of the share capital increase through payment in cash, the ex-rights date and the pre-emptive rights trading period.
15/3/2010	Announcement of the date of the year-end 2009 financial results
19/3/2010	Year-end 2009 financial results
1/4/2010	Coverage : Share Capital increase through payment in cash and rights offering to existing shareholders
7/4/2010	Announcement concerning the participation of employees and Beneficiaries exercising oversubscription rights to the rights issue
8/4/2010	Announcement about the publication of a supplement to the Prospectus
15/4/2010	Announcement about the expiry of the period for exercising the right of withdrawal – partial coverage of the Share Capital increase through payment in cash and rights offering to existing shareholders
15/4/2010	Invitation to the Annual General Meeting of the Shareholders on May 7, 2010
20/4/2010	Listing of shares issued following a share capital increase by payment in cash
22/4/2010	Indirect participation of the insurance liquidator, Mr. Konstantinos Vlachogiannis, following the rights issue
30/4/2010	Appointment of Mr. Alexandros Topaloglou as Chief Financial Officer (CFO) in replacement of Mr. Nikolaos Voutychtis
30/4/2010	Fitch Ratings revised the Rating Watch on T BANK'S Long-term Issuer Default Rating (IDR) ' to "Evolving" (RWE) from Negative (RWN) leaving the Bank's credit rating to "B"
7/5/2010	Resolutions of the Annual General Shareholder's Meeting of May 7th, 2010
7/5/2010	Press Release: Annual General Shareholder's Meeting of May 7th, 2010
10/5/2010	Incorporation of the Board of Directors as a body
10/5/2010	Press Release: appointment of Mr. George Hadjinicolaou as a new member of the Board of Directors, in replacement of Mr. Charalambos Siganos – new composition of the Board of Directors
11/5/2010	Announcement of the executive, non-executive and independent status of Board members in accordance with Law 3016/2002
21/5/2010	Announcement date of the Q1 2010 financial results
28/5/2010	Press Release: Q1 2010 financial results
28/6/2010	Press Release: T Bank measures for supporting its customers
8/7/2010	Announcement regarding the purchase of shares of our Bank by the Vice-Chairman of the Board and Managing Director, Mr. George Handjinicolaou, in accordance with law 3556/2007
9/7/2010	The Bank receives the "Straight-Through Processing (STP) Excellence Award" by Deutsche Bank.
16/7/2010	The Bank changes its name to T BANK Banking SA with the trade name "T BANK"
25/8/2010	H1 2010 Financial Results
23/9/2010	Announcement regarding the purchase of shares of our Bank by the Vice-Chairman of the Board

	and Managing Director, Mr. George Handjinicolaou, in accordance with law 3556/2007
29/10/2010	Fitch Ratings maintains the Rating Watch "Evolving" (RWE) and downgrades T Bank's Long-term Issuer Default Rating (IDR) to "B-" from "B".
26/11/2010	9 Month 2010 Financial Results
26/11/2010	Mr. Andreas Taprantzis is appointed Deputy Managing Director, replacing Mr. Nikolaos Mallouchos
2/12/2010	Incorporation of the new Board of Directors as a body
29/12/2010	Mrs M. Argyraki is appointed new share register and corporate announcement officer in replacement of Mrs. A Geli.

#### **IV. Availability of Financial Statements and Board of Directors report**

The Annual Financial Report, which includes:

- The Declarations by the Members of the Board of Directors
- The Board of Directors Annual Report (including the Supplementary Report of the Board of Directors and the Corporate Governance Statement)
- Information provided for by article 10, Law 3401/2005
- The Auditor's Report for the Bank and the Group
- The annual Financial Statements of the Bank and the Group
- Data and information about the Bank and the Group

Is available over the internet at:

<http://www.Tbank.gr/article/greek/103/124/index.htm>

**V. Consolidated financial statements for the year ended 31 December 2010 and Auditor's report**



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Consolidated Financial Statements  
31 December 2010

**In accordance with International Financial Reporting  
Standards (IFRS) as adopted by the European Union**

These financial statements have been approved by the Board of Directors of T Bank S.A.  
on 30<sup>th</sup> March 2011 and are available at the following web page: [www.tbank.com.gr](http://www.tbank.com.gr)

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## Consolidated Statement of Comprehensive Income

*(Amounts in Euro thousand)*

	Note	From 1 <sup>st</sup> January to	
		31.12.2010	31.12.2009
Interest and similar income		100,568	119,224
Interest expense and similar charges		(64,655)	(91,723)
<b>Net interest income</b>	<b>7</b>	<b>35,913</b>	<b>27,501</b>
Fee and commission income	<b>8</b>	11,611	17,855
Commission expense		(418)	(580)
<b>Net fee and commission income</b>		<b>11,193</b>	<b>17,275</b>
Net trading income	<b>9</b>	600	18,939
Other operating income	<b>10</b>	6,635	8,110
<b>Total operating income</b>		<b>54,341</b>	<b>71,825</b>
Staff expenses	<b>11</b>	(46,238)	(47,241)
Depreciation and amortization	<b>21.22</b>	(11,131)	(12,377)
Other operating expenses	<b>12</b>	(29,944)	(35,722)
Impairment losses on loans and advances	<b>17</b>	(39,488)	(48,040)
Provisions	<b>27</b>	676	(5,638)
<b>Total operating expenses</b>		<b>(126,125)</b>	<b>(149,018)</b>
<b>Loss before income tax</b>		<b>(71,784)</b>	<b>(77,193)</b>
Income tax	<b>13</b>	223	15,177
<b>Loss for the period</b>		<b>(71,561)</b>	<b>(62,016)</b>
P&L transfer of available for sale securities		103	8,629
Net change in fair value of available for sale securities		(3,387)	498
<b>Other comprehensive income after tax</b>		<b>(3,284)</b>	<b>9,127</b>
<b>Total comprehensive income after tax</b>		<b>(74,845)</b>	<b>(52,889)</b>
<b>Loss for the period attributable to:</b>			
<i>Shareholders of the Bank</i>		(71,322)	(61,859)
<i>Minority interest</i>		(239)	(157)
<b>Loss for the period</b>		<b>(71,561)</b>	<b>(62,016)</b>
<b>Total comprehensive income attributable to:</b>			
<i>Shareholders of the Bank</i>		(74,606)	(52,732)
<i>Minority interest</i>		(239)	(157)
<b>Total comprehensive income</b>		<b>(74,845)</b>	<b>(52,889)</b>
Basic and diluted earnings/(loss) per share (in Euro)	<b>14</b>	(0.5906)	(0.9680)

Athens, 30 March 2011

K.A.Papadopoulos  
ID No.AH.582918  
CHAIRMAN OF THE BOARD  
OF DIRECTORS

G.P.Handjinicolaou  
ID No.X.501829  
VICE CHAIRMAN OF THE BOARD  
OF DIRECTORS & CEO

A.K.Topaloglou  
ID No.X.158663  
OEE.Lic.Reg.No: 0012737/18-2-08  
A`CI CHIEF FINANCIAL OFFICER

N.D.Dalianis  
ID No.AZ.118237  
OEE.Lic.Reg.No: 0015073/4-07-01  
A`CI HEAD OF ACCOUNTING

The attached notes on pages 8 to 42 form part of these financial statements.

## Consolidated Statement of Financial Position

(Amounts in Euro thousand)

Assets	Note	31.12.2010	31.12.2009
Cash & cash equivalents	15	80,405	91,042
Loans and advances to banks	16	131,256	263,012
Loans and advances to customers (net of impairment)	17	1,808,659	1,871,434
Trading securities	18	3,599	3,894
Investment securities			
- Available-for-sale	19	318,400	37,076
- Held-to-maturity	20	229,106	10,655
Property and equipment	21	47,312	50,031
Intangible assets	22	6,600	7,313
Deferred tax asset	23	32,291	27,498
Other assets	24	74,828	66,067
<b>Total assets</b>		<b>2,732,456</b>	<b>2,428,022</b>
<b>Liabilities</b>		<b>31.12.2010</b>	<b>31.12.2009</b>
Due to banks	16	778,254	328,007
Due to customers	25	1,701,172	1,769,132
Debt securities in issue and other borrowed funds	26	132,631	173,562
Current tax liability		246	838
Provisions	27	2,388	3,749
Other liabilities	28	37,123	41,208
Employee benefits	29	3,958	4,122
<b>Total liabilities</b>		<b>2,655,772</b>	<b>2,320,618</b>
<b>Equity</b>			
Share capital	30	86,813	38,438
Share premium		15,047	17,053
Reserve from share capital reduction	31	135,176	135,176
Other reserves	31	3,738	7,022
Accumulated deficit		(204,665)	(131,054)
<b>Equity attributable to Bank equity holders</b>		<b>36,109</b>	<b>66,635</b>
Minority interest		929	1,168
Hybrid capital		39,646	39,601
<b>Total equity</b>		<b>76,684</b>	<b>107,404</b>
<b>Total liabilities and Equity</b>		<b>2,732,456</b>	<b>2,428,022</b>

The attached notes on pages 8 to 42 form part of these financial statements.

## Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Reserve from share capital reduction	Other reserves	Accumulated deficit	Attributable to Bank Shareholders	Minority Interest	Hybrid Capital	Total
<b>Υπόλοιπο 1<sup>η</sup> Ιανουαρίου 2009</b>	<b>173,614</b>	<b>17,053</b>	-	<b>(2,252)</b>	<b>(66,662)</b>	<b>121,753</b>	<b>1,325</b>	<b>39,562</b>	<b>162,640</b>
<b>Στοιχεία συνολικών εσόδων</b>									
Ζημία περιόδου	-	-	-	-	(61,859)	(61,859)	(157)	-	(62,016)
Μεταφορά αποτελέσματος απομείωσης χρεογράφων διαθεσίμων προς πώληση	-	-	-	8,629	-	8,629	-	-	8,629
Καθαρή μεταβολή της εύλογης αξίας του διαθεσίμου προς πώληση χροτοφυλακίου	-	-	-	498	-	498	-	-	498
<b>Συγκεντρωτικά συνολικά έσοδα μετά από φόρους</b>				<b>9,127</b>	<b>(61,859)</b>	<b>(52,732)</b>	<b>(157)</b>		<b>(52,889)</b>
<b>Κινήσεις με τους Μετόχους</b>									
Σχηματισμός/Διανομή αποθεματικών θυγατρικών	-	-	-	147	(147)	-	-	-	-
Μερίσματα σε κατόχους υβριδικών τίτλων	-	-	-	-	(2,402)	(2,402)	-	39	(2,363)
Αποθεματικό μείωσης ονομαστικής αξίας	(135,176)	-	135,176	-	-	-	-	-	-
Λοιπές κινήσεις	-	-	-	-	16	16	-	-	16
<b>Συνολικές κινήσεις με τους Μετόχους</b>	<b>(135,176)</b>		<b>135,176</b>	<b>147</b>	<b>(2,533)</b>	<b>(2,386)</b>		<b>39</b>	<b>(2,347)</b>
<b>Υπόλοιπο την 31<sup>η</sup> Δεκεμβρίου 2009</b>	<b>38,438</b>	<b>17,053</b>	<b>135,176</b>	<b>7,022</b>	<b>(131,054)</b>	<b>66,635</b>	<b>1,168</b>	<b>39,601</b>	<b>107,404</b>
<b>Υπόλοιπο 1<sup>η</sup> Ιανουαρίου 2010</b>	<b>38,438</b>	<b>17,053</b>	<b>135,176</b>	<b>7,022</b>	<b>(131,054)</b>	<b>66,635</b>	<b>1,168</b>	<b>39,601</b>	<b>107,404</b>
<b>Στοιχεία συνολικών εσόδων</b>									
Ζημία περιόδου	-	-	-	-	(71,322)	(71,322)	(239)	-	(71,561)
Μεταφορά αποτελέσματος χρεογράφων διαθεσίμων προς πώληση	-	-	-	103	-	103	-	-	103
Καθαρή μεταβολή της εύλογης αξίας του διαθεσίμου προς πώληση χροτοφυλακίου	-	-	-	(3,387)	-	(3,387)	-	-	(3,387)
<b>Συγκεντρωτικά συνολικά έσοδα μετά από φόρους</b>				<b>(3,284)</b>	<b>(71,322)</b>	<b>(74,606)</b>	<b>(239)</b>		<b>(74,845)</b>
<b>Κινήσεις με τους Μετόχους</b>									
Καθαρή αύξηση μετοχικού κεφαλαίου	48,375	(2,006)	-	-	-	46,369	-	-	46,369
Μερίσματα σε κατόχους υβριδικών τίτλων	-	-	-	-	(2,035)	(2,035)	-	45	(1,990)
Λοιπές κινήσεις	-	-	-	-	(254)	(254)	-	-	(254)
<b>Συνολικές κινήσεις με τους Μετόχους</b>	<b>48,375</b>	<b>(2,006)</b>		<b>0</b>	<b>(2,289)</b>	<b>44,080</b>		<b>45</b>	<b>44,125</b>
<b>Υπόλοιπο την 31<sup>η</sup> Δεκεμβρίου 2010</b>	<b>86,813</b>	<b>15,047</b>	<b>135,176</b>	<b>3,738</b>	<b>(204,665)</b>	<b>36,109</b>	<b>929</b>	<b>39,646</b>	<b>76,684</b>

The attached notes on pages 8 to 42 form part of these financial statements.

## Consolidated Cash Flow Statement

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
<b>Cash flows from operating activities</b>		
Loss before income tax	(71,784)	(77,193)
<b>Adjustments for non-cash items</b>		
Depreciation and amortisation	11,131	12,377
Impairment losses on loans and advances	39,488	48,040
Other provisions	(676)	5,638
Defined benefit obligation	1,215	325
Other non-cash items	193	9,810
(Gains)/losses from valuation of trading and available for sale securities	(621)	(902)
(Gains)/losses on the sale of property and equipment	150	(95)
	<b>(20,904)</b>	<b>(2,000)</b>
<b>Changes in operations</b>		
Net (increase)/decrease in available for sale securities	(282,526)	(21,500)
Net (increase)/decrease in trading securities	294	(3,894)
Net (increase)/decrease in loans and advances to customers	23,589	217,350
Net (increase)/decrease in other assets	(12,483)	(16,516)
Net increase/(decrease) in due to banks	450,247	151,824
Net increase/(decrease) in due to customers	(67,960)	(216,996)
Net inflow from long term liabilities	12,980	32,275
Net outflow from long term liabilities	(54,132)	(90,621)
Purchase of subordinated loans	-	(27,638)
Net increase/(decrease) in other liabilities	(8,012)	11,613
<b>Net cash inflow/(outflow) from operating activities</b>	<b>41,093</b>	<b>33,897</b>
<b>Cash flows from investing activities</b>		
(Purchases)/Disposals of investments	(218,452)	(7,103)
Proceeds from sales of property and equipment	304	472
Purchases of property, equipment	(6,111)	(8,016)
Purchases of intangible assets	(2,042)	(3,302)
Dividends received	26	62
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(226,275)</b>	<b>(17,887)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to hybrid securities holders	(2,035)	(2,402)
Net share capital increase	46,369	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>44,334</b>	<b>(2,402)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(140,848)</b>	<b>13,608</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> January</b>	<b>354,054</b>	<b>340,201</b>
Foreign exchange differences on cash and cash equivalents	(1,545)	245
<b>Cash and cash equivalents as at 31<sup>st</sup> December</b>	<b>211,661</b>	<b>354,054</b>
<b>Cash and cash equivalents consist of:</b>		
Cash and balances with Central Bank	80,405	91,042
Loans and advances to banks	131,256	263,012
	<b>211,661</b>	<b>354,054</b>

The attached notes on pages 8 to 42 form part of these financial statements.

## 1. General Information

ASPIS BANK S.A. (previously ASPIS MORTGAGE BANK S.A.) was founded by Pavlos D.Psomiadis and the AEGON BV insurance company, under the name "ASPIS BANK", as Bank Société Anonyme in 1992 and received its license by the Group of Greece (decision no. 487/2.12.91 of the Currency and Credit Commission), and the Ministerial Council (no. 5/8, GG 1/13.1.92, issue 1) Act according to law. According to this license, the Bank operated in accordance with mortgage Banks laws until 3 August 2001. The Bank of Greece (PDBG 2478/3-8-2001) abolished the special legal framework for mortgage Banks. On 3 September 2001, the Currency and Credit Commission of the Bank of Greece approved the modification of the Articles of Association of ASPIS BANK, which from thereafter engages in all Banking operations defined by law. The Ministry of Development, as per decision no. K2-13660/26-10-2001, approved the modification of the Bank's Articles of Association regarding its name, and received its current name of ASPIS BANK S.A. The Regular Shareholders' Meeting on 1 June 2001 had already approved the aforementioned modifications of articles 1 (regarding the name) and 4 (regarding the purpose) of the Bank's Articles of Association.

On 7th May 2010, the Annual General Shareholder's Meeting decided to change the Bank's corporate name and identity to "T BANK" (the "Bank").

T BANK maintains a Head Office in the Municipality of Athens, at 22 Omirou St., 106 72 Athens, and is registered in the Société Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a term of ninety-nine (99) years from the date it was registered in the Société Anonyme Registry.

According to article 4 of the Bank's Articles of Association its exclusive purpose is to carry out on its behalf or on the behalf of third parties all Banking activities allowed under current legislation. The following are the main activities that Bank is allowed to provide:

- Accepting, with or without interest, all types of deposits or other returnable funds denominated in euros and foreign currency.
- Issuing loans and credit of all types, providing guarantees and acquiring or transferring claims, as well as intermediating in the financing of business enterprises or in business collaborations.
- Assuming debt, credit or guarantees and issuing debt securities in order to draw funds.
- Providing bill payment, fund transfer and export trade financing facilities.

- Safekeeping, management and administration of all types of securities, bonds, financial products and assets in general, including asset portfolios, transacting trades of these assets on behalf of the Bank or of third parties, as well as providing related financial and consulting services.
- The establishment or participation in domestic or foreign companies of any type engaged in the money market, capital market and the broader Banking and investment sector in general.
- The issuance and management of means of payment (credit and debit cards, travel and Bank cheques, etc.)
- Underwriting services, participation in the issuance and sale of securities, the coverage of issues and the provision of related services.
- Providing consulting services to business enterprises regarding their capital structure and business strategy, as well as services regarding mergers, spin-offs and acquisitions, and related issues.
- Providing reorganization and financial restructuring services.
- Factoring corporate receivables.
- Providing business-related information, including credit rating services.
- Providing safe-deposit box services.
- Representing third parties that have or pursue objectives similar to those mentioned above and in general engaging in any type of action, transaction, work or activity pursuant to the above or contributing to the advancement of the objectives of the Bank, as stated in the Articles of Association.
- Actively participating, as a member, in organized stock markets, having received a relevant license from the Bank of Greece.

To achieve its objectives, the Bank may cooperate with other legal entities, business enterprises or individuals, including those that pursue similar objectives, as well as participate in the aforementioned legal entities and business enterprises, in compliance with Banking legislation or any other applicable laws.

## 2. Basis of preparation

### 2.1 Statement of compliance

This consolidated financial statements has been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board (IASB) and adopted by the European Union. The standards

adopted by the European Union may differ from IFRS as issued by the IASB at any time or there are changes and new standards not adopted by the European Union.

The Group's financial statements is available via the internet at [www.tbank.com.gr](http://www.tbank.com.gr).

The consolidated financial statements were approved by the Board of Directors on 30 March 2011.

## 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Trading securities are measured at fair value
- available-for-sale financial assets are measured at fair value

Financial Statements have been prepared on going concern basis. The capital adequacy ratio, as it is analysed in Note 4.9, rise up to 5% for the Bank and 4.5% for the Group, which is lower than the acceptable minimum limit imposed by the regulatory framework. The reason why the ratio fell under the minimum limit during the year lies on the unprecedented Greek's economy recession, the impairment on loans and advances to customers and the poor investment choices. The management has accumulated all the information needed and has tested the possibilities available to satisfy the demand of the Greek regulatory authority, relating to the improvement of its capital adequacy, in order to move on to the actions planned for the future. The management has informed the main shareholder Hellenic Postbank SA (TT) for the measures that should be taken.

The Management intends to take all necessary measures that will enable its operation unhamperedly. In order to achieve these goals, the Management has examined the following measures:

1. Share Capital increase in order to cover the acceptable minimum limits imposed by the regulatory framework after taking into consideration the estimated results of 2011.
2. The merge of the Bank with the main shareholder (TT).
3. Increase of the percentage of the participation of the main shareholder (TT) in Bank's share capital resulting to the satisfaction of the requirements of capital adequacy.
4. The liquidity sources through the stability programs.

Regardless the measures to be taken, the Management will continue on with the structure of the portfolio and the decrease of operational expenses.

The reason why the Management hasn't proceeded on the adoption of the above measures is because each option has to be approved by the General Assembly of the shareholders of the Bank, included the General Assembly of the main shareholder (TT) and then to be authorized by the Bank of Greece. Respective procedure is already on progress.

Our choice of preparing Financial Statements on a going concern basis is due to the fact that the main shareholder, which is represented as well to the Board of Directors, intends to do whatever it takes so as the Bank continues its operation unhamperedly and satisfy all requirements of regulatory authorities, regarding its capital adequacy. We point out that the Bank disposes satisfactory liquidity sources to fulfill its operational needs, based on current circumstances

## 2.3 Functional and presentation currency

These financial statements are presented in Euro, which is the Group's functional currency. Except stated otherwise financial information presented in Euro has been rounded to the nearest thousand.

## 2.4 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Deviations from accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant estimates and critical judgments applied by the Group in the preparation of the financial statements are:

- Impairment on loans and advances to customers ( Note 4.2.1.)
- Fair value measurement for financial instruments (Note 5)
- Recovery of the recognised deferred tax asset ( Note 23)
- Other provisions (Note 27)
- Calculation of income tax expense (Note 13)
- Derecognition of securitized loans

## 2.5 Reclassification of items

Certain balances concerning prior year figures for 2009 have been reclassified in order to be comparable to current periods consolidated financial statements.

The reclassification in the "Statement of Comprehensive Income" for the period ended 31<sup>st</sup> December 2009 relates to the transfer of total amount € 5,238 thousand from the line "Interest expense and similar charges" to "Interest income".

The reclassification in the "Statement of Financial Position" for the year ended 31<sup>st</sup> December 2009 relates to the transfer of amount € 449 thousand from the line "Loans and advances to banks" to "Cash & cash equivalents" and transfer of amount € 13 thousand from the line "Loans and advances to banks" to "Other assets" .

The above amounts have been included in the cash flow statement reclassification for the year 2009.

## 3. Significant accounting policies

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

### 3.1 Basis of consolidation

#### 3.1.1 Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### 3.1.2 Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of an associate.

#### 3.1.3 Special purpose entities

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

lending transaction. The financial statements of special purpose entities are included in the Group's consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity.

#### 3.1.4 Intercompany transactions elimination

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The income from transactions with associates and jointly controlled entities is eliminated to the extent of the Group participation in them. The unrealized income from transactions with associates is eliminated by the investments in them. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### 3.2 Foreign currency transactions

Transactions in foreign currencies are translated to Euro at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gains or losses on monetary items are recorded in the Income Statement for the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Euro at the exchange rate at the date that the fair value was determined.

Exchanges differences are recorded in the Income Statement or in equity if they result from the retranslation of an item of equity.

### 3.3 Interest income and expense

Interest income and expense are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. The Group calculates the effective interest rate, taking into account the future cash flows in accordance with contractual terms, but not the losses from credit risk. The calculation of effective interest rate includes all fees paid or received, transaction costs and discounts or premiums that are an integral part of the financial instruments.

### 3.4 Fees and commission

Fees and commission income and expenses that are not integral to the measurement of the effective interest rate are recorded in profit or loss account based on the period that respective services were produced.

### 3.5 Net trading income

Net trading income comprises gains less losses related to trading assets, liabilities and derivatives, and includes all realized and unrealized fair value changes, interest, dividends and foreign exchange differences as well as gains less losses that were recycled from equity to the income statement.

### 3.6 Dividends

Dividend income is recognized when the Group establishes the right to receive respective income.

### 3.7 Leases

The Group makes contract agreements either as a lessee either as a lessor.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Other leases are operating leases.

Lease payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are allocated between the finance expense and the reduction of the outstanding liability.

The Group as a lessor, according to the information held on December 31<sup>st</sup>, 2010 does not retain any leasing that could be characterized as financial.

Leased assets are tested for impairment based on principle that is applied for loans and advances to customers as that is shown in Note 4.2.1..

### 3.8 Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the income statement except if it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred tax is calculate using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

### 3.9 Securitization

The Group in order to maintain adequate liquidity level, proceeds in securitization of financial instruments by transferring those assets to special purpose entities, which in their turn proceed in insurance of bonds. Additionally, based on the terms and conditions and the economic essence of transactions, it is being examined whether Group will proceed in derecognition of securitized assets according to IAS 39

### 3.10 Financial assets and liabilities

#### *(a) Recognition*

The Group recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities recognized on the settlement date. Memo Accounts used at the trade date, while the interval between the trade date and date of settlement of financial instruments measured at fair value.

A financial asset or financial liability is initially measured at fair value plus (for an item not classified as trading) transaction costs that are directly attributable to its acquisition or issuance.

#### *(b) Derecognition*

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial

asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Group derecognizes specific loans and receivables when they are determined to be uncollectible.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

#### ***(c) Offsetting***

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

#### ***(d) Amortised cost measurement***

Amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognized and the maturity amount less for impairment.

#### ***(e) Fair value measurement***

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The Fair values of financial assets and financial liabilities are determined based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, etc. The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments like options and interest rate and currency swaps.

For more complex instruments, the Group uses proprietary models, which usually are developed from recognized valuation models based on market values.

#### ***(f) Identification and measurement of impairment***

At each balance sheet date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter in bankruptcy.

The Group considers evidence of impairment both at an individual asset level or collective level. All individually significant financial assets are assessed for specific impairment or collectively for those assets which are not considered as individually significant. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. The individually assessed for impairment assets are excluded from the collective assessments. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

In assessing collective impairment the Group uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain accurate.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the assets' original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and advances.

When a subsequent event causes the amount of impairment loss to decrease and the decrease can be related to actual facts occurred after the date the impairment was recognized, the impairment loss initially recognized is reversed.

### 3.11 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with the Central Bank and highly liquid financial assets with original maturities of less than three months. Cash and cash equivalents are carried at cost in the balance sheet.

### 3.12 Trading assets

Trading assets are those assets that the Group acquires or incurs principally for the purpose of short-term profit or position taking.

Trading assets are initially recognized and subsequently measured at fair value in the balance sheet with transaction costs taken directly to the income statement. All changes in fair value are recognized as part of net trading income in income statement. Trading assets are not reclassified subsequent to their initial recognition.

### 3.13 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell them immediately or in the near term.

In cases where the Group is the lessee in financial leases and all risks and rewards associated with the leased asset have been transferred, the transaction is accounted as a loan.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date, the arrangement is accounted for as a loan or advance, and the underlying asset is not recognized in the Group's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

### 3.14 Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity or available-for-sale.

#### (i) Available-for-sale investments

Available-for-sale investments are non-derivative investments that are intended to be held for an indefinite period of time and may be sold in response to liquidity needs of the Group. Unlisted

equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognized in profit or loss using the effective interest method. Dividend income is recognized in profit or loss when the Group becomes entitled to the dividend.

Other fair value changes are recognized directly in equity until the investment is sold or impaired.

#### (ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. Any sale or reclassification of a significant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale investments and prevent the Group from classifying investment securities as held to maturity for the following two financial years.

### 3.15 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure attributable to the acquisition or construction of an asset. Maintenance costs are recorded in the Income Statement of the year they refer to.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the property and equipment. Leased assets are depreciated over the shorter period between the lease term or their estimated useful life. Land is not depreciated. The estimated useful lives are as follows:

Own property	50 years
Leasehold property	Up to 12 years (lease period)
Furniture and equipment	7 – 15 years

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

Tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher amount

between the fair value of the asset less sell costs and value in use.

Gains and losses on disposal of an item of property and equipment are determined by comparing proceeds with carrying amounts. These are included in the income statement.

### 3.16 Investment property

Investment property is property held either to earn rental income or for capital appreciation upon disposal. The Group's investment property items have been mainly acquired through the enforcement of security over loans and advances (repossessed property).

### 3.17 Intangible assets

Intangible assets consists of software that has been acquired by the Group and stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software which is between 4 to 15 years.

### 3.18 Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are sources of funding for the Group.

The Group enters into contracts to sale and repurchase own investments at a specific date and at a specific price. Investments sold under these agreements are not derecognized and are classified and measured as trading, available-for-sale or held-to-maturity. The amount of the sale is depicted as due to financial institutions or customers.

Deposits, debt securities and subordinated liabilities are initially measured at fair value plus transaction costs and subsequently measured at the amortized cost using the effective interest method.

### 3.19 Contracts to sale and repurchase, borrowings

The Group enters into contracts to sale and repurchase own investments at a specific date and at a specific price. Investments sold under these agreements are not derecognized and are classified and measured as trading, available-for-sale or held-to-maturity. The amount of the sale is depicted as due to financial institutions or customers.

### 3.20 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

A provision for restructuring is recognized when the Group has approved a formal and detailed restructuring plan, and the restructuring either has been commenced or has been publicly announced.

### 3.21 Employee benefits

#### (a) Defined contribution plans

The Group pays contributions to public or private pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been made. The contributions are recognized as an expense in the income statement as incurred.

#### (b) Defined benefit plans

The Group has a defined benefit plan whereby it is required, by law ( Law 2112/20), to pay a lump sum to retiring employees. The amount of the payment varies depending upon the employee's length of service and salary on the date of retirement. The Group's obligation in respect of this defined benefit plan is measured by estimating the present value amount of future benefit that employees have earned in return for their service in the current and prior periods less the fair value of any plan assets. The discount rate is the iBoxxEuro AA Corporate Yield Curve. The calculation is performed by an independent qualified actuary using the projected unit method, less the fair value of any plan assets and adjusted for unrecognised gains or losses and past service costs.

All actuarial gains and losses in calculating the Group's obligation in respect of the plan, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation. Fair value of the plan assets, otherwise, the actuarial gain or loss is not recognised.

The amount recognized in the income statement by the Group for defined benefit pension plans include:

- The increase in the present value of the defined benefit obligation resulting from employee service in the current period (service cost).
- the increase in the present value of the defined benefit obligation which arises as the benefits are one year closer to settlement (interest cost).

#### **(c) Termination benefits**

Termination benefits are recognized as an expense when the Group is committed to either terminate employment before the normal retirement date or in the course of a voluntary redundancy.

#### **(d) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for an amount expected to be paid as a short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees.

### **3.22 Share capital**

#### **(a) Share issue costs**

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

#### **(b) Dividends on ordinary shares**

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

#### **(c) Treasury shares**

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity. At 31.12.2010 the Bank held no treasury shares.

#### **(d) Hybrid titles**

The Group classifies hybrid titles as equity instruments in accordance with the substance of the contractual terms of the instruments. The Group's hybrid titles are not redeemable by holders and bear an entitlement to distributions that is non-

cumulative and at the discretion of the General Assembly. The titles have undefined maturity and they satisfy criteria for being recognized as a component of issue capital within equity.

### **3.23 Financial guarantees**

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognized at fair value and the initial fair value is amortized over the life of the financial guarantee. Subsequently, the guarantee liability is carried at the higher of this amortized amount and the present value of any expected payment.

### **3.24 Basic and diluted earnings per share**

The Group depicts basic and diluted earnings per share attributable to ordinary shares. The calculation of the basic earnings per share is based on profit or loss after tax attributable to ordinary shareholders over the weighted average number of ordinary shares for the period including treasury shares. Diluted earnings per share is calculated with profits attributable to ordinary shareholders over a weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares due to convertible shares given to employees.

### **3.25 Operating segment**

A segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses.

All operating segments' results are reviewed regularly by the Bank's CEO and the Executive Committee to make appropriate decisions.

The disclosed information is used for the evaluation of each segment made by management, as well as the allocation of economic resources. It is more likely that the information will be different from the criteria used for the preparation of the Statement of Financial Position and Comprehensive Income. In this case, explanations must be provided for the preparation of operating segment reporting as well as for the reconciliation of financial reporting items.

### **3.26 New IFRS amendments and interpretations**

A number of new standards, amendments to standards and interpretations are effective from 1<sup>st</sup> of January 2010 and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Group, except for:

## International Financial Reporting Standard 9: Financial Instruments

This standard has not been adopted by European Union and is effective since 1st January 2013, early application is permitted.

In 12 November 2009 International Accounting Standards Board issued the IFRS 9, financial instruments. This was as a part of phase I of the comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets.

The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if A) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows. B) The asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables.

In addition the IFRS 9 requires an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investments are recognized in profit or loss, rather than in other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated, instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortized cost or fair value.

The Group is currently in the process of evaluating the potential effect of this standard.

## 4. Financial Risk Management

### 4.1 Introduction and overview

The Group monitors the following risks:

- Credit
- Liquidity
- Market

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of equity.

The Board of Directors in order to promote stability and continue its operations has established an effective risk management operations framework that enables the Group to recognize and analyse all types of risks which it is exposed to.

The Board has established the Asset and Liability (ALCO) committee and the Audit Committee, which are responsible for developing and monitoring the risk management policies of the Group in their specified areas.

In particular, the ALCO Committee determines the Bank's strategy in relation to financial and qualitative goals but also in relation to macroeconomic and financial developments. It determines the desired liquidity levels, the interbanking transaction limits and the pricing policy of the Bank in products and services.

The main tasks of the Audit Committee are the monitoring and the annual valuation of the adequacy and efficiency of the Internal Audit of the Bank and the Group. Moreover the Committee submits suggestions regarding any weaknesses noticed and supervises the correct application of the measures decided by the Board of Directors.

The Risk Management Division, operates as an independent unit in the Bank, reporting to the Board of Directors. The unit is responsible, for improving on a continual basis the existing management methods, for detecting and analyzing in an adequate format the risk that the Group faces through quantitative methods, as well as for developing new quantitative tools, which will enhance the Group's risk management framework.

### 4.2 Credit risk

Credit risk is a corner stone, in the Group's risk management framework, in terms of the credible measurement of credit risk. Credit risk, is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credits, credit limits approved and irrevocable loan commitments to individuals or corporate are the basic sources of credit risk. Credit risk may also arise from investment

activities and transactions on investments and securities settlement.

Reliable credit risk measurement, contributes in maximizing the Group's profitability, by monitoring the level of expected and unexpected financial loss. By using historical data and informational systems, the Group develops, evaluates and implements mathematical models, in order to score loan applications. Prompt risk detection criteria, are defined, for loan portfolios, and if considered necessary, correctional actions are proposed.

For retail customer loans a scoring model exists, which classifies each customer to a certain risk category. This model, is reviewed on a regular basis, and modified, if considered necessary.

For corporate clients, a rating model is used, which classifies each client in a risk category, taking into account financial and qualitative data. Especially, for companies that are corporate or small and medium sized enterprises, the Credit Risk Tracker rating system, of Standard & Poor's is implemented.

In addition, the Risk Management Department monitors concentration risk arising from the Bank's loan portfolio, by computing the Herfindahl-Hirschman Index.

We finally note that the total outstanding claims against the Bank's customers whose contracts have been terminated and are subject to settlement, amounted to € 8,5 million as at 31 December 2010. Moreover, the corresponding amount of claims against the Bank's customers whose contracts have not been terminated and are regulated under the Law 3816/2010 amounted to € 3,1 million.

#### 4.2.1 Loan impairment

The Group classifies loans and advances to customers based on impairment loss in the following four categories based on impairment loss calculation:

##### a) Individually impaired

These are non performing loans that have been significantly impaired due to the renouncement of the relevant contracts or due to the deterioration of the credit wealthiness of borrowers. The Group assesses these loans on an individual basis and records loan impairment, equal to the difference of the carrying amount of the loan and the present value of the

recoverable amount based on the effective rate of the loan and the type of loan collateral.

##### b) Collectively impaired

These are loans and advances to customers which the Group has also proceeded in legal actions and determines that it is probable, that it will be unable to collect in total or partially all principal and interest according to the contractual terms of the loan agreements. These loans are examined for impairment, on a collective basis classified to categories taking into account same characteristics (pools). The portfolio's impairment is based on the time period that the loan was denounced from the first year.

##### c) Over 30 days past due

These are loans that are over 30 days past due, in terms of contractual interest or principal payments. These overdue loans are tested for impairment based on probability of default coefficients (PD) and loss given default rates (LGD) per loan.

##### d) Less than or up to 30 days past due

These are customer loans, that are not considered overdue or are overdue for less than or up to 30 days. These loans are tested for impairment based on probability of default and loss given default rates per loan.

The table that follows is an analysis of the Group's loans by risk categories, in accordance with the impairment calculation method, that is used by the Risk Management Division. There is also an additional breakdown of each risk category into risk grades. The classification of each exposure into a risk grade is based upon the credit rating of the customer, the time bucket that the exposure lies, and the collateral coverage that the exposure has.

Specifically, risk grades 1 to 3 correspond to low risk exposures, risk grades 4 to 6 correspond to medium risk exposures, while risk grades 7 to 10 correspond to high risk exposures. Moreover, the higher risk an exposure is facing, the higher risk grade, numerically, is attributed to this exposure, that is risk grade one (1), is the grade with the minimum risk, whereas risk grade ten (10), is the grade with the highest risk. The following table also shows the evaluation of the Group's credit risk for amounts due from credit institutions and for investment securities (available for sale and held to maturity securities).

The following exposures are based in their book value, exactly as they appear in the Group's balance sheet.

(Amounts in Euro thousand)

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Individually impaired</b>						
Grade 7	71,967	64,480	-	-	-	-
Grade 8	40,918	16,000	-	-	-	-
Grade 9	45,140	25,115	-	-	-	-
Grade 10	33,808	29,340	-	-	-	-
<b>Gross amount</b>	<b>191,833</b>	<b>134,935</b>	-	-	-	-
<b>Impairment loss</b>	<b>(75,110)</b>	<b>(57,464)</b>	-	-	-	-
<b>Carrying amount</b>	<b>116,723</b>	<b>77,471</b>	-	-	-	-
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Collectively impaired</b>						
Grade 7	10,871	9,004	-	-	-	-
Grade 8	8,202	3,597	-	-	-	-
Grade 9	3,555	2,156	-	-	-	-
Grade 10	11,951	16,601	-	-	-	-
<b>Gross amount</b>	<b>34,579</b>	<b>31,358</b>	-	-	-	-
<b>Impairment loss</b>	<b>(24,009)</b>	<b>(23,873)</b>	-	-	-	-
<b>Carrying amount</b>	<b>10,570</b>	<b>7,485</b>	-	-	-	-
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>More than 30 days past due</b>						
Grade 2	75,058	77,668	-	-	-	-
Grade 3	59,737	65,610	-	-	-	-
Grade 4	66,265	44,034	-	-	-	-
Grade 5	1,363	49,542	-	-	-	-
Grade 6	16,774	15,316	-	-	-	-
Grade 7	46,616	2,225	-	-	-	-
Grade 8	381	-	-	-	-	-
Grade 9	3,674	-	-	-	-	-
Grade 10	46,751	-	-	-	-	-
<b>Gross amount</b>	<b>316,619</b>	<b>254,395</b>	-	-	-	-
<b>Impairment loss</b>	<b>(13,772)</b>	<b>(4,986)</b>	-	-	-	-
<b>Carrying amount</b>	<b>302,847</b>	<b>249,409</b>	-	-	-	-
<b>Over 30 days past due comprises:</b>						
31-90 days	109,195	100,820	-	-	-	-
91-180 days	92,949	89,269	-	-	-	-
180 days +	100,703	59,320	-	-	-	-
<b>Carrying amount</b>	<b>302,847</b>	<b>249,409</b>	-	-	-	-
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Less than or equal to 30 days past due</b>						
Grade 1	817,045	677,710	131,256	263,012	547,507	47,731
Grade 2	311,482	318,152	-	-	-	-
Grade 3	35,505	284,830	-	-	-	-
Grade 4	228,984	77,672	-	-	-	-
Grade 5	1,642	106,417	-	-	-	-
Grade 6	1,363	89,660	-	-	-	-
<b>Gross amount</b>	<b>1,396,021</b>	<b>1,554,441</b>	<b>131,256</b>	<b>263,012</b>	<b>547,507</b>	<b>47,731</b>
<b>Impairment loss</b>	<b>(17,502)</b>	<b>(17,372)</b>	-	-	-	-
<b>Carrying amount</b>	<b>1,378,519</b>	<b>1,537,069</b>	<b>131,256</b>	<b>263,012</b>	<b>547,507</b>	<b>47,731</b>
<b>Total carrying amount</b>	<b>1,808,659</b>	<b>1,871,434</b>	<b>131,256</b>	<b>263,012</b>	<b>547,507</b>	<b>47,731</b>

Set out below is an analysis of the gross and net of allowance for impairment amounts of 31 December 2010 and 31 December 2009 gross (before impairment) and net (after impairment) by risk grade.

(Amounts in Euro thousand)

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Individually impaired</b>						
Grade 7	71,967	66,962	-	-	-	-
Grade 8	40,918	30,251	-	-	-	-
Grade 9	45,140	15,421	-	-	-	-
Grade 10	33,808	4,089	-	-	-	-
<b>Total</b>	<b>191,833</b>	<b>116,723</b>	-	-	-	-

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Collectively impaired</b>						
Grade 7	10,871	4,108	-	-	-	-
Grade 8	8,202	2,302	-	-	-	-
Grade 9	3,555	1,978	-	-	-	-
Grade 10	11,951	2,182	-	-	-	-
<b>Total</b>	<b>34,579</b>	<b>10,570</b>	-	-	-	-

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Over 30 days past due</b>						
Grade 2	75,058	74,963	-	-	-	-
Grade 3	59,737	59,629	-	-	-	-
Grade 4	66,265	63,206	-	-	-	-
Grade 5	1,363	970	-	-	-	-
Grade 6	16,774	16,332	-	-	-	-
Grade 7	46,616	43,640	-	-	-	-
Grade 8	381	381	-	-	-	-
Grade 9	3,674	3,186	-	-	-	-
Grade 10	46,751	40,540	-	-	-	-
<b>Total</b>	<b>316,619</b>	<b>302,847</b>	-	-	-	-
<b>Over 30 days past due comprises:</b>						
31-90 days	110,026	109,195	-	-	-	-
91-180 days	94,339	92,949	-	-	-	-
180 days +	112,254	100,703	-	-	-	-
<b>Total</b>	<b>316,619</b>	<b>302,847</b>	-	-	-	-

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Less than or equal to 30 days past due</b>						
Grade 1	817,045	811,816	131,256	131,256	547,507	547,507
Grade 2	311,482	308,980	-	-	-	-
Grade 3	35,505	29,903	-	-	-	-
Grade 4	228,984	227,820	-	-	-	-
Grade 5	1,642	-	-	-	-	-
Grade 6	1,363	-	-	-	-	-
<b>Total</b>	<b>1,396,021</b>	<b>1,378,519</b>	<b>131,256</b>	<b>131,256</b>	<b>547,507</b>	<b>547,507</b>

<b>Grand total</b>	<b>1,939,052</b>	<b>1,808,659</b>	<b>131,256</b>	<b>131,256</b>	<b>547,507</b>	<b>547,507</b>
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(Amounts in Euro thousand)

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Individually impaired</b>						
Grade 7	64,480	59,065	-	-	-	-
Grade 8	16,000	12,141	-	-	-	-
Grade 9	25,115	5,662	-	-	-	-
Grade 10	29,340	603	-	-	-	-
<b>Total</b>	<b>134,935</b>	<b>77,471</b>	-	-	-	-

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Collectively impaired</b>						
Grade 7	9,004	4,347	-	-	-	-
Grade 8	3,597	719	-	-	-	-
Grade 9	2,156	-	-	-	-	-
Grade 10	16,601	2,419	-	-	-	-
<b>Total</b>	<b>31,358</b>	<b>7,485</b>	-	-	-	-

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Over 30 days past due</b>						
Grade 2	77,668	77,558	-	-	-	-
Grade 3	65,610	65,385	-	-	-	-
Grade 4	44,034	42,248	-	-	-	-
Grade 5	49,542	47,121	-	-	-	-
Grade 6	15,316	14,936	-	-	-	-
Grade 7	2,225	2,161	-	-	-	-
<b>Total</b>	<b>254,395</b>	<b>249,409</b>	-	-	-	-

<b>Over 30 days past due comprises:</b>						
31-90 days	101,538	100,820	-	-	-	-
91-180 days	90,841	89,269	-	-	-	-
180 days +	62,016	59,320	-	-	-	-
<b>Total</b>	<b>254,395</b>	<b>249,409</b>	-	-	-	-

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Less than or equal to 30 days past due</b>						
Grade 1	677,710	673,523	263,012	263,012	47,731	47,731
Grade 2	318,152	315,515	-	-	-	-
Grade 3	284,830	278,838	-	-	-	-
Grade 4	77,672	76,379	-	-	-	-
Grade 5	106,417	104,646	-	-	-	-
Grade 6	89,660	88,168	-	-	-	-
<b>Total</b>	<b>1,554,441</b>	<b>1,537,069</b>	<b>263,012</b>	<b>263,012</b>	<b>47,731</b>	<b>47,731</b>

<b>Grand total</b>	<b>1,975,129</b>	<b>1,871,434</b>	<b>263,012</b>	<b>263,012</b>	<b>47,731</b>	<b>47,731</b>
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#### 4.2.2 Collateral

The Group as part of its risk management policy receives collateral in order to secure the repayment of its loans. The major categories of collateral against loans and advances to customers are in the form of prenotices over property, cheques and pledge deposits.

The table below summarizes collateral held for the Group's credit risk.

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
<b>Retail customers:</b>		
Mortgages	499,233	506,031
Securitized mortgage loans	425,026	491,712
Credit cards	54,452	56,904
Debit customer balances	244	587
Consumer loans	85,071	85,066
<b>Subtotal</b>	<b>1,064,026</b>	<b>1,140,300</b>
<b>Corporate clients:</b>		
Corporate bonds	106,865	125,998
Corporate loans	561,809	536,230
Shipping loans	60,191	42,770
Finance leases	92,711	94,542
Debit corporates balances	1,082	878
Local authorities & other organizations	35,462	14,582
<b>Subtotal</b>	<b>858,120</b>	<b>815,000</b>
<b>Amounts due relating to brokerage transactions</b>	<b>16,906</b>	<b>19,829</b>
<b>Loans and advances</b>	<b>1,939,052</b>	<b>1,975,129</b>
Impairment loss	(130,393)	(103,695)
<b>Loans and advances after provisions</b>	<b>1,808,659</b>	<b>1,871,434</b>
<b>Collaterals</b>		
Retail clients:	1,804,865	1,857,217
Corporate clients:	1,496,056	1,556,096
<b>Total collateral amount</b>	<b>3,300,921</b>	<b>3,413,313</b>

Loans to retail customers, in their majority, are collateralized in the form of prenotices over property. As far as, loans to corporate clients are concerned, their collaterals are in the form of cheques, prenotices over property, and other collateral types (cash, securities, machinery and personal guarantees). The following table describes the collaterals held against corporate clients per collateral type.

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Cheques	106,553	115,151
Property	560,891	617,105
Others	828,612	823,840
<b>Total</b>	<b>1,496,056</b>	<b>1,556,096</b>

#### 4.3 Market Risk

Market risk is the risk arising from changes in market parameters such as changes in interest rates, equity prices and foreign exchange rates. For market risk, the Bank, elaborates, develops and carries out risk methods that are based on Value-at-Risk (VaR) models. VaR measures, the worst expected loss, over a given horizon, under normal market conditions, at a given confidence level. As this model is not used for losses arising from extreme events the Bank

applies stress tests on its securities portfolio. Specifically, the Group uses extreme value theory for concluding on changes in Group's securities portfolio when extreme events occur.

The Risk Management Department in order to calculate Value-at-Risk uses the Variance-Covariance method, with a time horizon of 10 days as the portfolio holding period, 99% confidence level and historical data of one year.

As at 31 December 2010, VaR for the securities' portfolio was € 4,552 thousand and € 28 thousand for the Group's foreign exchange position.

For the calculation of the VaR Group's security portfolio contains stocks, mutual funds and bonds available for sale that

With respect to 31 December 2009, VaR was equal to € 677 thousands for the securities' portfolio, and € 52 thousands for the Group's foreign exchange position. The Group, as at 31 December 2009, held a long position of € 1.8 million, against several currencies.

are in the trading portfolio. Group as at 31 December 2010, held a long position of € 642 thousand, against several currencies.

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
<b>Investment risk</b>		
Securities' value	319,082	37,723
VaR	4,552	677
<b>Currency risk</b>		
Foreign exchange position	642	1,784
VaR	28	52

\*Including available for sale securities and trading securities.

In addition, through the information technology systems available to the Bank, the Risk Management Department monitors on a daily basis throughout the Stock Exchange session, the positions of the Treasury Department and the compliance of those positions with the limits established for them by ALCO.

#### 4.4 Liquidity risk

Liquidity risk is the risk of the Group being unable to meet its financial obligations due to inadequate liquidity.

The Group's philosophy is to manage its liquidity to ensure at all possible means that there are enough means to cover its obligations under normal or abnormal circumstances without affecting its reputation.

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

The Group has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, debt securities and share capital. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Group strategy.

The two mandatory indices, the Net Liquid Assets index and the Assets minus Liabilities index, are monitored on a daily basis, based on the Director of Bank of Greece decision (2614/07.04.09).

The Net Liquid Assets index was as follows:

	2010	2009
<b>At 31<sup>st</sup> December</b>	<b>13.56%</b>	<b>22.30%</b>
Average for the period	16.70%	26.18%
Maximum for the period	18.36%	30.97%
Minimum for the period	13.56%	21.35%

The following table provides an analysis of the Group's assets and liabilities into relevant maturity groups based on the remaining periods to repayment of: Demand and saving deposits are appropriated in accordance with BoG Act 2614/09.

(Amounts in Euro thousand)

At 31st December 2010	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>							
Cash & cash equivalents	80,405	-	-	-	-	-	80,405
Loans and advances to banks	125,959	5,297	-	-	-	-	131,256
Loans and advances to customers (net of impairment)	391,718	2,918	1,262	3,354	286,524	1,122,883	1,808,659
Trading securities	-	1,922	-	-	1,677	-	3,599
Available for sale investment securities	287,519	-	6,029	-	5,390	19,462	318,400
Held to maturity investment securities	-	-	-	-	226,990	2,116	229,106
<b>Total assets</b>	<b>885,601</b>	<b>10,137</b>	<b>7,291</b>	<b>3,354</b>	<b>520,581</b>	<b>1,144,461</b>	<b>2,571,425</b>
<b>Liabilities</b>							
Due to banks	62,658	5,596	-	79,000	631,000	-	778,254
Due to customers	553,700	574,270	178,858	65,827	328,517	-	1,701,172
Debt securities in issue and other borrowed funds	-	-	-	-	51,106	81,525	132,631
<b>Total liabilities</b>	<b>616,358</b>	<b>579,866</b>	<b>178,858</b>	<b>144,827</b>	<b>1,010,623</b>	<b>81,525</b>	<b>2,612,057</b>
<hr/>							
At 31 <sup>st</sup> December 2009	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
<b>Total assets</b>	792,381	5,957	5,669	5,025	519,425	948,656	2,277,113
<b>Total liabilities</b>	1,065,389	457,900	67,968	107,406	410,476	161,562	2,270,701

Demands and saving deposits appropriated in accordance with BoG Act 2614/09 .

During 2009 and until the completion of the Bank's Share Capital increase the Bank witnessed a withdrawal of sight deposits amounting to € 360,034 thousand ,as a result of the uncertainty of the Greek Bank System and the reputation risk from the cancellation of the Insurance Companies, which were last year the main shareholders of the Bank .T Bank was able to " replace" the lost deposits showing inflows of deposits from the second semester in 2010 and up to 25<sup>th</sup> February 2011 of € 252 million.

The Bank's liquidity was traditionally relied on customers' term deposits. But, the uncertainty in both global and Greek market discourage the Bank to promote term deposits with duration over a year as it did in the past.

European Central Bank (ECB) became one of the principal provides of liquidity to the Bank and it has drawn down the amount of € 710,000 thousand. The Bank has a "cushion" of € 30,778 thousand.

The ability to renewal customers term deposits as far as the further lending from ECB mainly depends on the progress of the Greek economy. The Bank as well the rest financial institutions of Greece are on process in elaborating plans in order to de independent from ECB funding. In our case, the Group has the support of the main shareholder who finances sufficiently the Bank, at least for one more year.

#### 4.5 Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its financial position and cash flows. The Board of Directors set limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange risk at 31 December 2010. Included in the table are the Group's assets and liabilities at carrying amounts, classified by currency.

*(Amounts in Euro thousand)*

<b>At 31<sup>st</sup> December 2010</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
<b>Assets</b>				
Cash & cash equivalents	79,969	276	160	80,405
Loans and advances to banks	107,691	17,243	6,322	131,256
Loans and advances to customers (net of impairment)	1,757,892	45,260	5,507	1,808,659
Trading securities	3,599	-	-	3,599
Available for sale investments	316,304	-	2,096	318,400
Held to maturity investments	229,106	-	-	229,106
<b>Total assets</b>	<b>2,494,561</b>	<b>62,779</b>	<b>14,085</b>	<b>2,571,425</b>
<b>Liabilities</b>				
Due to banks	765,174	7,484	5,596	778,254
Due to customers	1,626,822	66,154	8,196	1,701,172
Debt securities in issue & other borrowed funds	132,631	-	-	132,631
<b>Total liabilities</b>	<b>2,524,627</b>	<b>73,638</b>	<b>13,792</b>	<b>2,612,057</b>

<b>At 31<sup>st</sup> December 2009</b>	<b>EUR</b>	<b>USD</b>	<b>Other</b>	<b>Total</b>
<b>Total assets</b>	<b>2,181,043</b>	<b>80,024</b>	<b>16,046</b>	<b>2,277,113</b>
<b>Total liabilities</b>	<b>2,167,513</b>	<b>87,699</b>	<b>15,489</b>	<b>2,270,701</b>

#### 4.6 Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Group is also exposed to basis risk, which is the difference in reprising characteristics of the various floating rate indices.

Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Group's business strategies.

A parallel upward shift in the yield curves of 1% is expected to reduce the Group's profits in one year by an amount of € 7.1 million. On the other hand a parallel downward shift in the yield curves of 1% is expected to reduce the Group's loss in one year by an amount of € 7.1 million.

The above scenario of shifting the interest rate curve up or down by 1% was chosen as the most representative, based on the nature and structure of the Group's portfolio.

The table below summarises the Group's exposure to interest rate risks. Included in the table the Group's assets and liabilities at carrying amounts, categorized by the earlier or contractual reprising or maturity dates. Note that the deposits and savings for purposes of calculating interest rate risk of Group classified in 1-3 months:

(Amounts in Euro thousand)

At 31 <sup>st</sup> December 2010	Effective Interest rate	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
<b>Assets</b>								
Cash & cash equivalents	0.6%	-	59,782	-	-	-	20,623	80,405
Loans and advances to banks	1.0%	124,057	7,199	-	-	-	-	131,256
Loans and advances to customers (net of impairment)	5.2%	1,039,832	18,100	21,672	13,857	289,908	425,290	1,808,659
Trading securities	2.2%	-	1,922	-	-	-	1,677	3,599
Available-for-sale securities	2.1%	-	290,023	11,736	-	-	16,641	318,400
Held-to-maturity securities	3.0%	-	38,301	190,805	-	-	-	229,106
<b>Total assets</b>		<b>1,163,889</b>	<b>415,327</b>	<b>224,213</b>	<b>13,857</b>	<b>289,908</b>	<b>464,231</b>	<b>2,571,425</b>
<b>Liabilities</b>								
Due to banks	0.8%	-	778,254	-	-	-	-	778,254
Due to customers	3.2%	-	1,533,645	158,653	5,792	-	3,082	1,701,172
Debt securities in issue and other borrowed funds	2.7%	-	131,484	-	-	-	1,147	132,631
<b>Total liabilities</b>		<b>-</b>	<b>2,443,383</b>	<b>158,653</b>	<b>5,792</b>	<b>-</b>	<b>4,229</b>	<b>2,612,057</b>
<b>At 31<sup>st</sup> December 2009</b>								
		<b>Floating</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1 to 2 years</b>	<b>Over 2 years</b>	<b>Non-interest</b>	<b>Total</b>
<b>Total assets</b>		864,245	407,770	206,496	41,886	128,720	627,996	2,277,113
<b>Total liabilities</b>		12,000	1,975,921	170,374	844	-	111,562	2,270,701

#### 4.7 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors.

The Group's objective is to measure the loss from the above causes and to set the right control procedures for all its operations.

Through continuous reports, regarding the Group's exposure to operational risk, the Board, is informed of this type of risk, and decides about the strategy that must be adopted, in order to prevent any financial losses, that arise from operational events.

In this framework, the Group is in the process, of developing a loss database for operational risk, which is a necessary assumption for implementing the Standardized Approach. Nevertheless, in the present stage, the Group is going to implement, the Basic Indicator Approach, for the computation of its operational risk charge.

#### 4.8 Stress testing

The Group implements, several stress testing scenarios, in order to assess the impact of extreme financial events, to the Group's portfolio value.

The Group, runs stress tests, on a regular basis, with scenarios that concern the various types of risk, that the Group is being exposed (credit risk, market risk, liquidity risk). The Risk Management Division, analyses the results of these tests, and proposes appropriate policies.

#### 4.9 Capital adequacy

The capital adequacy of the Group, is monitored on a monthly basis, and is submitted to the Bank of Greece, every three months.

The Group applies the rules set by the Bank of Greece, regarding the adequacy of its capital. The regulation framework that applies to the Greek Banking system is the same as in the European Union.

The Bank of Greece, as a regulator, requires the Group to maintain an adequate prescribed ratio of regulatory capital to total risk-weighted assets. The capital adequacy ratio is the ratio of total regulatory capital to total risk weighted assets of on and off balance sheet items, arising from credit risk, market risk, operational risk and securitized .

Regulatory capital must be covered by at least half of Tier I capital and the rest must be covered by Tier II capital. Tier I capital is computed according to Basel II.

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Upper Tier I	30,269	61,135
Lower Tier I	40,174	40,110
Deductions	(30,731)	(24,247)
<b>Total Tier I</b>	<b>39,712</b>	<b>76,998</b>
Upper Tier II	30,501	21,183
Lower Tier II	50,578	50,354
Deductions	(41,367)	(13,388)
<b>Total Tier II</b>	<b>39,712</b>	<b>58,149</b>
<b>Regulatory capital</b>	<b>79,424</b>	<b>135,147</b>
<b>Risk-weighted assets</b>		
Credit Risk	1,452,175	1,474,563
Market risk	23,025	24,975
Operational Risk	124,475	104,063
Securitized Exposures	164,100	181,663
<b>Total risk-weighted assets</b>	<b>1,763,775</b>	<b>1,785,264</b>
<b>Indices (in %)</b>		
Tier 1 CAD	2.25%	4.31%
Total CAD	4.50%	7.57%

In compliance with the Decree of the Governor of Bank of Greece 2592/20.08.2007, the Bank publishes at its website [http://www.tbank.com.gr/tbank/index.php?option=com\\_content&view=article&id=233&Itemid=182](http://www.tbank.com.gr/tbank/index.php?option=com_content&view=article&id=233&Itemid=182), on an annual basis various information of regulatory and supervisory nature with regard to its capital adequacy, risk exposure and risk management. The information is at consolidated level on year end balances (Pillar 3 in Group Level).

As at 31<sup>st</sup> December 2010 total capital adequacy is below the minimum limit as required by the regulatory authority. Bank's management has communicated to Bank of Greece the action to be taken in order to increase capital adequacy above the limit. More information referred to in note 2.2..

## 5. Fair values of financial assets and liabilities

The following table summarizes the carrying amounts and fair value of those financial assets and liabilities not presented on the Group's balance sheet at the acquisition cost .

*(Amounts in Euro thousand)*

	Carrying amount		Fair value	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Financial assets</b>				
Loans and advances to banks	131,256	263,012	131,256	263,012
Loans and advances to customers (net of impairment)	1,808,659	1,871,434	1,908,227	1,994,364
Investment securities held to maturity	229,106	10,655	213,763	10,666
<b>Financial liabilities</b>				
Due to banks	778,254	328,007	778,254	328,007
Due to customers	1,701,172	1,769,132	1,714,334	1,723,916
Debt securities in issue & other borrowed funds	132,631	173,562	132,631	173,562

For the valuation of shares, bonds and mutual funds that are traded on active markets, the market price is used. For those securities not traded on active markets, the acquisition cost is considered the best value. For loans and term deposits, present value of future inflows and outflows is used, based on current interest rates.

Interest rates used for discounting cash flows were derived by the respective yield curves currency and obligations to customers.

The table below analyzes the financial instruments at valuation. Levels that are appointed are:

- First level: Market prices from regulated stock markets
- Second level: inputs out of market prices of the first level but identifiable
- Third level: prices not arising from the market

*(Amounts in Euro thousand)*

	First Level	Second level	Third level	Total
<b>31.12.2010</b>				
Available for sale investment securities	315,952	-	2,448	<b>318,400</b>
Financial assets through profit and loss	3,599	-	-	<b>3,599</b>
<b>31.12.2009</b>				
Available for sale investment securities	34,934	-	2,142	<b>37,076</b>
Financial assets through profit and loss	3,894	-	-	<b>3,894</b>

The third level of investment securities includes the participation to a Private Equity Fund and in other non listed shares (DIAS, TEIRESIAS etc. which are valued at acquisition cost).

## 6. Operating segments

The Group operates and is organized in the following business segments:

- Corporate Banking: This segment includes banking services to large corporate operating in the commercial and industrial sector, banking services to shipping, participation in funding facilities through syndicated loans and corporate bonds.
- Shipping: This segment includes services to shipping companies.
- Asset Management and Stock brokerage: This segment includes stock brokerage services and asset management services.
- Leasing: This segment includes services relating to financial and operating leasing of property and equipment.
- Notes issuers: This segment includes Special Purpose Enterprises which have issued debt securities for funding purposes.
- Credit Card: This segment includes credit card loans under VISA and MASTER trade marks.
- Retail Banking: This segment includes retail banking facilities such as loans, deposits and other to individuals, households and small/medium companies.
- Treasury: This segment includes Treasury activity.

(Amounts in Euro thousand)

31.12.2010	Corporate Banking	Shipping	Asset management & stock brokerage	Leasing	Notes issuers	Credit card	Retail Banking	Treasury	Other	Total
<i>Interest income</i>	4,947	1,358	669	5,012	4	5,496	68,713	14,369		<b>100,668</b>
<i>Interest expense</i>	(28)	(35)	(2)	(68)	(1,673)		(56,862)	(5,987)		<b>(64,655)</b>
<i>Commissions, net trading income/(expense) &amp; other earnings</i>	412	424	1,815	4,246		1,086	7,155	3,290		<b>18,428</b>
<i>Inter-segment revenue</i>	(1,077)	(239)	(111)	(760)	371	(434)	543	1,707		<b>-</b>
Operating income	<b>4,254</b>	<b>1,508</b>	<b>2,371</b>	<b>8,430</b>	<b>(1,298)</b>	<b>6,148</b>	<b>19,549</b>	<b>13,379</b>		<b>54,341</b>
Profit/(loss) before tax	686	1,029	(957)	260	(1,405)	(2,121)	(83,008)	12,706	1,026	<b>(71,784)</b>
Income tax										<b>223</b>
Profit/(loss) after tax										<b>(71,561)</b>
Total assets	139,124	59,652	11,105	95,675	3,034	50,968	1,668,435	654,148	50,315	<b>2,732,456</b>
Total liabilities	5,644	15,613	3,489	1,631	50,357	4,699	1,786,073	778,231	10,035	<b>2,655,772</b>
Tangible & intangible	2	1	105	1,447		65	6,533			<b>8,153</b>
Depreciation	48	13	322	3,681		457	6,570	40		<b>11,131</b>
Impairment losses on loans & advances	3,024	125	(1,652)	718		3,619	33,654			<b>39,488</b>

(Amounts in Euro thousand)

31.12.2009	Corporate Banking	Shipping	Asset management & stock brokerage	Leasing	Notes issuers	Credit card	Retail Banking	Treasury	Other	Total
<i>Interest income</i>	5,232	1,129	356	6,030	14	4,358	99,360	2,745	-	<b>119,224</b>
<i>Interest expense</i>	21	(26)	(6)	(1,017)	(2,617)	-	(86,064)	(2,014)	-	<b>(91,723)</b>
<i>Commissions, net trading income/(expense) &amp; other earnings</i>	656	147	3,701	6,894	27,636	1,923	12,029	(8,724)	62	<b>44,324</b>
<i>Inter-segment revenue</i>	(662)	(145)	(74)	(443)	214	(258)	767	601	-	<b>-</b>
Operating income	<b>5,247</b>	<b>1,105</b>	<b>3,977</b>	<b>11,464</b>	<b>25,247</b>	<b>6,023</b>	<b>26,092</b>	<b>(7,392)</b>	<b>62</b>	<b>71,825</b>
Profit/(loss) before tax	(1,411)	262	(8,419)	(885)	25,141	(3,991)	(79,007)	(8,242)	(641)	<b>(77,193)</b>
Income tax										<b>15,177</b>
Profit/(loss) after tax										<b>(62,016)</b>
Total assets	140,215	41,853	12,394	118,818	2,882	55,302	1,697,771	277,030	81,757	<b>2,428,022</b>
Total liabilities	4,462	10,803	5,621	18,352	50,218	4	1,872,865	324,006	34,287	<b>2,320,618</b>
Tangible & intangible	1	-	139	5,264	-	487	5,391	35	-	<b>11,317</b>
Depreciation	30	32	279	5,230	-	319	6,445	42	-	<b>12,377</b>
Impairment losses on loans & advances	5,491	182	6,610	2,892	-	5,525	27,340	-	-	<b>48,040</b>

## 7. Net interest income

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
<b>Interest income</b>		
Loans and advances to customers	85,557	115,195
Available for sale securities	6,825	448
Investment securities	6,984	360
Money market	1,160	3,189
Trading securities	42	32
<b>Total</b>	<b>100,568</b>	<b>119,224</b>
<b>Interest expense</b>		
Deposits from banks and customers	(61,056)	(84,647)
Subordinated liabilities	(3,599)	(7,076)
<b>Total</b>	<b>(64,655)</b>	<b>(91,723)</b>
<b>Net interest income</b>	<b>35,913</b>	<b>27,501</b>

## 8. Fee and commission income

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Loans and letters of guarantees	5,288	8,522
Management and custodian fees	1,438	2,807
Brokerage transactions	1,075	2,243
Credit cards	2,086	1,936
Transfers and similar	512	804
Imports-exports	349	457
Commission on customers derivatives	123	177
Other	740	909
<b>Total</b>	<b>11,611</b>	<b>17,855</b>

## 9. Net trading income/(expense)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Profit from disposal of bond loans	-	27,638
Trading portfolio	(97)	3,448
Foreign exchange	671	923
Available for Sale	26	(13,001)
Derivatives	-	(69)
<b>Total</b>	<b>600</b>	<b>18,939</b>

On 21 September 2009, Private Insurance Supervisory Committee revoked the operating license of the insurance company ASPIS PRONIA AEGA. At that day, the Bank held 7,317,593 shares of this insurance company with a cost of € 13,143 thousand, which were permanently impaired, resulting to an equal impairment loss by € 13,070 thousand in "Available for sale portfolio", included, among others, in "Net trading income/(expense)" line of the Income Statement. The same line also includes gain from sale of other available for sale securities of total amount of € 69 thousand.

## 10. Other operating income

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Leasing commissions	5,393	6,590
Leases	25	165
Profit from disposal of PPE	73	117
Dividend income	26	62
Safekeeping commissions	106	35
Other	1,012	1,141
<b>Total</b>	<b>6,635</b>	<b>8,110</b>

## 11. Staff expenses

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Salaries	35,177	37,214
Wages	2,063	2,155
Social security obligations	7,783	7,466
Contribution to defined benefit plans	1,215	325
Indemnification	-	81
<b>Total</b>	<b>46,238</b>	<b>47,241</b>

The average number of employees for the Group was 1,040 for 31 December 2010 (31.12.2009: 1,054).

## 12. Other expenses

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Rentals and other property expenses	9,014	9,360
Third party fees	3,588	5,191
Subscription fees	3,470	3,880
Other taxes	2,897	2,346
Marketing expenses	202	1,583
Telecommunication and postal charges	1,928	2,025
Credit card expenses	1,948	1,847
Maintenance expenses	994	1,273
Traveling & accommodation expenses	827	947
Consumables	676	728
Insurance premium	721	596
Other	3,679	5,946
<b>Total</b>	<b>29,944</b>	<b>35,722</b>

During the year the Audit company charged the following fees that are included in "third party fees" as follows:

(Amounts in Euro thousand)

	2010	2009
For the statutory audit of the annual financial statements	258	281
For other audit services	6	113

### 13. Income tax

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Current year	(250)	(1,180)
Prior year taxes	(4,257)	(356)
Deferred tax	4,729	16,713
<b>Total</b>	<b>222</b>	<b>15,177</b>
Deffered tax (from temporary changes)	5,667	18,938
Effect of application of lower tax rates	(938)	(2,221)
	<b>4,729</b>	<b>16,717</b>

#### Reconciliation of effective tax rate

	31.12.2010		31.12.2009	
<b>Loss before income tax</b>		<b>(71,784)</b>		<b>(77,193)</b>
Income tax using corporate tax rate	24%	17,228	25%	19,299
Non-deductible expenses	7%	(5,101)	1%	(1,111)
Tax exempt income	1%	505	1%	(789)
Effect of permanent differences	4%	(2,967)	8%	6,160
Prior year taxes	0%	(4,257)	0%	(355)
Effect of application of lower tax rates	1%	(938)	3%	(2,221)
Tax losses for which no deferred tax assets has been computed	6%	(4,247)	8%	(5,806)
<b>Total</b>	<b>0%</b>	<b>223</b>	<b>20%</b>	<b>15,177</b>

In Greece, the results reported to the tax authorities by an entity are provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore, entities remain contingently liable for additional taxes and penalties, which may be assessed upon such examination. The tax authorities have not audited the Bank and the subsidiaries for the following years:

T Bank SA	2008 - 2010
T Leasing SA	2006 – 2010
T Insurance Brokerage SA	2010
T Funds SA	2008 – 2010
T Credit SA	2007 – 2010
T Stegastika SA	2010

The previous years income tax item (€ 4,258 th.) regard the write-off of tax asset arising from interest income of bond loans subject to with-holding tax at source. In case of profit the with-holding tax is offset with the company's income tax, whereas in case of loss there is no return of the respective tax. The Bank had recourse to the law against the specific low provisions for the years 2007, 2008, 2009. The with-holding tax amounted to ( 4,103 th) for the years 2007, 2008, 2009 and 2010. The rest amount € 155 thousand is related with extraordinary contribution submitted in the previous years profit of enterprises according to the Law 3845/10.

Permanent differences mainly relate to expenses not recognized for tax purposes.

**14. Basic and diluted earnings per share**

Basic and diluted earnings per share was calculated in accordance with the weighted average number of shares in circulation at the beginning of the year plus the addition of shares that were issued during the period, based on months issued, less the weighted average numbers of shares which were held by the Bank during the period.

*(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Loss of the period	(71,561)	(62,016)
Weighted average number of shares during the period ( in thousand)	121,173	64,064
Basic and diluted earnings/(loss) per share (in Euro)	(0.5906)	(0.9680)

**15. Cash and cash equivalents**

*(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Reserves with Central Bank	59,857	70,042
Cash	20,245	20,551
Items in course of collection	303	449
<b>Total</b>	<b>80,405</b>	<b>91,042</b>

**16. Loans and advances to Banks/ Due to Banks**

Loans and advances to Banks are analyzed as follows:

*(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Current accounts	124,056	143,095
Money market placements- Deposits	7,200	119,917
<b>Total</b>	<b>131,256</b>	<b>263,012</b>

Due to Banks are analyzed as follows:

*(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Due to European Central Bank ( E.C.B)	631,000	240,000
Due to Greek State	79,000	79,000
Due to other Banks	68,254	9,007
<b>Total</b>	<b>778,254</b>	<b>328,007</b>

## 17. Loans and to customers

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
<b>Retail customers:</b>		
Mortgages	499,233	506,031
Securitized mortgage loans	425,026	491,712
Credit cards	54,452	56,904
Debit customeres balances	244	587
Consumer loans	85,071	85,066
<b>Subtotal</b>	<b>1,064,026</b>	<b>1,140,300</b>
<b>Corporate customers:</b>		
Corporate bonds	106,865	125,998
Corporate loans	561,809	536,230
Shipping loans	60,191	42,770
Finance leases	92,711	94,542
Debit corporates balances	1,082	878
Local authorities & other organizations	35,462	14,582
<b>Subtotal</b>	<b>858,120</b>	<b>815,000</b>
<b>Amounts due relating to brokerage transactions</b>	<b>16,906</b>	<b>19,829</b>
<b>Loans and advances</b>	<b>1,939,052</b>	<b>1,975,129</b>
Impairment loss	(130,393)	(103,695)
<b>Loans and advances after provisions</b>	<b>1,808,659</b>	<b>1,871,434</b>

Financial leases are analyzed by maturity as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Up to one year	32,008	16,761
One to five years	40,927	52,690
Over five years	36,603	38,184
	<b>109,538</b>	<b>107,635</b>
<b>Less: Deferred income</b>	<b>(16,827)</b>	<b>(13,093)</b>
<b>Total</b>	<b>92,711</b>	<b>94,542</b>

The net amount of receivables from financial leases during the year is analyzed as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Up to one year	28,686	13,716
One to five years	33,041	47,300
Over five years	30,984	33,526
<b>Total</b>	<b>92,711</b>	<b>94,542</b>

	31.12.2010	31.12.2009
<b>Allowance for impairment</b>		
Balance at 1 <sup>st</sup> January	103,695	55,884
Impairment loss for the period	39,488	48,040
Write-offs	(12,790)	(229)
<b>Total</b>	<b>130,393</b>	<b>103,695</b>

**18. Trading securities***(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Corporate bonds	1,922	1,971
Mutual fund units	1,677	1,923
<b>Total</b>	<b>3,599</b>	<b>3,894</b>

In accordance with the recent amendments to IAS 39, the Group reclassified in July 2008 shares listed in the Athens Stock Exchange and bonds out of the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio with market value at 30.06.2008 amounting to € 6,703 thousand. This reclassification was made due to the volatility on the financial markets in year 2008. The revaluation of these shares and bonds for the period from 1.1.10 to 31.12.10, resulted to a loss of €419 thousand, which has been recognized in the Available for Sale securities reserve, whereas if the Group had not reclassified the above shares and bonds, the aforementioned amount would have had an impact on Income statement.

**19. Available for sale securities***(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Treasury bills	287,519	5,218
Corporate bonds	14,239	16,467
Mutual fund units	13,755	12,542
Listed equity securities	439	707
Non-listed equity securities	2,448	2,142
<b>Total</b>	<b>318,400</b>	<b>37,076</b>

In August 2010 the Group transferred a Greek Government bond from the "Available for sale portfolio, to" Held to maturity portfolio". The loss assessment of the bond until the date of transfer € 463 thousand still appears in the reserve of available for sale securities and is amortized against bond income gradually till bond maturity(20 March 2012).

**20. Held-to-maturity securities***(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
GGB maturity 19/05/2010	-	3,139
GGB maturity 20/03/2012	28,849	-
GGB maturity 18/05/2012	21,170	-
GGB maturity 20/08/2012	22,810	-
GGB maturity 20/05/2013	22,369	-
GGB maturity 20/08/2013	35,415	-
GGB maturity 11/01/2014	9,452	-
GGB maturity 20/05/2014	19,836	-
GGB maturity 20/08/2014	57,987	5,351
GGB maturity 20/08/2015	9,102	-
GGB maturity 19/07/2019	2,116	2,165
<b>Total</b>	<b>229,106</b>	<b>10,655</b>

The Group during reporting period has made significant investments in medium-terms securities issued by the Greek Government, taking advantage of low financing costs and high yields. The classification of the respective securities, to the Held to maturity portfolio, has been made by decision of the Investment Committee.

## 21. Property and equipment

(Amounts in Euro thousand)

Cost	Property and Buildings	Leasehold improvements	Furniture and equipment	Total
Balance at 1 <sup>st</sup> January 2009	6,975	27,596	60,968	95,540
Acquisitions	311	1,971	5,734	8,016
Disposals	-	-	(23)	(23)
Other movements/write-offs	-	-	(1,258)	(1,258)
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>7,286</b>	<b>29,567</b>	<b>65,421</b>	<b>102,275</b>
Balance at 1 <sup>st</sup> January 2010	7,286	29,567	65,421	102,275
Acquisitions	68	2,387	3,656	6,111
Disposals	-	-	(1,178)	(1,178)
Other movements/write-offs	-	(185)	(966)	(1,151)
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>7,354</b>	<b>31,769</b>	<b>66,933</b>	<b>106,057</b>
<b>Depreciations</b>				
Balance at 1 <sup>st</sup> January 2009	1,021	15,601	28,666	45,288
Charge for the year	129	2,117	5,672	7,918
Other movements/write-offs	-	-	(963)	(963)
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>1,150</b>	<b>17,718</b>	<b>33,375</b>	<b>52,243</b>
Balance at 1 <sup>st</sup> January 2010	1,150	17,718	33,375	52,243
Charge for the year	127	2,319	5,930	8,376
Other movements/write-offs	-	(1)	(1,874)	(1,875)
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>1,277</b>	<b>20,036</b>	<b>37,431</b>	<b>58,744</b>
<b>Carrying amounts</b>				
Balance at 1 <sup>st</sup> January 2009	5,954	11,995	32,302	50,251
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>6,136</b>	<b>11,849</b>	<b>32,046</b>	<b>50,031</b>
Balance at 1 <sup>st</sup> January 2010	6,136	11,849	32,046	50,031
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>6,077</b>	<b>11,733</b>	<b>29,502</b>	<b>47,312</b>

The deletions of assets related to destruction or donation of equipment not used.

## 22. Intangible assets

(Amounts in Euro thousand)

Cost	Purchased software
Balance at 1st January 2009	19,393
Acquisitions	3,302
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>22,695</b>
Balance at 1 <sup>st</sup> January 2010	22,695
Acquisitions	2,042
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>24,737</b>
<b>Amortization</b>	
Balance at 1 <sup>st</sup> January 2009	10,923
Charge for the year	4,459
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>15,382</b>
Balance at 1 <sup>st</sup> January 2010	15,382
Charge for the year	2,755
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>18,137</b>
<b>Carrying amounts</b>	
Balance at 1 <sup>st</sup> January 2009	8,470
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>7,313</b>
Balance at 1 <sup>st</sup> January 2010	7,313
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>6,600</b>

## 23. Deferred tax asset

Deferred tax assets and liabilities are attributable to the following:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
<b>Deferred tax assets</b>		
Impairment for customer loans	11,164	6,395
Employee benefits	796	822
Commission income	478	536
Provisions	231	420
Tax loss	23,367	23,367
Other	751	645
<b>Total</b>	<b>36,787</b>	<b>32,185</b>
<b>Deferred tax liabilities</b>		
Finance lease	(264)	(222)
Property and equipment	(3,427)	(3,560)
Loans	(805)	(905)
<b>Total</b>	<b>(4,496)</b>	<b>(4,687)</b>
<b>Net deferred tax asset</b>	<b>32,291</b>	<b>27,498</b>

**Movement in temporary differences during the period***(Amounts in Euro thousand)*

31.12.2010	Opening balance	Recognized in income	Recognized in equity	Closing balance
Customer loans impairment	6,395	4,769	-	11,164
Employee benefits	822	(26)	-	796
Commission income	536	(58)	-	478
Finance lease	(222)	(42)	-	(264)
Property and equipment	(3,560)	133	-	(3,427)
Tax loss	23,367	-	-	23,367
Loans	(905)	100	-	(805)
Provisions	420	(189)	-	231
Other	645	44	62	751
<b>Total</b>	<b>27,498</b>	<b>4,731</b>	<b>62</b>	<b>32,291</b>

*(Amounts in Euro thousand)*

31.12.2009	Opening balance	Recognized in income	Closing balance
Customer loans impairment	860	5,535	6,395
Employee benefits	767	55	822
Commission income	595	(59)	536
Finance lease	(499)	277	(222)
Property and equipment	(3,753)	193	(3,560)
Commission expense	(176)	176	0
Tax loss	12,616	10,751	23,367
Loans	(1,006)	101	(905)
Provisions	1,211	(791)	420
Other	170	475	645
<b>Total</b>	<b>10,785</b>	<b>16,713</b>	<b>27,498</b>

The Group estimates the attaining of adequate tax profits within the following 5 years in order to justify the offset of tax losses. Deferred tax asset regarding the tax of losses of 2008 that may be offset until 2013 amounts to € 12,616 thousand, while the respective deferred tax asset concerning the tax of losses of 2009 that may be offset until 2014 amounts to € 10,751 thousand. The Group Companies T Leasing SA and T International AEDAK S.A during 2009 recovered the deferred tax asset that has been established during 2008. Group did not calculate deferred tax on tax loss this year. The amount of deferred debt was not accounted for is € 4,247 thousand.

**24. Other assets***(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Receivables from Greek State and other public organizations	19,209	18,427
Guarantees and participations to other funds	13,086	11,697
Deposit Guarantee Fund	24,114	15,667
Property acquired through auctions	4,901	5,033
Housing loans expenses	8,717	9,529
Advances	558	695
Accrued income	350	325
Other receivables	3,893	4,694
<b>Total</b>	<b>74,828</b>	<b>66,067</b>

According to Law 3714/2008 the amount of individual deposits guaranteed by the Deposit Guarantee Funds was increased from €20 thousand to €100 thousand per depositor. The additional contribution made by banks is subject to special assets group according to Law 3746/2008.

Property acquired through auctions refers to property mainly acquired through the enforcement of security over loans and advances.

"Receivables from Greek State and other public organizations" consist of payments for capital tax amounting to € 900 thousand.

The amount of 900 thousand has recovered in February 2011.

## 25. Due to customers

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Term deposits	1,330,134	1,287,665
On demand and current accounts	257,687	325,949
Savings accounts	113,351	155,518
<b>Total</b>	<b>1,701,172</b>	<b>1,769,132</b>

From the amount of "Term deposits" the deposits which are expected to mature within the following 12 months amount to € 1,3 million.

## 26. Debt securities in issue and other borrowed funds

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Securitized loans	81,524	110,728
Subordinated loans	50,000	50,000
Other Bonds	-	12,000
Accrued expense	1,107	886
Direct expenses	-	(52)
<b>Total</b>	<b>132,631</b>	<b>173,562</b>

Subordinated loans are analyzed as follows:

Aspis Finance plc. issued in February 2005 an amount of € 50,000 thousand with recall date February 2010. Interest rate is 3 month Euribor plus 2.65% spread.

All amounts are carried at amortized cost. The costs relating to the loan are amortized as interest expense using the effective interest method over the period of the placements.

## 27. Provisions

Provisions' movement is as follows:

(Amounts in Euro thousand)

31.12.2010	Opening balance	Provision for the year	Unused provisions	Usage of provisions	Closing balance
Restructuring plan	542	-	-	(174)	368
Contingent indemnification of labour legal disputes	1,000	-	(658)	-	342
Litigation claims	357	40	(13)	(85)	299
Income tax for open tax years	27	2	(25)	-	4
Provision for medical expenses	230	-	-	(53)	177
Impairment on off-balance sheet items	1,593	-	(395)	-	1,198
<b>Total</b>	<b>3,749</b>	<b>42</b>	<b>(1,091)</b>	<b>(312)</b>	<b>2,388</b>

(Amounts in Euro thousand)

31.12.2009	Opening balance	Provision for the year	Unused provisions	Usage of provisions	Closing balance
Restructuring plan	1,749	-	-	(1,207)	542
Contingent indemnification of labour legal disputes	1,000	-	-	-	1,000
Impairment on claims except for Bank loans	1,846	462	-	(2,308)	0
Litigation claims	470	147	-	(260)	357
Income tax for open tax years	545	-	-	(518)	27
Provision for medical expenses	-	230	-	-	230
Impairment on off-balance sheet items	891	702	-	-	1,593
<b>Total</b>	<b>6,501</b>	<b>1,541</b>	<b>-</b>	<b>(4,293)</b>	<b>3,749</b>

The provisions of the period amounting to € (1,049) thousand are recorded in the "Provisions" in the profit and loss account which also includes provisions of impairment of other claims amounting to € 373 thousand which are shown as a deduction in assets of the Group.

**28. Other liabilities***(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Bank drafts & cheques payable	3,580	10,421
Payment DIAS	725	3,503
Tax obligations	1,901	2,814
State and Social Insurance liabilities	1,628	1,933
Accrued interest expense	356	696
Other liabilities	17,263	11,700
Other accrued expenses	11,670	10,141
<b>Total</b>	<b>37,123</b>	<b>41,208</b>

The "Other accrued expenses" are analyzed as follows: an amount of € 7,998 thousand concerning accrued fees and social security obligations, an amount of € 3,519 thousand regarding commission income from housing loans to be amortized and an amount of € 153 thousand concerning other expenses.

**29. Employee benefits**

Employee benefits consist of:

*(Amounts in Euro thousand)*

	<b>31.12.2010</b>	<b>31.12.2009</b>
Defined benefit obligations	3.908	4.072
Vacation not taken	50	50
<b>Total</b>	<b>3.958</b>	<b>4.122</b>
<b>Defined benefit obligations</b>		
Present value of unfunded obligations	4.308	3.850
Unrecognised actuarial gains and losses	(400)	222
<b>Recognized liability for defined benefit obligations</b>	<b>3.908</b>	<b>4.072</b>
<b>Movement in the liability for defined benefit obligations</b>		
Net defined benefit obligations at 1 <sup>st</sup> January	4.072	3.835
Expense recognized in profit or loss	1.215	325
Benefits paid	(1.379)	(88)
<b>Total</b>	<b>3.908</b>	<b>4.072</b>
<b>Expense recognized in profit or loss</b>		
Current service costs	395	290
Interest on obligation	155	171
Amortization of actuarial loss	665	(136)
<b>Total</b>	<b>1.215</b>	<b>325</b>
<b>Actuarial assumptions</b>		
Discount rate	5,25%	5,07%
Future salary increases	3,5%	3,5%

**30. Share capital**

The extraordinary General Assembly of the Shareholders held on 23rd July 2009 decided the increase of the share capital with the amount of € 76,877 thousand by issuing 128,128,108 new common, shares with nominal value of € 0.60 each.

Finally, as it was verified from the Board of Directors minute held on 15<sup>th</sup> April 2010, the Bank's share capital increased in cash by Euro 48,374,403.60 through the offer of 80,624,006 new common registered shares, at a nominal value of Euro 0.60 each.

Following the above, the Bank's share capital amounting to Euro 86,812,836 divided in 144,688,060 common shares with nominal value of € 0.60 each.

The total charge for the Share Capital increase amounting to € 2,006 thousand and is recognized in "Share premium reserve".

TT Hellenic Postbank, after the completion of Share capital increase, possesses 32.90% which refers to 47,602,370 shares with voting rights.

As at 31 December 2010, the capital adequacy ratio is less than 10% and the Tier 1 ratio is less than 6.5%.

The Management of the Bank has received the assurance of its major shareholder " TT Hellenic Postbank " that it has the intention to support the Bank's capital adequacy in order to continue its operations without any complications.

The Management of the Bank in collaboration with the main shareholder is looking for all the necessary measures to be taken in order to increase the ratio above the limit.

### 31. Reserves

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Statutory reserve	1,030	1,030
Untaxed reserves	2,265	2,265
Available for sale reserve	(5,921)	(2,637)
Reserve from share capital reduction	135,176	135,176
Other reserves	6,364	6,364
<b>Total</b>	<b>138,914</b>	<b>142,198</b>

*Statutory reserve:* Under the provisions of Greek corporate law, entities are required to transfer 5% of their annual profits to a statutory reserve until the reserve equals one third of the issued capital. This reserve is not available for distribution but may be applied to cover losses.

*Untaxed reserves:* In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that the reserves are distributed they will be taxed at the rate applicable on the date of distribution. In case tax free reserves are distributed a tax of € 544 thousand will be paid.

*Available for sale reserve:* The fair value reserve includes the cumulative net charge of available-for-sale investments.

*Other reserves:* It includes other reserves.

### 32. Related-party transactions

The Group defines related parties , the Board of Directors, the Executive Board, close family members and enterprises which are controlled by these individuals through their majority share-holding or their role as Chairman and/or CEO in those companies. The transactions are conducted under the market term and conditions.

Banking transactions with related parties were on 31st December 2010 are as follows :

(Amounts in Euro thousand)

<b>(a) Senior management and Board of Directors</b>	31.12.2010	31.12.2009
Loans and advances to customers	456	1,393
Due to customers	1,015	765
Other liabilities	51	128
	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>Income</b>		
Net interest income/expenses)	(5)	(58)
Net commission income/(expenses)	0	1
<b>Expense</b>		
Staff costs	1,409	2,244
Other operating expenses	192	392

(b) Other related parties	31.12.2010	31.12.2009
Loans and advances to customers	2,219	21,793
Loans and advances to banks	1,903	
Other assets	34,477	568
Due to customers	37,939	47,485
Due to banks	62,484	
Other liabilities	59	71
	31.12.2010	31.12.2009
<b>Income</b>		
Net interest income	(1,570)	906
Net commission income	16	775
<b>Expense</b>		
Other operating expenses	31	3,113
Loans impairment charge for the period	128	-

The significant change in "Loans and advances to customers" (Senior management and BoD) is due to the resignation of General Managers during the period. The relevant amount as at 31<sup>st</sup> December 2009 included loans granted to the General Managers who resigned in 2010 amounting to € 900 thousand.

The compensation paid to Senior management resigned in 2010 amounts to € 571 thousand. The claims of the bank from loans and letters of guarantee granted to Aspis Pronoia S.A., Aspis Pronoia gen. security life S.A., and Commercial Value amounts to € 2,461 thousand. Cumulative impairment provisions amounts to € 2,068 thousand.

In "Balance with other related parties" includes the December 31, 2010 and the TT Hellenic Postbank.

(Amounts in thousand of Euro)

Company name	Loans	Deposits	Interest income	Interest expense	Other income	Other expenses	CCS	Stock brokerage	Placements	Borrowings	Other assets	Other liabilities
<b>Board of Directors &amp; Senior management</b>	<b>456</b>	<b>1,015</b>	<b>14</b>	<b>19</b>	<b>0</b>	<b>1,601</b>	-	-	-	-	-	<b>51</b>
TT HELLENIC POSTBANK SA	-	-	21	893	-	-	-	-	-	-	-	20
ASPIS PRONOIA S.A.	1,469	5,146	242	109	1	184	242	-	1,903	62,484	34,471 *	27
ASPIS PRONOIA FUNDS	-	136	-	3	-	-	-	-	-	-	-	-
ASPIS PRONOIA GEN. SECURITY LIFE S.A.	162	4,308	14	144	0	(1)	0	-	-	-	6	10
COMMERCIAL VALUE S.A.	588	28,349	5	703	15	(24)	0	-	-	-	-	2
<b>Other related parties</b>	<b>2,219</b>	<b>37,939</b>	<b>282</b>	<b>1,852</b>	<b>16</b>	<b>159</b>	<b>242</b>	<b>0</b>	<b>1,903</b>	<b>62,484</b>	<b>34,477</b>	<b>59</b>
<b>Total</b>	<b>2,675</b>	<b>38,954</b>	<b>296</b>	<b>1,871</b>	<b>16</b>	<b>1,760</b>	<b>242</b>	<b>0</b>	<b>1,903</b>	<b>62,484</b>	<b>34,477</b>	<b>110</b>

\*Advances from current accounts

### 33. Contingent liabilities and commitments

#### 33.1 Litigation

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. Specifically, the Group is exposed to law suits that have been claimed or might be claimed against which may affect the Statement of Comprehensive Income, the Statement of Financial Position and its capital adequacy.

The Group is still subjected to extrajudicial claims and lawsuits versus Aspis Capital SA, Aspis Pronoia AEGA, Aspis Group SA as well as towards the Bank regarding bond loans disposed by Aspis Capital SA, Aspis Group SA and Aspis Pronoia AEGA for which the Bank operates as Administrator. The management of the Bank declares that there was no mediation from its side in disposing these products and operates exclusively as administrator of payments without to guarantee the fulfillment of payments or other liabilities from the respective issuers. The results of the litigation claims depend on the valuation of predictive evidence presented in court. However, Bank's lawyers estimate that the possibilities of prosperity are restricted.

Moreover, the Group up to year 2008 through contracts signed from Aspis Insurance Brokerage SA has promoted via the Bank's net, the insurance investment product typed UNIT-LINKED of Commercial Value named as ASPIS VALUE. There are still pending claims towards Commercial Value AAE. Because of the revocation of the license of Commercial Value, it is estimated that if the customers of ASPIS VALUE remain unsatisfied from Commercial Value and they don't receive any public or other guarantee, will sue the Bank (there are remaining claims, about 10, and against the Bank). The prosperity of these claims will depend on the evaluation of predictive evidence presented in court but the possibilities are limited.

In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Group. For this reason provisions amounting to € 299 thousand have been formed. The Group has also formed a provision of € 342 million for contingent labour legal disputes (Note 27).

### 33.2 Credit commitments

Pledged securities for liquidity purposes (nominal value)

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Trading securities	2.000	-
Available-for- sale investment securities	300.000	-
Held-to-maturity investment securities	256.000	8.300
Loans and advances to customers	169.022	168.015
<b>Total</b>	<b>727.022</b>	<b>176.315</b>

As at 31st December 2010 the Group's contingent liabilities arising from letters of guarantee and letters of credit issued are as follows:

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Letters of guarantee	107.152	133.802
Letters of credit	1.016	1.213

The Group participates in the Company of innovator business participations NBGI Private Equity and has contractual obligation to pay the amount of GBP 5,000 thousand. The Group has paid until today an amount of GBP 1,884 thousand or € 2,189 thousand. The value of the specific participation which has been classified in "Available for sale securities" arises to the amount of € 2,096 thousand, according to the latest available evaluation of 31 December 2010.

### 33.3 Operating leases

The Group's commitments from lease contracts refer mainly to buildings used for its branches and other operating units. There is an annual increase in leasing contracts according to the general price index. The average lease period is up to 12 years.

The future minimum lease payments under operating leases are as follows :

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Less than one year	5,659	6,145
Between one and five years	14,168	16,222
More than five years	11,656	12,719

## 34. Subsequent events

Non applicable.



## **Independent Auditor's Report**

### **(Translated from the original in Greek)**

To the Shareholders of  
T BANK S.A.

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

We have audited the accompanying consolidated financial statements of T BANK S.A. (the "Bank") which comprise the consolidated Statement of Financial Position as of 31 December 2010 and the consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with 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 consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

In our opinion, the financial statements give a true and fair view of the consolidated financial position of T BANK S.A. as of 31 December 2010 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

## Emphasis of Matter

Without qualifying our opinion we draw attention to Note 2.2 of the consolidated financial statements which refers to the options that the management of the Bank has, in collaboration with the major shareholder, in order to improve its capital adequacy ratio so that may not cast significant doubt on the Bank's ability to continue as a going concern.

## Report on Other Legal and Regulatory Requirements

- (a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraphs 3d of article 43a and 3e of article 107 of C.L. 2190/1920.
- (b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920.

Athens, 30 March 2011

KPMG Certified Auditors A.E.

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Harry Sirounis, Certified Auditor Accountant  
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**VI. Financial statements for the year ended 31 December 2010 and Auditor's report**



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Individual Financial Statements  
31 December 2010

**In accordance with International Financial Reporting  
Standards (IFRS) as adopted by the European Union**

These financial statements have been approved by the Board of Directors of T Bank S.A.  
on 30<sup>th</sup> March 2011 and are available at the following web page: [www.tbank.com.gr](http://www.tbank.com.gr)

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## Statement of Comprehensive Income

(Amounts in Euro thousand)

	Note	From 1 <sup>st</sup> January to	
		31.12.2010	31.12.2009
Interest and similar income		89,806	99,079
Interest expense and similar charges		(64,946)	(82,723)
<b>Net interest income</b>	<b>7</b>	<b>24,860</b>	<b>16,356</b>
Fee and commission income	<b>8</b>	13,405	18,736
Fee and commission expense		(308)	(450)
<b>Net fee and commission income</b>		<b>13,097</b>	<b>18,286</b>
Net trading income	<b>9</b>	3,290	(8,724)
Other operating income	<b>10</b>	21,907	1,125
<b>Total operating income</b>		<b>63,154</b>	<b>27,043</b>
Staff expenses	<b>11</b>	(44,313)	(44,924)
Depreciation and amortization	<b>22.23</b>	(7,516)	(7,162)
Other operating expenses	<b>12</b>	(26,335)	(29,865)
Impairment losses on loans and advances	<b>17</b>	(38,771)	(45,147)
Provisions	<b>28</b>	839	(4,932)
<b>Total operating expenses</b>		<b>(116,096)</b>	<b>(132,030)</b>
<b>Loss before income tax</b>		<b>(52,942)</b>	<b>(104,987)</b>
Income tax	<b>13</b>	550	15,178
<b>Loss for the period</b>		<b>(52,392)</b>	<b>(89,809)</b>
<b>Total comprehensive income</b>			
P&L transfer of available for sale securities		103	8,629
Net change in fair value of available for sale securities		(3,387)	498
<b>Other comprehensive income after tax</b>		<b>(3,284)</b>	<b>9,127</b>
<b>Total comprehensive income after tax</b>		<b>(55,676)</b>	<b>(80,682)</b>
Basic and diluted earnings/(loss) per share (in Euro)	<b>14</b>	(0.4324)	(1.4019)

Athens, 30 March 2011

K.A.Papadopoulos  
ID No.AH.582918  
CHAIRMAN OF THE BOARD  
OF DIRECTORS

G.P.Handjinicolaou  
ID No.X.501829  
VICE CHAIRMAN OF THE BOARD  
OF DIRECTORS & CEO

A.K.Topaloglou  
ID No.X.158663  
OEE.Lic.Reg.No: 0012737/18-2-08  
A'CI CHIEF FINANCIAL OFFICER

N.D.Dalianis  
ID No.AZ.118237  
OEE.Lic.Reg.No: 0015073/4-07-01  
A'CI HEAD OF ACCOUNTING

The attached notes on pages 8 to 42 form an integral part of these financial statements.

## Statement of Financial Position

(Amounts in Euro thousand)

Assets	Note	31.12.2010	31.12.2009
Cash & cash equivalents	15	80,403	91,040
Loans and advances to banks	16	44,805	156,740
Loans and advances to customers	17	1,774,575	1,875,729
Trading securities	18	1,922	1,971
Investment securities			
- Available-for- sale	19	642,336	407,232
- Held-to-maturity	20	229,106	10,655
Investment in subsidiaries and associates	21	30,550	30,549
Property, plant and equipment	22	42,926	43,889
Intangible assets	23	5,046	5,101
Deferred tax asset	24	30,742	26,088
Other assets	25	122,900	110,512
<b>Total assets</b>		<b>3,005,311</b>	<b>2,759,506</b>
<b>Liabilities</b>		<b>31.12.2010</b>	<b>31.12.2009</b>
Due to banks	16	783,080	323,919
Due to customers	26	1,707,545	1,832,835
Debt securities in issue	27	90,445	90,253
Other borrowed funds	33	345,042	416,829
Provisions	28	2,355	3,693
Other liabilities	29	26,661	32,299
Employee benefits	30	3,704	3,892
<b>Total liabilities</b>		<b>2,958,832</b>	<b>2,703,720</b>
<b>Equity</b>			
Share capital	31	86,813	38,438
Share premium		15,047	17,053
Reserve from share capital reduction	32	135,176	135,176
Other reserves	32	2,418	5,702
Accumulated deficit		(192,975)	(140,583)
<b>Total Equity</b>		<b>46,479</b>	<b>55,786</b>
<b>Total liabilities and Equity</b>		<b>3,005,311</b>	<b>2,759,506</b>

The attached notes on pages 8 to 42 form an integral part of these financial statements.

## Statement of Changes in Equity

Statement of Changes in Equity  
(Amounts in Euro thousand)

	Share Capital	Share Premium	Reserve from share capital reduction	Other reserves	Accumulated deficit	Total
<b>Balance as at 1<sup>st</sup> January 2009</b>	<b>173,614</b>	<b>17,053</b>	-	(3,425)	(50,774)	<b>136,468</b>
<b>Other comprehensive income</b>						
Loss for the period	-	-	-	-	(89,809)	(89,809)
Transfer of impairment losses of available for sale securities	-	-	-	8,629	-	8,629
Net change in fair value of available for sale securities	-	-	-	498	-	498
<b>Total comprehensive income after tax</b>	-	-	-	<b>9,127</b>	<b>(89,809)</b>	<b>(80,682)</b>
<b>Transactions with owners</b>						
Reserve from share capital reduction	(135,176)	-	135,176	-	-	-
<b>Total transactions with owners</b>	<b>(135,176)</b>	-	<b>135,176</b>	-	-	-
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>38,438</b>	<b>17,053</b>	<b>135,176</b>	<b>5,702</b>	<b>(140,583)</b>	<b>55,786</b>
<b>Balance as at 1<sup>st</sup> January 2010</b>	<b>38,438</b>	<b>17,053</b>	<b>135,176</b>	<b>5,702</b>	<b>(140,583)</b>	<b>55,786</b>
<b>Other comprehensive income</b>						
Loss for the period	-	-	-	-	(52,392)	(52,392)
P&L transfer of available for sale securities	-	-	-	103	-	103
Net change in fair value of available for sale securities	-	-	-	(3,387)	-	(3,387)
<b>Total comprehensive income after tax</b>	-	-	-	<b>(3,284)</b>	<b>(52,392)</b>	<b>(55,676)</b>
<b>Transactions with owners</b>						
Net share capital increase	48,375	(2,006)	-	-	-	46,369
<b>Total transactions with owners</b>	<b>48,375</b>	<b>(2,006)</b>	-	-	-	<b>46,369</b>
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>86,813</b>	<b>15,047</b>	<b>135,176</b>	<b>2,418</b>	<b>(192,975)</b>	<b>46,479</b>

The attached notes on pages 8 to 42 form an integral part of these financial statements.

## Cash Flow Statement

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
<b>Cash flows from operating activities</b>		
Loss before income tax	(52,942)	(104,987)
<b>Adjustments for non-cash items</b>		
Depreciation and amortisation	7,516	7,162
Impairment losses on loans and advances	38,771	45,147
Provisions	(839)	4,932
Defined benefit obligation	1,164	284
Other non-cash items	1,405	4,323
(Gains)/losses from valuation of trading and available for sale securities	(622)	(877)
(Gains)/losses on the sale of property and equipment	188	(1)
	<b>(5,359)</b>	<b>(44,017)</b>
<b>Changes in operations</b>		
Net (increase)/decrease in available for sale securities	(236,306)	(359,750)
Net (increase)/decrease in trading securities	49	(1,971)
Net (increase)/decrease in loans and advances to customers	62,383	54,447
Net (increase)/decrease in other assets	(35,687)	(61,093)
Net increase/decrease in due to banks	459,161	167,736
Net increase/decrease in due to customers	(125,290)	(160,260)
Net inflow from long term liabilities	35	428,188
Net outflow from long term liabilities	(71,798)	(86,133)
Net increase/decrease in other liabilities	(9,473)	6,675
<b>Net cash inflow/(outflow) from operating activities</b>	<b>37,715</b>	<b>(56,178)</b>
<b>Cash flows from investing activities</b>		
(Purchases)/Disposals of investments	(218,452)	(7,103)
Proceeds from sales of property and equipment	(3)	13
Purchases of property, equipment	(5,681)	(5,188)
Purchases of intangible assets	(1,001)	(818)
Dividends received	20,026	62
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(205,111)</b>	<b>(13,034)</b>
<b>Cash flows from financing activities</b>		
Net share capital increase	46,369	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>46,369</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(121,027)</b>	<b>(69,212)</b>
<b>Cash and cash equivalents as at 1<sup>st</sup> January</b>	<b>247,780</b>	<b>316,747</b>
Foreign exchange differences on cash and cash equivalents	(1,545)	245
<b>Cash and cash equivalents as at 31<sup>st</sup> December</b>	<b>125,208</b>	<b>247,780</b>
<b>Cash and cash equivalents consist of:</b>		
Cash and balances with Central Bank	80,403	91,040
Loans and advances to banks	44,805	156,740
	<b>125,208</b>	<b>247,780</b>

The attached notes on pages 8 to 42 form an integral part of these financial statements.

## 1. General Information

ASPIS BANK S.A. (previously ASPIS MORTGAGE BANK S.A.) was founded by Pavlos D.Psomiadis and the AEGON BV insurance company, under the name "ASPIS BANK", as a Banking Soci t  Anonyme in 1992 and received its license by the Bank of Greece (decision no. 487/2.12.91 of the Currency and Credit Commission), and the Ministerial Council (no. 5/8, GG 1/13.1.92, issue 1) Act according to law. According to this license, the Bank operated in accordance with mortgage banks laws until 3 August 2001. The Bank of Greece (PDBG 2478/3-8-2001) abolished the special legal framework for mortgage banks. On 3 September 2001, the Currency and Credit Commission of the Bank of Greece approved the modification of the Articles of Association of ASPIS BANK, which from thereafter engages in all banking operations defined by law. The Ministry of Development, as per decision No. K2-13660/26-10-2001, approved the modification of the Bank's Articles of Association regarding its name, and received its current name of ASPIS BANK S.A. The Regular Shareholders' Meeting on 1 June 2001 had already approved the aforementioned modifications of articles 1 (regarding the name) and 4 (regarding the purpose) of the Bank's Articles of Association.

On 7th May 2010, the Annual General Shareholder's Meeting decided to change the Bank's corporate name and identity to "T BANK" (the "Bank").

T BANK maintains a Head Office in the Municipality of Athens, at 22 Omirou St., 106 72 Athens, and is registered in the Soci t  Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a term of ninety-nine (99) years from the date it was registered in the Soci t  Anonyme Registry.

According to article 4 of the Bank's Articles of Association its exclusive purpose is to carry out on its behalf or on the behalf of third parties all banking activities allowed under current legislation. The following are the main activities that Bank is allowed to provide:

- Accepting, with or without interest, all types of deposits or other returnable funds denominated in euro and foreign currency.
- Issuing loans and credit of all types, providing guarantees and acquiring or transferring claims, as well as intermediating in the financing of business enterprises or in business collaborations.
- Assuming debt, credit or guarantees and issuing debt securities in order to draw funds.
- Providing bill payment, fund transfer and export trade financing facilities.
- Safekeeping, management and administration of all types of securities, bonds, financial products and

assets in general, including asset portfolios, transacting trades of these assets on behalf of the Bank or of third parties, as well as providing related financial and consulting services.

- The establishment or participation in domestic or foreign companies of any type engaged in the money market, capital market and the broader banking and investment sector in general.
- The issuance and management of means of payment (credit and debit cards, travel and bank cheques, etc.)
- Underwriting services, participation in the issuance and sale of securities, the coverage of issues and the provision of related services.
- Providing consulting services to business enterprises regarding their capital structure and business strategy, as well as services regarding mergers, spin-offs and acquisitions, and related issues.
- Providing reorganization and financial restructuring services.
- Factoring corporate receivables.
- Providing business-related information, including credit rating services.
- Providing safe-deposit box services.
- Representing third parties that have or pursue objectives similar to those mentioned above and in general engaging in any type of action, transaction, work or activity pursuant to the above or contributing to the advancement of the objectives of the Bank, as stated in the Articles of Association.
- Actively participating, as a member, in organized stock markets, having received a relevant license from the Bank of Greece.

To achieve its objectives, the Bank may cooperate with other legal entities, business enterprises or individuals, including those that pursue similar objectives, as well as participate in the aforementioned legal entities and business enterprises, in compliance with the provisions of banking legislation or any other applicable laws.

## 2. Basis of preparation

### 2.1. Statement of compliance

The Bank's financial statements has been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board (IASB) and adopted by the European Union. The standards adopted by the European Union may differ from IFRS as

issued by the IASB at any time or there are changes and new standards not adopted by the European Union.

The Bank's financial statements is available via the internet at [www.tbank.com.gr](http://www.tbank.com.gr).

The financial statements were approved by the Board of Directors on 30 March 2011.

## 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Trading securities are measured at fair value.
- available-for-sale financial assets are measured at fair value.

Financial Statements have been prepared on going concern basis. The capital adequacy ratio, as it is analysed in Note 4.9, rise up to 5% for the Bank and 4.5% for the Group, which is lower than the acceptable minimum limit imposed by the regulatory framework. The reason why the ratio fell under the minimum limit during the year lies on the unprecedented Greek's economy recession, the impairment on loans and advances to customers and the poor investment choices. The management has accumulated all the information needed and has tested the possibilities available to satisfy the demand of the Greek regulatory authority, relating to the improvement of its capital adequacy, in order to move on to the actions planned for the future. The management has informed the main shareholder Hellenic Postbank SA (TT) for the measures that should be taken.

The Management intends to take all necessary measures that will enable its operation unhamperedly. In order to achieve these goals, the Management has examined the following measures:

5. Share Capital increase in order to cover the acceptable minimum limits imposed by the regulatory framework after taking into consideration the estimated results of 2011.
6. The merge of the Bank with the main shareholder (TT).
7. Increase of the percentage of the participation of the main shareholder (TT) in Bank's share capital resulting to the satisfaction of the requirements of capital adequacy.
8. The liquidity sources though the stability programs.

Regardless the measures to be taken, the Management will continue on with the structure of the portfolio and the decrease of operational expenses.

The reason why the Management hasn't proceeded on the adoption of the above measures is because each option has to be approved by the General Assembly of the shareholders of the Bank, included the General Assembly of the main shareholder (TT) and then to be authorized by the Bank of Greece. Respective procedure is already on progress.

Our choice of preparing Financial Statements on a going concern basis is due to the fact that the main shareholder, which is represented as well to the Board of Directors, intends to do whatever it takes so as the Bank continues its operation unhamperedly and satisfy all requirements of regulatory authorities, regarding its capital adequacy. We point out that the Bank disposes satisfactory liquidity sources to fulfill its operational needs, based on current circumstances.

## 2.3 Functional and presentation currency

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

## 2.4 Use of estimates and judgments

The preparation of financial statements according to IFRS requires that the management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Deviations from accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant estimates and critical judgments applied by the Bank in the preparation of the financial statements are:

- Impairment loss on loans and advances to customers (Note 4.2.1.)
- Fair value measurement for financial instruments (Note 5)
- Recovery of the recognised deferred tax asset (Note 24)
- Other provisions (Note 28)
- Calculation of income tax expense (Note 13)
- Derecognition of securitized loans (Note 33)

## 2.5 Reclassification of items

Certain balances concerning prior year figures for 2009 have been reclassified in order to be comparable to current period's financial statements.

The reclassification in the "Statement of Comprehensive Income" for the period ended 31<sup>st</sup> December 2009 relates to the transfer of total amount € 4,621 thousand from the line "Interest expense and similar charges" to "Interest and similar income".

The reclassification in the "Statement of Financial position" for the year ended 31<sup>st</sup> December 2009 relates to the transfer of amount € 449 thousand from the line "Loans and advances to banks" to "Cash & cash equivalents" and amount of € 13 thousand from the line "Loans and advances to banks" to "Other assets".

The above amounts have been included in the cash-flow statement reclassification for the year 2009.

### 3. Significant accounting policies

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

#### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated to Euro at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gains or losses on monetary items are recorded in the Income Statement for the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Euro at the exchange rate at the date that the fair value was determined.

Exchanges differences are recorded in the Income Statement or in equity if they result from the retranslation of an item of equity.

#### 3.2 Interest income and expense

Interest income and expense are recognized in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. The Bank calculates the effective interest rate taking into account the future cash flows in accordance with contractual terms but not the losses from credit risk. The calculation of effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the financial instrument.

#### 3.3 Fees and commission

Fees and commission income and expenses that are not integral to the measurement of the effective interest rate are recorded in profit or loss account based on the period that respective services were produced.

#### 3.4 Net trading income

Net trading income comprises gains less losses related to trading assets, liabilities and derivatives, and includes all realized and unrealized fair value changes, interest, dividends and foreign exchange differences as well as gains less losses that were recycled from equity to the income statement.

#### 3.5 Dividends

Dividend income is recognized when the Bank establishes the right to receive respective income .

#### 3.6 Leases

The Bank makes contract agreements either as a lessee either as a lessor.

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases.

Other leases are operating leases.

Lease payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are allocated between the finance expense and the reduction of the outstanding liability.

The Bank as a lessor, according to the information held on December 31<sup>st</sup>, 2010 does not retain any leasing that could be characterized as operating.

#### 3.7 Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the income statement except if it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting

purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

### 3.8 Securitization

The Bank in order to maintain adequate liquidity level, proceeds in securitization of financial instruments by transferring those assets to special purpose entities, which in their turn proceed in issuance of bonds. Additionally, based on the terms and conditions and the economic essence of transactions, it is being examined whether Bank will proceed in derecognition of securitised assets according to IAS 39.

### 3.9 Financial assets and liabilities

#### (a) Recognition

The Bank recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities recognized on the settlement date. Memo Accounts used at the trade date, while the interval between the trade date and date of settlement of financial instruments measured at fair value.

A financial asset or financial liability is initially measured at fair value plus (for an item not classified as trading) transaction costs that are directly attributable to its acquisition or issuance.

#### (b) Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial

asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Bank enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Bank derecognizes specific loans and receivables when they are determined to be uncollectible.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

#### (c) Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

#### (d) Amortised cost measurement

Amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, less for impairment.

#### (e) Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The fair value of financial assets and financial liabilities are determined based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, etc. The Bank uses widely recognized valuation models for determining the fair value of common and more simple financial instruments like options and interest rate and currency swaps.

For more complex instruments, the Bank uses proprietary models, which usually are developed from recognized valuation models.

*(f) Identification and measurement of impairment*

At each balance sheet date the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the bank.

The Bank considers evidence of impairment both at an individual asset level or collective level. All individually significant financial assets are assessed for specific impairment or collectively for those assets which are not considered as individually significant. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. The individually assessed for impairment assets are excluded from the collective assessments. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

In assessing collective impairment the Bank uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain accurate.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated future cash flows discounted at the assets' original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and advances.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

**3.10 Cash and cash equivalents**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Central Banks and highly liquid financial assets with original maturities of less than three months. Cash and cash equivalents are carried at cost in the balance sheet.

**3.11 Trading assets**

Trading assets are those assets that the Bank acquires or incurs principally for the purpose of short-term profit or position taking.

Trading assets are initially recognized and subsequently measured at fair value in the balance sheet with transaction costs taken directly to the income statement. All changes in fair value are recognized as part of net trading income in income statement. Trading assets are not reclassified subsequent to their initial recognition.

**3.12 Loans and advances**

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell them immediately or in the near term.

In cases where the Bank is the lessee in financial leases and all risks and rewards associated with the leased asset have been transferred, the transaction is accounted as a loan.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date, the arrangement is accounted for as a loan or advance, and the underlying asset is not recognized in the Bank's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

**3.13 Investment securities**

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity or available-for-sale.

*(i) Available-for-sale investments*

Available-for-sale investments are non-derivative investments that are intended to be held for an indefinite period of time and may be sold in response to liquidity needs of the Bank. Unlisted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognized in profit or loss using the effective interest method. Dividend income is recognized in profit or loss when the Bank becomes entitled to the dividend.

Other fair value changes are recognized directly in equity until the investment is sold or impaired and the balance in equity is recognized in profit or loss.

*(ii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale. Any sale or reclassification of a significant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale investments and prevent the Bank from classifying investment securities as held to maturity for the following two financial years.

**3.14 Investment in subsidiaries and associates**

Investment in subsidiaries and associates are carried at cost including transaction costs less impairment losses wherever it was deemed appropriate.

**3.15 Property and equipment**

Property and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Cost includes expenditure attributable to the acquisition or construction of an asset. Maintenance costs are recorded in the Income Statement of the year they refer to.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the property and equipment. Leased assets are depreciated over the shorter period between the lease term or their estimated useful life. Land is not depreciated.

The estimated useful lives are as follows:

Own property	50 years
Leasehold property	Up to 12 years (lease period)

Furniture and equipment	7 – 15 years
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The useful lives of fixed assets are reviewed and adjusted as and if appropriate, at each balance sheet date

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

Gains and losses on disposal of an item of property and equipment are determined by comparing proceeds with carrying amounts. These are included in the income statement.

**3.16 Investment property**

Investment property is property held either to earn rental income or for capital appreciation upon disposal. The Bank's investment property items have been mainly acquired through the enforcement of security over loans and advances (repossessed property).

**3.17 Intangible assets**

Intangible assets consist of software that has been acquired by the Bank and stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the software which is between 4 to 15 years.

**3.18 Deposits, debt securities issued and subordinated liabilities**

Deposits, debt securities issued and subordinated liabilities are sources of funding for the Bank.

Deposits, debt securities and subordinated liabilities are initially measured at fair value plus transaction costs and subsequently measured at the amortized cost using the effective interest method.

**3.19 Contracts to sale and repurchase, borrowings**

The Bank enters into contracts to sale and repurchase own investments at a specific date and at a specific price. Investments sold under these agreements are not derecognized and are classified and measured as trading, available-for-sale or held-to-maturity. The amount of the sale is depicted as due to financial institutions or customers.

### 3.20 Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

A provision for restructuring is recognized when the Bank has approved a formal and detailed restructuring plan, and the restructuring either has commenced or has been announced. Future operating costs are not provided for.

### 3.21 Employee benefits

#### (a) Defined contribution plans

The Bank pays contributions to public or private pension insurance plans on a mandatory, contractual or voluntary basis. The Bank has no further obligations adjustments once the contributions have been made. The contributions are recognized as an expense in the income statement as incurred.

#### (b) Defined benefit plans

The Bank has a defined benefit plan whereby it is required, by law (Law 2112/20), to pay a lumpsum to retiring employees. The amount of the payment varies depending upon the employee's length of service and salary on the date of retirement. The Bank's obligation in respect of this defined benefit plan is measured by estimating the present value amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is near the iBoxxEuro AA Corporate Yield Curve. The calculation is performed by an independent qualified actuary using the projected unit method, less the fair value of any plan assets and adjusted for unrecognised gains or losses and past service costs.

All actuarial gains and losses in calculating the Bank's obligation in respect of the plan, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation. The fair value of the plan assets, otherwise, the actuarial gain or loss is not recognised.

The amount recognized in the income statement by the Bank for defined benefit pension plans include:

- The increase in the present value of the defined benefit obligation resulting from employee service in the current period (service cost).
- the increase in the present value of the defined benefit obligation which arises as the benefits are one year closer to settlement (interest cost).

#### (c) Termination benefits

Termination benefits are recognized as an expense when the Bank is committed to either terminate employment before the normal retirement date or in the course of a voluntary redundancy.

#### (d) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for an amount expected to be paid as a short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees.

### 3.22 Share capital

#### (a) Share issue costs

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

#### (b) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability in the period in which they are approved by the Bank's shareholders.

#### (c) Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity. At 31.12.2010 the Bank held no treasury shares.

### 3.23 Financial guarantees

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at fair value and the initial fair value is amortised over the life of the financial guarantee. Subsequently, the guarantee liability is carried at the higher of this amortised amount and the present value of any expected payment.

### 3.24 Basic and diluted earnings per share

The Bank depicts basic and diluted earnings per share attributable to ordinary shares. The calculation of the basic rate profit per share is based on profit or loss after tax attributable to ordinary shareholders over the weighted average number of ordinary shares for the period including the treasury shares. Diluted earnings per share is calculated with profits attributable to ordinary shareholders over a weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares due to convertible shares given to employees.

### 3.25 Operating segment

A segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses.

All operating segments' results are reviewed regularly by the Bank's CEO and the Executive Committee makes appropriate decisions.

The disclosed information is used for the evaluation of each segment made by management, as well as the allocation of economic resources. It is more likely that the information will be different from the criteria used for the preparation of the Statement of Financial Position and Comprehensive Income. In this case, explanations must be provided for the preparation of operating segment reporting as well as for the reconciliation of financial reporting items.

### 3.26 New IFRS amendments and interpretations

A number of new standards, amendments to standards and interpretations are effective from 1<sup>st</sup> of January 2010 and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Bank, except for:

#### **International Financial Reporting Standard 9: Financial Instruments**

This standard has not been adopted by European Union and is effective since 1st January 2013, early application is permitted.

In 12 November 2009 International Accounting Standards Board issued the IFRS 9, financial instruments. This was as a part of phase I of the comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets.

The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if A) it is held

within a business model whose objective is to hold assets in order to collect contractual cash flows. B) The asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables.

In addition the IFRS 9 requires an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividends on such investments are recognized in profit or loss, rather than in other comprehensive income unless they clearly represent a partial recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in profit or loss.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated, instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortized cost or fair value.

The Bank is currently in the process of evaluating the potential effect of this standard.

## 4. Financial Risk Management

### 4.1 Introduction and overview

The Bank monitors the operational risk as following:

- Credit
- Liquidity
- Market

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

The Board of Directors in order to promote stability and continue its operations has established an effective risk management operations framework that enables the Bank to recognize and analyse all types of risks which it is exposed to.

The Board has established the Asset and Liability (ALCO) Committee (ALCO) and Audit Committee, which are

responsible for developing and monitoring the risk management policies of the Bank in their specified areas.

More specifically, the ALCO Committee determines the Bank's strategy in relation to financial and qualitative goals but also in relation to macroeconomic and financial developments. It determines the desired liquidity levels, the interbanking transaction limits and the pricing policy of the Bank in products and services.

The main tasks of the Audit Committee are the monitoring and the annual valuation of the adequacy and efficiency of the Internal Audit of the Bank. Moreover the Audit Committee submits suggestions regarding any weaknesses noticed and supervises the correct application of the measures decided by the Board of Directors.

The Risk Management Division operates as an independent unit in the Bank, reporting to the Risk Audit Committee and the Board of Directors. The unit is responsible, for improving on a continual basis the existing management methods, for detecting and analyzing in an adequate format the risk that the Bank faces through quantitative methods, as well as for developing new quantitative tools, which will enhance the Bank's risk management framework.

## 4.2 Credit risk

Credit risk is a corner stone, in the Bank's risk management framework, in terms of the credible measurement of credit risk. Credit risk, is the risk of financial loss to the Bank, if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credits, credit limits approved and irrevocable loan commitments to individuals or corporate are the basic sources of credit risk. Credit risk may also arise from investment activities and transactions on investments and securities settlement.

Reliable credit risk measurement, contributes in maximizing the Bank's profitability, by monitoring the level of expected and unexpected financial loss. By using historical data and informational systems, the Bank develops, evaluates and implements mathematical models, in order to score loan applications. Prompt risk detection criteria, are defined, for loan portfolios, and if considered necessary, correctional actions are proposed.

For retail customer loans a scoring model exists, which classifies each customer to a certain risk category. This model, is reviewed on a regular basis, and modified, if considered necessary.

For corporate clients, a rating model is used, which classifies each client in a risk category, taking into account financial and qualitative data. Especially, for companies that are corporate or small and medium sized enterprises, the Credit Risk Tracker rating system, of Standard & Poor's is implemented.

In addition, the Risk Management Department monitors concentration risk arising from the Bank's loan portfolio, by computing the Herfindahl-Hirschman Index.

We finally note that the total outstanding claims against the Bank's customers whose contracts have been terminated and are subject to settlement, amounted to € 8,5 million as at 31 December 2010. Moreover, the corresponding amount of claims against the Bank's customers whose contracts have not been terminated and are regulated under the Law 3816/2010 amounted to € 3,1 million.

### 4.2.1 Loan Impairment

The Bank classifies loans and advances to customers based on impairment loss in the following four categories based on impairment loss calculation:

#### a) Individually impaired

These are non performing loans that have been significantly impaired due to the deterioration of the credit wealthiness of borrowers. The Group assesses these loans on an individual bases and records a loan impairment, equal to the difference of the carrying amount of the loan and the present value of the recoverable amount using the effective rate of the loan and the type of loan collateral.

#### b) Collectively impaired

These are loans and advances to customers which the Bank has also proceeded in legal actions and determines that it is probable, that it will be unable to collect in total or partially all principal and interest according to the contractual terms of the loan agreements. These loans are examined for impairment, on a collective basis, classified to categories taking into account same characteristics (pools). The portfolio's impairment is based on the time period that the loan was denounced from the first year.

#### c) Over 30 days past due

These are loans that are over 30 days past due, in terms of contractual interest or principal payments. These overdue loans are tested for impairment based on probability of default coefficients (PD) and loss given default rates (LGD) per loan.

#### d) Less than or up to 30 days past due

These are customer loans, that are not considered overdue or are overdue for less than or up to 30 days. These loans are tested for impairment based on probability of default coefficients (PD) and loss given default rates (LGD) per loan.

The table that follows is an analysis of the Group's loans by risk categories, in accordance with the impairment calculation method, that is used by the Risk Management Division. There is also an additional breakdown of each risk category into risk grades. The classification of each exposure into a risk grade is based upon the credit rating of the customer, the time bucket that the exposure lies, and the collateral coverage that the exposure has.

Specifically, risk grades 1 to 3 correspond to low risk exposures, risk grades 4 to 6 correspond to medium risk exposures, while risk grades 7 to 10 correspond to high risk exposures.

Moreover, the higher risk an exposure is facing, the higher risk grade, numerically, is attributed to this exposure, that is risk grade one (1), is the grade with the minimum risk, whereas risk grade ten (10), is the grade with the highest risk.

The following table also shows the evaluation of the Bank's credit risk for amounts due from credit institutions and for investment securities (available for sale and held to maturity securities).

The following exposures are based in their book value, exactly as they appear in the Bank's balance sheet.  
(Amounts in Euro thousand)

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Individually impaired</b>						
Grade 7	71,162	50,168	-	-	-	-
Grade 8	23,274	16,000	-	-	-	-
Grade 9	45,140	25,115	-	-	-	-
Grade 10	33,808	29,340	-	-	-	-
<b>Gross amount</b>	<b>173,384</b>	<b>120,623</b>	-	-	-	-
<b>Impairment loss</b>	<b>(70,925)</b>	<b>(53,599)</b>	-	-	-	-
<b>Carrying amount</b>	<b>102,459</b>	<b>67,024</b>	-	-	-	-

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Collectively impaired</b>						
Grade 7	10,871	8,354	-	-	-	-
Grade 8	8,202	3,597	-	-	-	-
Grade 9	3,555	2,156	-	-	-	-
Grade 10	11,951	16,601	-	-	-	-
<b>Gross amount</b>	<b>34,579</b>	<b>30,708</b>	-	-	-	-
<b>Impairment loss</b>	<b>(24,009)</b>	<b>(23,873)</b>	-	-	-	-
<b>Carrying amount</b>	<b>10,570</b>	<b>6,835</b>	-	-	-	-

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>More than 30 days past due</b>						
Grade 2	69,642	71,915	-	-	-	-
Grade 3	42,635	63,266	-	-	-	-
Grade 4	65,101	43,680	-	-	-	-
Grade 5	1,363	35,328	-	-	-	-
Grade 6	16,774	15,316	-	-	-	-
Grade 7	17,530	2,225	-	-	-	-
Grade 8	381	-	-	-	-	-
Grade 9	3,674	-	-	-	-	-
Grade 10	46,751	-	-	-	-	-
<b>Gross amount</b>	<b>263,851</b>	<b>231,730</b>	-	-	-	-
<b>Impairment loss</b>	<b>(12,639)</b>	<b>(3,948)</b>	-	-	-	-
<b>Carrying amount</b>	<b>251,212</b>	<b>227,782</b>	-	-	-	-
<b>Over 30 days past due comprises:</b>						
31-90 days	89,520	95,067	-	-	-	-
91-180 days	62,153	73,749	-	-	-	-
180 days +	99,539	58,966	-	-	-	-
<b>Carrying amount</b>	<b>251,212</b>	<b>227,782</b>	-	-	-	-

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Less than or equal to 30 days past due</b>						
Grade 1	880,582	780,745	44,805	156,740	871,442	417,887
Grade 2	279,760	252,136	-	-	-	-
Grade 3	35,505	284,830	-	-	-	-
Grade 4	228,984	77,672	-	-	-	-
Grade 5	1,642	106,417	-	-	-	-
Grade 6	1,363	89,660	-	-	-	-
<b>Gross amount</b>	<b>1,427,836</b>	<b>1,591,460</b>	<b>44,805</b>	<b>156,740</b>	<b>871,442</b>	<b>417,887</b>
<b>Impairment loss</b>	<b>(17,502)</b>	<b>(17,372)</b>	-	-	-	-
<b>Carrying amount</b>	<b>1,410,334</b>	<b>1,574,088</b>	<b>44,805</b>	<b>156,740</b>	<b>871,442</b>	<b>417,887</b>
<b>Total carrying amount</b>	<b>1,774,575</b>	<b>1,875,729</b>	<b>44,805</b>	<b>156,740</b>	<b>871,442</b>	<b>417,887</b>

Set out below is an analysis of the gross and net of allowance for impairment amounts of 31 December 2010 and 31 December 2009 gross (before impairment) and net (after impairment) by risk grade.

(Amounts in Euro thousand)

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Individually impaired</b>						
Grade 7	71,162	66,157	-	-	-	-
Grade 8	23,274	16,792	-	-	-	-
Grade 9	45,140	15,421	-	-	-	-
Grade 10	33,808	4,089	-	-	-	-
<b>Total</b>	<b>173,384</b>	<b>102,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Collectively impaired</b>						
Grade 7	10,871	4,108	-	-	-	-
Grade 8	8,202	2,302	-	-	-	-
Grade 9	3,555	1,978	-	-	-	-
Grade 10	11,951	2,182	-	-	-	-
<b>Total</b>	<b>34,579</b>	<b>10,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Over 30 days past due</b>						
Grade 2	69,642	69,547	-	-	-	-
Grade 3	42,635	42,527	-	-	-	-
Grade 4	65,101	62,042	-	-	-	-
Grade 5	1,363	970	-	-	-	-
Grade 6	16,774	16,332	-	-	-	-
Grade 7	17,530	15,687	-	-	-	-
Grade 8	381	381	-	-	-	-
Grade 9	3,674	3,186	-	-	-	-
Grade 10	46,751	40,540	-	-	-	-
<b>Total</b>	<b>263,851</b>	<b>251,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Over 30 days past due comprises:</b>						
31-90 days	90,351	89,520	-	-	-	-
91-180 days	62,410	62,153	-	-	-	-
180 days +	111,090	99,539	-	-	-	-
<b>Total</b>	<b>263,851</b>	<b>251,212</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 <sup>st</sup> December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Less than or equal to 30 days past due</b>						
Grade 1	880,582	875,353	44,805	44,805	871,442	871,442
Grade 2	279,760	277,258	-	-	-	-
Grade 3	35,505	29,903	-	-	-	-
Grade 4	228,984	227,820	-	-	-	-
Grade 5	1,642	-	-	-	-	-
Grade 6	1,363	-	-	-	-	-
<b>Total</b>	<b>1,427,836</b>	<b>1,410,334</b>	<b>44,805</b>	<b>44,805</b>	<b>871,442</b>	<b>871,442</b>

<b>Grand total</b>	<b>1,899,650</b>	<b>1,774,575</b>	<b>44,805</b>	<b>44,805</b>	<b>871,442</b>	<b>871,442</b>
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(Amounts in Euro thousand)

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Individually impaired</b>						
Grade 7	50,168	48,618	-	-	-	-
Grade 8	16,000	12,141	-	-	-	-
Grade 9	25,115	5,662	-	-	-	-
Grade 10	29,340	603	-	-	-	-
<b>Total</b>	<b>120,623</b>	<b>67,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Collectively impaired</b>						
Grade 7	8,354	3,697	-	-	-	-
Grade 8	3,597	719	-	-	-	-
Grade 9	2,156	-	-	-	-	-
Grade 10	16,601	2,419	-	-	-	-
<b>Total</b>	<b>30,708</b>	<b>6,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Over 30 days past due</b>						
Grade 2	71,915	71,805	-	-	-	-
Grade 3	63,266	63,041	-	-	-	-
Grade 4	43,680	41,894	-	-	-	-
Grade 5	35,328	33,945	-	-	-	-
Grade 6	15,316	14,936	-	-	-	-
Grade 7	2,225	2,161	-	-	-	-
<b>Total</b>	<b>231,730</b>	<b>227,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Over 30 days past due comprises:</b>						
31-90 days	95,785	95,067	-	-	-	-
91-180 days	74,283	73,749	-	-	-	-
180 days +	61,662	58,966	-	-	-	-
<b>Total</b>	<b>231,730</b>	<b>227,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 <sup>st</sup> December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
<b>Less than or equal to 30 days past due</b>						
Grade 1	780,745	776,558	156,740	156,740	417,887	417,887
Grade 2	252,136	249,499	-	-	-	-
Grade 3	284,830	278,838	-	-	-	-
Grade 4	77,672	76,379	-	-	-	-
Grade 5	106,417	104,646	-	-	-	-
Grade 6	89,660	88,168	-	-	-	-
<b>Total</b>	<b>1,591,460</b>	<b>1,574,088</b>	<b>156,740</b>	<b>156,740</b>	<b>417,887</b>	<b>417,887</b>

<b>Grand total</b>	<b>1,974,521</b>	<b>1,875,729</b>	<b>156,740</b>	<b>156,740</b>	<b>417,887</b>	<b>417,887</b>
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#### 4.2.2 Collateral

The Bank as part of its credit risk management policy receives collateral in order to secure the repayment of its loans. The major categories of collateral against loans and advances to customers are in the form of prenotices over property, cheques and pledge deposits.

The table below summarizes collateral held for the Bank's credit risk.

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
<b>Retail customers:</b>		
Mortgages	499,233	506,031
Securitized mortgage loans	343,929	388,245
Credit cards	54,452	56,904
Debit customers balances	244	587
Consumer loans	85,071	85,066
	<b>982,929</b>	<b>1,036,833</b>
<b>Corporate clients:</b>		
Subsidiaries – Corporate bonds	89,500	152,500
Corporate loans	606,715	581,131
Shipping loans	60,191	42,770
Corporate bonds	106,865	125,998
Debit corporates balances	1,082	878
Local authorities & other organizations	35,462	14,582
	<b>899,815</b>	<b>917,859</b>
<b>Amounts due relating to brokerage transactions</b>	<b>16,906</b>	<b>19,829</b>
<b>Loans and advances</b>	<b>1,899,650</b>	<b>1,974,521</b>
Impairment loss	(125,075)	(98,792)
<b>Loans and advances after provisions</b>	<b>1,774,575</b>	<b>1,875,729</b>
<b>Collaterals</b>		
Retail clients:	1,412,037	1,438,595
Corporate clients:	1,438,785	1,535,594
<b>Total collateral amount</b>	<b>2,850,822</b>	<b>2,974,189</b>

Loans to retail customers, in their majority, are collateralized in the form of prenotices over property. As far as, loans to corporate clients are concerned, their collaterals are in the form of cheques, prenotices over property, and other collateral types (cash, securities in fair value, machinery). The following table describes the collaterals held against corporate clients per collateral type.

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Cheques	106,553	115,151
Property	515,765	581,337
Others	816,467	839,106
<b>Total</b>	<b>1,438,785</b>	<b>1,535,594</b>

### 4.3 Market Risk

Market risk is the risk arising from changes in market parameters such as changes in interest rates, equity prices and foreign exchange rates.

For market risk, the Bank, elaborates, develops and carries out risk methods that are based on Value-at-Risk (VaR) models. VaR measures, the worst expected loss, over a given horizon, under normal market conditions, at a given confidence level. As this model is not used for losses arising from extreme events the Bank applies stress tests on its securities portfolio. Specifically, the Bank uses extreme value theory for concluding on changes in Bank's securities portfolio when extreme events occur.

The Risk Management Department in order to calculate Value-at-Risk uses the Variance-Covariance method, with a time horizon of 10 days as the portfolio holding period, 99% confidence level and historical data of one year.

The VaR model used by the Bank is based upon a 99 percent confidence level and assumes a 10-day holding period. As at 31 December 2010, VaR for the securities' portfolio was € 4,552 thousand and € 28 thousand for the Bank's foreign exchange position. For the calculation of the VaR Bank's security portfolio contains stocks, mutual funds and bonds available for sale that are in the trading portfolio. The Bank, as at 31 December 2010, held a long position of € 642 thousand, against several currencies.

With respect to 31 December 2009, VaR was equal to €677 thousand for the securities' portfolio, and € 52 thousand for the Bank's foreign exchange position. The Bank, as at 31 December 2009, held a long position of 1.8 million, against several currencies.

The above are shown in the above tables.

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
<b>Investment risk</b>		
Securities' value	319,082	37,723
VaR	4,552	677
<b>Currency risk</b>		
Foreign exchange position	642	1,784
VaR	28	52

\* Including available for sale securities (except for securitized loans) and trading securities.

In addition, through the information technology systems available to the Bank, the Risk Management Department monitors on a daily basis throughout the Stock Exchange session, the positions of the Treasury Department and the compliance of those positions with the limits established for them by ALCO.

### 4.4 Liquidity risk

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

The Bank has access to a diverse funding base. Funds are raised using a broad range of instruments including deposits, debt securities and share capital. The Bank continually

assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall Bank strategy.

The two mandatory indices, set by the Bank of Greece, the Net Liquid Assets index and the Assets minus Liabilities index, are monitored on a daily basis, based on Director of Bank of Greece decision (2614/09).

The Net Liquid Assets index was as follows:

	2010	2009
<b>At 31<sup>th</sup> December</b>	<b>10.26%</b>	<b>17.30%</b>
Average for the period	12.12%	26.85%
Maximum for the period	14.58%	33.39%
Minimum for the period	10.26%	17.30%

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

At 31 <sup>st</sup> December 2010	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
<b>Assets</b>							
Cash & cash equivalents	80,403	-	-	-	-	-	80,403
Loans and advances to Banks	39,509	5,296	-	-	-	-	44,805
Loans and advances to customers (net of impairment)	392,308	2,922	1,264	3,359	169,370	1,205,352	1,774,575
Trading securities	-	1,922	-	-	-	-	1,922
Available for sale investment securities	287,519	-	6,029	-	5,390	343,398	642,336
Held to maturity investment securities	-	-	-	-	226,990	2,116	229,106
<b>Total assets</b>	<b>799,739</b>	<b>10,140</b>	<b>7,293</b>	<b>3,359</b>	<b>401,750</b>	<b>1,550,866</b>	<b>2,773,147</b>
<b>Liabilities</b>							
Due to banks	67,484	5,596	-	79,000	631,000	-	783,080
Due to customers	697,607	527,182	94,489	67,249	321,018	-	1,707,545
Debt securities in issue	-	799	-	-	49,804	384,884	435,487
Other borrowed funds	-	-	-	-	-	-	0
<b>Total liabilities</b>	<b>765,091</b>	<b>533,577</b>	<b>94,489</b>	<b>146,249</b>	<b>1,001,822</b>	<b>384,884</b>	<b>2,926,112</b>
<b>At 31<sup>st</sup> December 2009</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Total assets</b>	666,035	7,607	4,572	2,737	555,978	1,306,438	2,543,367
<b>Total liabilities</b>	1,140,988	456,596	62,969	107,405	414,471	481,407	2,663,836

Demands and saving deposits appropriated in accordance with BoG Act 2614/09 .

During 2009 and until the completion of the Bank's Share Capital increase the Bank witnessed a withdrawal of sight deposits amounting to € 360,034 thousand ,as a result of the uncertainty of the Greek Bank System and the reputation risk from the concellation of the Insurance Companies, which were last year the main shareholders of the Bank .T Bank was able to " replace" the lost deposits showing inflows of deposits from the second semester in 2010 and up to 25<sup>th</sup> February 2011 of € 252 million.

The Bank's liquidity was traditionally relied on customers' term deposits. But, the uncertainty in both global and Greek market discourage the Bank to promote term deposits with duration over a year as it did in the past.

European Central Bank (ECB) became one of the principal provides of liquidity to the Bank and it has drawn down the amount of € 710,000 thousand. The Bank has a "cushion" of € 30,778 thousand.

The ability to renewal customers term deposits as far as the further lending from ECB mainly depends on the progress of the Greek economy. The Bank as well the rest financial institutions of Greece are on process in elaborating plans in order to de independent from ECB funding. In our case, the Group has the support of the main shareholder who finances sufficiently the Bank, at least for one more year.

#### 4.5 Currency risk

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

day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange risk at 31 December 2010. Included in the table are the Bank's assets and liabilities at carrying amounts, classified by currency.

(Amounts in Euro thousand)

At 31 <sup>st</sup> December 2010	EUR	USD	Other	Total
<b>Assets</b>				
Cash & cash equivalents	79,967	276	160	80,403
Loans and advances to banks	21,240	17,243	6,322	44,805
Loans and advances to customers (net of impairment)	1,723,808	45,260	5,507	1,774,575
Trading securities	1,922	-	-	1,922
Available for sale investments	640,240	-	2,096	642,336
Held to maturity investments	229,106	-	-	229,106
<b>Total assets</b>	<b>2,696,283</b>	<b>62,779</b>	<b>14,085</b>	<b>2,773,147</b>
<b>Liabilities</b>				
Due to banks	770,000	7,484	5,596	783,080
Due to customers	1,633,195	66,154	8,196	1,707,545
Debt securities in issue & other borrowed funds	435,487	-	-	435,487
<b>Total liabilities</b>	<b>2,838,682</b>	<b>73,638</b>	<b>13,792</b>	<b>2,926,112</b>

At 31 <sup>st</sup> December 2009	EUR	USD	Other	Total
<b>Total assets</b>	<b>2,447,297</b>	<b>80,024</b>	<b>16,046</b>	<b>2,543,367</b>
<b>Total liabilities</b>	<b>2,560,648</b>	<b>87,699</b>	<b>15,489</b>	<b>2,663,836</b>

#### 4.6 Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities the Bank is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices.

The above scenario of shifting the interest rate curve up or down by 1% was chosen as the most representative, based on the nature and structure of the Bank's portfolio.

The table below summarises the Bank's exposure to interest rate risks. Included in the table the Bank's assets and liabilities at carrying amounts, categorized by the earlier or contractual repricing or maturity dates. Note that the deposits and savings for purposes of calculating interest rate risk of Bank classified in 1-3 months:

Risk management activities are aimed at optimizing net interest income, given market interest rate levels consistent with the Bank's business strategies.

A parallel upward shift in the yield curves of 1% is expected to increase the Bank's loss in one year by an amount of € 4.9 million. On the other hand a parallel downward shift in the yield curves of 1% is expected to reduce Bank's loss in one year by an amount of € 4.9 million.

*(Amounts in Euro thousand)*

At 31 December 2010	Effective Interest rate	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
<b>Assets</b>								
Cash & cash equivalents	0.6%	-	59,763	-	-	-	20,640	80,403
Loans and advances to banks	0.4%	37,606	7,199	-	-	-	-	44,805
Loans and advances to customers	5.3%	1,010,966	17,887	21,046	13,503	283,387	427,786	1,774,575
Trading securities	2.2%	-	1,922	-	-	-	-	1,922
Available for sale investment securities	1.7%	-	611,459	11,736	-	-	19,141	642,336
Held to maturity investment securities	3.0%	-	38,301	190,805	-	-	-	229,106
<b>Total assets</b>		<b>1,048,572</b>	<b>736,531</b>	<b>223,587</b>	<b>13,503</b>	<b>283,387</b>	<b>467,567</b>	<b>2,773,147</b>
<b>Liabilities</b>								
Due to banks	0.8%	-	783,080	-	-	-	-	783,080
Due to customers	3.2%	-	1,540,018	158,653	5,792	-	3,082	1,707,545
Debt securities & other borrowed funds	4.3%	-	90,445	-	-	-	345,042	435,487
<b>Total liabilities</b>		<b>-</b>	<b>2,413,543</b>	<b>158,653</b>	<b>5,792</b>	<b>-</b>	<b>348,124</b>	<b>2,926,112</b>
<b>At 31 December 2010</b>								
	Effective Interest rate	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
<b>Total assets</b>		721,622	909,591	204,721	40,297	125,044	542,092	<b>2,543,367</b>
<b>Total liabilities</b>		-	2,100,789	170,374	844	-	391,829	<b>2,663,836</b>

#### 4.7 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors.

The Bank's objective is to measure the loss from the above causes and to set the right control procedures for all its operations. Through continuous reports, regarding the Bank's exposure to operational risk, the Management, is informed of this type of risk, and decides about the strategy that must be adopted, in order to prevent any financial losses, that arise from operational events.

In this framework, the Bank is in the process, of developing a loss database for operational risk, which is a necessary assumption for implementing the Standardized Approach. Nevertheless, in the present stage, the Bank is going to implement, the Basic Indicator Approach, for the computation of its operational risk charge.

#### 4.8 Stress testing

The Bank implements, several stress testing scenarios, in order to assess the impact of extreme financial events, to the Bank's portfolio value.

The Bank, runs stress tests, on a regular basis, with scenarios that concern the various types of risk, that the Bank is being exposed (credit risk, market risk and liquidity risk). The Risk Management Division, analyses the results of these tests, and proposes appropriate policies.

#### 4.9 Capital adequacy

The capital adequacy of the Bank, is monitored on a monthly basis, and is submitted to the Bank of Greece, every three months. The Bank applies the rules set by the Bank of Greece, regarding the adequacy of its capital. The regulation framework that applies to the Greek Banking system is the same as in the European Union. The Bank of Greece, as a regulator, requires the Group to maintain an adequate prescribed ratio of regulatory capital to total risk-weighted assets.

The capital adequacy ratio is the ratio of total regulatory capital to total risk weighted assets of on and off balance sheet items, arising from credit risk, market risk, operational risk and securitized positions. Regulatory capital must be covered by at least half of Tier I capital and the rest must be covered by Tier II capital.

Regulatory capital must be covered by at least half of Tier I capital and the rest must be covered by Tier II capital. Tier I capital is computed according to Basel II.

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Upper Tier I	41,463	51,330
Lower Tier I	-	-
Deductions	-	(2,889)
<b>Total Tier I</b>	<b>41,463</b>	<b>48,442</b>
Upper Tier II	40,174	40,109
Lower Tier II	50,271	50,144
Deductions	(48,982)	(41,812)
<b>Total Tier II</b>	<b>41,463</b>	<b>48,442</b>
<b>Regulatory capital</b>	<b>82,926</b>	<b>96,883</b>
<b>Risk-weighted assets</b>		
Credit Risk	1,389,512	1,331,163
Market risk	14,638	14,725
Operational Risk	91,925	104,063
Securitized Exposures	164,100	181,663
<b>Total risk-weighted assets</b>	<b>1,660,175</b>	<b>1,631,614</b>
<b>Indices (in %)</b>		
Tier 1 CAD	2.50	2.97
Total CAD	5.00	5.94

In compliance with the Decree of the Governor of Bank of Greece 2592/20.08.2007, the Bank publishes at its website [http://www.tbank.com.gr/tbank/index.php?option=com\\_content&view=article&id=233&Itemid=182](http://www.tbank.com.gr/tbank/index.php?option=com_content&view=article&id=233&Itemid=182) on an annual basis various information of regulatory and supervisory nature with regard to its capital adequacy, risk exposure and risk management. The information is at consolidated level on year end balances (Pillar 3 in Group level).

As at 31<sup>st</sup> December 2010 total capital adequacy ratio is below the minimum limit as required by the regulatory authority. Bank's management has communicated with Bank of Greece regarding the actions it is willing to take in order to increase capital adequacy ratio above the minimum limit. For more information refer to note 2.2..

## 5. Fair values of financial assets and liabilities

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

*(Amounts in Euro thousand)*

	Carrying amount		Fair value	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>Financial assets</b>				
Loans and advances to banks	44,805	156,740	44,805	156,740
Loans and advances to customers (net of impairment)	1,774,575	1,875,729	1,874,876	1,998,838
Investment securities held to maturity	229,106	10,655	213,763	10,666
<b>Financial liabilities</b>				
Due to banks	783,080	323,919	783,080	323,919
Due to customers	1,707,545	1,832,835	1,720,707	1,843,636
Debt securities in issue & other borrowed funds	90,445	90,253	90,445	90,253

For the valuation of shares, bonds and mutual funds that are traded on active markets, the market price is used. For those securities not traded on active markets, the acquisition cost is considered the best value. For loans and term deposits, the present value of future inflows and outflows is used, based on current interest rates.

Interest rates used for discounting cash flows were derived by the respective yield curves currency and obligations to customers.

The table below analyzes the financial instruments at valuation. Levels that are appointed are:

- First level: market prices from regulated stock markets
- Second level: inputs out of market prices in the first level but identifiable
- Third level: prices not arising from the market

*(Amounts in Euro thousand)*

	First Level	Second level	Third level	Total
<b>31.12.2010</b>				
Available for sale investment securities	639,888	-	2,448	642,336
Financial assets through profit and loss	1,922	-	-	1,922
<b>31.12.2009</b>				
Available for sale investment securities	405,090	-	2,142	407,232
Financial assets through profit and loss	1,971	-	-	1,971

The third level of available-for-sale investment securities includes the participation to a Private Equity Funds and in other non listed shares (DIAS, TEIRESIAS etc, which are valued at acquisition cost).

## 6. Operating segments

The Bank operates in Greece and is organized in the following business segments:

- Corporate Banking: This segment includes banking services to large corporates operating in the commercial and industrial sector, participation in funding facilities through syndicated loans and corporate bonds.
- Shipping: This segment includes the banking services to shipping companies.
- Asset Management and Stock brokerage: This segment includes stock brokerage services.
- Credit Card: This segment includes credit card loans under VISA and MASTER trade marks.
- Retail Banking: This segment includes retail banking facilities such as loans, deposits and other facilities to individuals, households and small/medium companies.
- Treasury: This segment includes Treasury activity.

(Amounts in Euro thousand)

31.12.2010	Corporate Banking	Shipping	Asset management & stock brokerage	Credit card	Retail Banking	Treasury	Other	Total
<i>Interest income</i>	7,655	1,358	667	5,496	56,519	18,111	-	<b>89,806</b>
<i>Interest expense</i>	(38)	(35)	(2)	-	(54,936)	(9,935)	-	<b>(64,946)</b>
<i>Commissions, net trading income/(expense) &amp; other earnings</i>	417	424	1,096	1,086	31,981	3,290	-	<b>38,294</b>
<i>Inter-segment revenue</i>	(1,721)	(242)	(87)	(411)	2,704	(243)	-	<b>-</b>
Operating income	6,313	1,505	1,674	6,171	36,268	11,223	-	<b>63,154</b>
Profit/(loss) before tax	2,660	1,013	209	(2,107)	(66,216)	10,473	1,026	<b>(52,942)</b>
Income tax	-	-	-	-	-	-	-	<b>550</b>
Profit/(loss) after tax	-	-	-	-	-	-	-	<b>(52,392)</b>
Total assets	228,632	59,652	8,643	50,968	1,551,886	978,084	127,446	<b>3,005,311</b>
Total liabilities	11,946	15,613	3,109	4,699	2,039,905	873,524	10,036	<b>2,958,832</b>
Tangible & intangible	2	1	81	65	6,533	-	-	<b>6,682</b>
Depreciation	54	14	212	459	6,727	50	-	<b>7,516</b>
Impairment losses on loans & advances	3,024	125	(1,652)	3,619	33,655	-	-	<b>38,771</b>

(Amounts in Euro thousand)

31.12.2009	Corporate Banking	Shipping	Asset management & stock brokerage	Credit card	Retail Banking	Treasury	Other	Total
<i>Interest income</i>	7,775	1,129	349	4,358	77,171	8,297	-	<b>99,079</b>
<i>Interest expense</i>	(72)	(26)	(7)	-	(75,429)	(7,189)	-	<b>(82,723)</b>
<i>Commissions, net trading income/(expense) &amp; other earnings</i>	693	147	2,218	1,923	14,368	(8,724)	62	<b>10,687</b>
<i>Inter-segment revenue</i>	(1,065)	(145)	(65)	(258)	2,684	(1,151)	-	<b>-</b>
Operating income	7,331	1,105	2,495	6,023	18,794	(8,767)	62	<b>27,043</b>
Profit/(loss) before tax	1,066	257	(7,205)	(4,023)	(84,814)	(9,626)	(642)	<b>(104,987)</b>
Income tax	-	-	-	-	-	-	-	<b>15,178</b>
Profit/(loss) after tax	-	-	-	-	-	-	-	<b>(89,809)</b>
Total assets	292,719	41,853	9,101	55,301	1,554,925	647,186	158,421	<b>2,759,506</b>
Total liabilities	67,959	10,802	5,422	4	2,146,074	439,172	34,287	<b>2,703,720</b>
Tangible & intangible	1	-	91	487	5,391	35	-	<b>6,005</b>
Depreciation	31	32	140	322	6,594	43	-	<b>7,162</b>
Impairment losses on loans & advances	5,491	181	6,609	5,526	27,340	-	-	<b>45,147</b>

## 7. Net interest income

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
<b>Interest income</b>		
Loans and advances to customers	71,696	90,782
Available for sale	10,566	6,000
Investment securities	6,984	360
Money market	519	1,905
Trading securities	41	32
<b>Total</b>	<b>89,806</b>	<b>99,079</b>
<b>Interest expense</b>		
Deposits from banks and customers	(61,074)	(77,091)
Subordinated liabilities	(3,872)	(5,632)
<b>Total</b>	<b>(64,946)</b>	<b>(82,723)</b>
<b>Net interest income</b>	<b>24,860</b>	<b>16,356</b>

## 8. Fee and commission income

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Loans and letters of guarantees	5,012	8,298
Management and custodian fees	3,549	4,176
Brokerage transactions	1,075	2,243
Credit cards	2,086	1,936
Transfers and similar	516	804
Imports-exports	349	457
Property	123	177
Other	695	645
<b>Total</b>	<b>13,405</b>	<b>18,736</b>

## 9. Net trading income /(expense)

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Trading portfolio	2,594	3,417
Foreign exchange	670	928
Available for Sale	26	(13,001)
Derivatives	-	(68)
<b>Total</b>	<b>3,290</b>	<b>(8,724)</b>

On 21 September 2009, Private Insurance Supervisory Committee revoked the operating license of the insurance company ASPIS PRONIA AEGA. At that day, the Bank held 7,317,593 shares of this insurance company with a cost of € 13,143 thousand, which were permanently impaired, resulting to an equal impairment loss by € 13,070 thousand in "Available for sale portfolio", included, among others, in "Net trading income/(expense)" line of the Income Statement. The same line also includes gain from sale of other available for sale securities of total amount of € 69 thousand.

## 10. Other operating income

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Leasing commissions	1,409	378
Rents/Leases	13	40
Dividend income	20,026	62
Safekeeping commissions	107	35
Profit from disposal of PPE	-	3
Other operating income	352	607
<b>Σύνολο</b>	<b>21,907</b>	<b>1,125</b>

"Dividend income" consist € 20 million derived from distribution of reserves of the subsidiary Aspis Jersey Ltd.

## 11. Staff expenses

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Salaries	33,703	35,549
Wages	1,980	1,979
Social security obligations	7,466	7,112
Contribution to defined benefit plans	1,164	284
<b>Total</b>	<b>44,313</b>	<b>44,924</b>

The average number of employees for the Bank was 1,005 for 31 December 2010 (31.12.2009: 1,014).

## 12. Other expenses

(Amounts in Euro thousand)

	From 1 <sup>st</sup> January to	
	31.12.2010	31.12.2009
Rentals and other property expenses	8,608	8,932
Third party fees	2,736	3,401
Subscription fees	3,350	3,756
Other taxes	2,698	2,191
Marketing expenses	189	1,562
Telecommunication and postal charges	1,849	1,973
Credit card expenses	1,948	1,847
Traveling & accommodation expenses	1,100	1,204
Maintenance expenses	878	1,155
Consumables	659	711
Insurance premium	319	312
Other expenses	2,001	2,821
<b>Total</b>	<b>26,335</b>	<b>29,865</b>

### 13. Income tax

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Current year		
Prior year taxes	(4,103)	(351)
Deferred tax	4,653	15,529
<b>Total</b>	<b>550</b>	<b>15,178</b>
Deferred tax (from temporary changes)	5,584	17,444
Effect of application of lower tax rates	(930)	(1,915)
	<b>4,654</b>	<b>15,529</b>

#### Reconciliation of effective tax rate

	31.12.2010	31.12.2009
<b>Loss before income tax</b>	<b>(52,942)</b>	<b>(104,987)</b>
Income tax using corporate tax rate	24% 12,706	25% 26,247
Non-deductible expenses	4% (2,141)	1% (880)
Tax exempt income	1% (627)	1% (858)
Effect of permanent differences	0% (248)	1% (1,275)
Prior year taxes	8% (4,103)	0% (351)
Effect of application of lower tax rates	2% (930)	2% (1,915)
Tax losses for which no deferred tax assets has been computed	8% (4,107)	6% (5,790)
<b>Total</b>	<b>1% 550</b>	<b>14% 15,178</b>

In Greece, the results reported to the tax authorities by an entity are provisional and subject to revision until such time as the tax authorities examine the books and records of the entity and the related tax returns are accepted as final. Therefore, entities remain contingently liable for additional taxes and penalties, which may be assessed upon such examination. The tax authorities had audited the Bank until 31<sup>st</sup> December 2007. The Bank had not made provision as it considers that there will be no significant impact from the tax audit.

The previous years income tax item (€ 4,103 th.) regard the write-off of tax asset arising from interest income of bond loans subject to with-holding tax at source. In case of profit the with-holding tax is offsetted with the Bank's income tax, whereas in case of loss there is no return of the respective tax. The Bank had recourse to the law against the specific low provisions for the years 2007,2008,2009.

Tax losses for 2008,2009 and 2010 can offset future taxable profits until 2013,2014 and 2015 respectively.

Permanent differences mainly relate to expenses not recognized for tax purposes.

### 14. Basic and diluted earnings per share

Basic and diluted earnings per share was calculated in accordance with the weighted average number of shares in circulation at the beginning of the year plus the addition of shares that were issued during the period, based on months issued, less the weighted average numbers of shares which were held by the Bank during the period.

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Loss of the period	(52,392)	(89,809)
Weighted average number of shares during the period ( in thousand)	121,173	64,064
Basic and diluted earnings/(loss) per share (in Euro)	(0.4324)	(1.4019)

## 15. Cash and cash equivalents

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Reserves with Central Bank	59,857	70,043
Cash	20,243	20,548
Items in course of collection	303	449
<b>Total</b>	<b>80,403</b>	<b>91,040</b>

## 16. Loans and advances to banks/ Due to Banks

Loans and advances to Banks are analyzed as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Current accounts	37,606	53,986
Money market placements- Deposits	7,199	102,754
<b>Total</b>	<b>44,805</b>	<b>156,740</b>

Due to Banks are analyzed as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Due to European Central Bank ( E.C.B)	631,000	240,000
Due to Greek State	79,000	79,000
Due to other Banks	73,080	4,919
<b>Total</b>	<b>783,080</b>	<b>323,919</b>

## 17. Loans and advances to customers

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
<b>Retail customers:</b>		
Mortgages	499,233	506,031
Securitized mortgage loans	343,929	388,245
Credit cards	54,452	56,904
Debit customers balances	244	587
Consumer loans	85,071	85,066
	<b>982,929</b>	<b>1,036,833</b>
<b>Corporate customers:</b>		
Corporate bonds – subsidiaries	89,500	152,500
Corporate loans	606,715	581,131
Shipping	60,191	42,770
Corporate bonds	106,865	125,998
Debit corporates balances	1,082	878
Local authorities & other organizations	35,462	14,582
	<b>899,815</b>	<b>917,859</b>
<b>Amounts due relating to brokerage transactions</b>	<b>16,906</b>	<b>19,829</b>
<b>Loans and advances</b>	<b>1,899,650</b>	<b>1,974,521</b>
Impairment allowance	(125,075)	(98,792)
<b>Loans and advances to customers net of impairment</b>	<b>1,774,575</b>	<b>1,875,729</b>

	31.12.2010	31.12.2009
<b>Allowance for impairment</b>		
Balance at 1 <sup>st</sup> January	98,792	53,663
Impairment loss for the period	38,771	45,147
Write-offs	(12,488)	(18)
<b>Total</b>	<b>125,075</b>	<b>98,792</b>

## 18. Trading securities

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Corporate bonds	1,922	1,971
<b>Total</b>	<b>1,922</b>	<b>1,971</b>

In accordance with the recent amendments to IAS 39, the Bank reclassified in July 2008 shares listed in the Athens Stock Exchange and bonds out of the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio amounting to € 6,703 thousand at 30.06.2008. This reclassification was made due to the volatility on the financial markets in year 2008. The revaluation of these shares and bonds for the period from 01.01.10 to 31.12.10, resulted to a loss of € 419 thousand, which has been recognized in the Available for Sale securities reserve, whereas if the Bank had not reclassified the above shares and bonds, the aforementioned amount would have had an impact on income statement.

## 19. Available for sale securities

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Treasury bills	287,519	5,218
Mortgaged pecked securities (Note 33)	321,905	368,337
Corporate bonds	16,270	18,286
Mutual fund units	13,755	12,542
Listed equity securities	439	707
Non-listed equity securities	2,448	2,142
<b>Total</b>	<b>642,336</b>	<b>407,232</b>

In August 2010 the Bank transferred a Greek Government bond from the "Available for sale portfolio, to" Held to maturity portfolio". The loss assessment of the bond until the date of transfer € 463 thousand still appears in the reserve of available for sale securities and is amortized against bond income gradually till bond maturity(20 March 2012).

## 20. Held-to-maturity securities

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
GGB maturity 19/05/2010	-	3,139
GGB maturity 20/03/2012	28,849	-
GGB maturity 18/05/2012	21,170	-
GGB maturity 20/08/2012	22,810	-
GGB maturity 20/05/2013	22,369	-
GGB maturity 20/08/2013	35,415	-
GGB maturity 11/01/2014	9,452	-
GGB maturity 20/05/2014	19,836	-
GGB maturity 20/08/2014	57,987	5,351
GGB maturity 20/08/2015	9,102	-
GGB maturity 19/07/2019	2,116	2,165
<b>Total</b>	<b>229,106</b>	<b>10,655</b>

The bank during the period has made significant investments in medium-term securities issued buy GREEK public, taking advantage of low financing costs and high yields. The classification of the respective securities, to the held to maturity portfolio, has been made by decision of the Investment Committee.

## 21. Investments in subsidiaries

(Amounts in Euro thousand)

	Country of incorporation	Ownership percentage	31.12.2010	31.12.2009
T Leasing SA	Greece	100%	21,694	21,694
T Insurance Brokerage SA	Greece	100%	616	616
T Funds AEDAK	Greece	55%	8,166	8,166
T Stegastika SA	Greece	100%	60	60
Aspis Finance Plc	United Kingdom	100%	14	13
Aspis Jersey Ltd	Jersey Islands	100%	-	-
Byzantium Finance Plc*	United Kingdom	-	-	-
Byzantium II Finance Plc*	United Kingdom	-	-	-
<b>Total</b>			<b>30,550</b>	<b>30,549</b>

\*SPE regarding securitized loans.

## 22. Property and equipment

(Amounts in Euro thousand)

Cost	Property and Buildings	Leasehold improvements	Furniture and equipment	Total
Balance at 1 <sup>st</sup> January 2009	6,976	27,051	51,531	85,558
Acquisitions	311	1,897	2,980	5,188
Other movements/write-offs	-	-	(280)	(280)
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>7,287</b>	<b>28,948</b>	<b>54,231</b>	<b>90,466</b>
Balance at 1 <sup>st</sup> January 2010	7,287	28,948	54,231	90,466
Acquisitions	68	2,387	3,227	5,682
Other movements/write-offs	-	(185)	(966)	(1,151)
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>7,355</b>	<b>31,150</b>	<b>56,492</b>	<b>94,997</b>
<b>Amortization</b>				
Balance at 1 <sup>st</sup> January 2009	1,020	15,105	24,557	40,682
Charge for the year	129	2,105	3,929	6,163
Other movements/write-offs	-	-	(268)	(268)
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>1,149</b>	<b>17,210</b>	<b>28,218</b>	<b>46,577</b>
Balance at 1 <sup>st</sup> January 2010	1,149	17,210	28,218	46,577
Charge for the year	127	2,301	4,032	6,460
Other movements/write-offs	-	-	(966)	(966)
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>1,276</b>	<b>19,511</b>	<b>31,284</b>	<b>52,071</b>
<b>Carring amounts</b>				
Balance at 1 <sup>st</sup> January 2009	5,955	11,946	26,974	44,876
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>6,137</b>	<b>11,738</b>	<b>26,013</b>	<b>43,889</b>
Balance at 1 <sup>st</sup> January 2010	6,137	11,738	26,013	43,889
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>6,078</b>	<b>11,639</b>	<b>25,208</b>	<b>42,926</b>

The deletions of assets related to destruction or donation of equipment not used.

## 23. Intangible assets

(Amounts in Euro thousand)

Cost	Purchased software
Balance at 1 <sup>st</sup> January 2009	8,221
Acquisitions	818
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>9,039</b>
Balance at 1 <sup>st</sup> January 2010	9,039
Acquisitions	1,001
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>10,040</b>
<b>Amortization</b>	
Balance at 1 <sup>st</sup> January 2009	2,939
Charge for the year	999
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>3,938</b>
Balance at 1 <sup>st</sup> January 2010	3,938
Charge for the year	1,056
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>4,994</b>
<b>Carrying amounts</b>	
Balance at 1 <sup>st</sup> January 2009	5,282
<b>Balance as at 31<sup>st</sup> December 2009</b>	<b>5,101</b>
Balance at 1 <sup>st</sup> January 2010	5,101
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>5,046</b>

## 24. Deferred tax asset

Deferred tax assets and liabilities are attributable to the following:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
<b>Deferred tax assets</b>		
Impairment for customer loans	10,542	5,880
Employee benefits	741	778
Commission income	478	536
Provisions	231	420
Tax loss	23,367	23,367
Other receivables	237	204
<b>Total</b>	<b>35,596</b>	<b>31,185</b>
<b>Deferred tax liabilities</b>		
Property and equipment	(4,038)	(4,179)
Commission expense	(11)	(13)
Loans	(805)	(905)
<b>Total</b>	<b>(4,854)</b>	<b>(5,097)</b>
<b>Net deferred tax asset</b>	<b>30,742</b>	<b>26,088</b>

**Movement in temporary differences during the period**

*(Amounts in Euro thousand)*

31.12.2010	Opening balance	Recognized in income	Closing balance
Customer loans impairment	5,880	4,662	10,542
Employee benefits	778	(37)	741
Commission income	536	(58)	478
Property and equipment	(4,179)	141	(4,038)
Commission expense	(13)	2	(11)
Loans	(905)	100	(805)
Provisions	420	(189)	231
Tax loss	23,367		23,367
Other receivables	204	33	237
<b>Total</b>	<b>26,088</b>	<b>4,654</b>	<b>30,742</b>

*(Amounts in Euro thousand)*

31.12.2009	Opening balance	Recognized in income	Closing balance
Customer loans impairment	874	5,006	5,880
Employee benefits	725	53	778
Commission income	594	(58)	536
Property and equipment	(4,086)	(93)	(4,179)
Commission expense	(13)	-	(13)
Loans	(1,006)	101	(905)
Provisions	1,211	(791)	420
Tax loss	12,260	11,107	23,367
Other receivables	-	204	204
<b>Total</b>	<b>10,559</b>	<b>15,529</b>	<b>26,088</b>

The Bank estimates the attaining of adequate tax profits within the following 5 years in order to justify the offset of tax losses.

Deferred tax asset regarding the taxation of losses for 2008 that may be offset until 2013 amounts to € 12,260 thousand, while the respective deferred tax asset concerning the taxation of losses for 2009 that may be offset until 2014 amounts to € 11,107 thousand.

The Bank did not calculate deferred tax on tax loss this year. The amount of deferred debt was not accounted for is € 4,107 thousand.

**25. Other assets**

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Receivables from Special Purpose Entities for residential mortgage securitization	47,070	47,070
Receivables from Greek State and other public organizations	18,299	14,058
Deposit Guarantee Fund	24,114	15,667
Guarantees and participations to other funds	12,858	11,317
Housing loans expenses	8,717	9,529
Property acquired in auctions	4,901	5,033
Accrued income	3,499	3,461
Advances	558	695
Other receivables	2,884	3,682
<b>Total</b>	<b>122,900</b>	<b>110,512</b>

According to Law 3714/2008 the amount of individual deposits guaranteed by the Deposit Guarantee Funds was increased from €20 thousand to €100 thousand per depositor. The additional contribution made by banks is subject to special assets group according to Law 3746/2008.

Property acquired through auctions refers to property mainly acquired through the enforcement of security over loans and advances.

“Receivables from Greek State and other public organizations” consist of payments for capital tax amounting to € 900 thousand.

The amount of 900 thousand has recovered in February 2011.

## 26. Due to customers

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
On demand and current accounts	264,060	333,651
Savings accounts	113,351	155,518
Term deposits	1,330,134	1,343,666
<b>Total</b>	<b>1,707,545</b>	<b>1,832,835</b>

From the amount of "term deposits" the deposits that are expected to mature within the following 12 months amount to € 1,3 million.

## 27. Debt securities in issue

This account relates to the subordinated liability from the proceeds from the issuance of subordinated floating rate notes by the Bank's subsidiary Aspis Finance plc. and hybrid securities issued by Aspis Jersey plc. The proceeds of these notes were returned to the Bank in the form of a loan:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Hybrid issues	40,000	40,000
Subordinated loans	50,000	50,000
Accrued expense	799	676
Direct expenses	(354)	(423)
<b>Total</b>	<b>90,445</b>	<b>90,253</b>

### a) Hybrid notes

- Aspis Jersey plc. issued in April 2007 an amount of € 15,000 thousand at Euribor three month plus a spread of 3.95% with recall date April 2017, which if recalled on April 2017 will be increased by 1%.
- Aspis Jersey plc. issued in April 2007 an amount of € 25,000 thousand at Euribor three month plus a spread of 4.50% with recall date April 2017.  
The issuer has the option not to pay interest. The issuer can recall.

### b) Subordinated loans

Aspis Finance plc. issued in February 2005 an amount of € 50,000 thousand with recall date February 2010 and maturity February 2015. Interest rate is Euribor 3 month plus 2.65%.

All amounts are carried at amortized cost. The costs relating to the loan are amortized as interest expense using the effective interest method over the period of the placements.

The Bank has met all its payment obligations regarding interest, capital or any other term of the aforementioned securities.

## 28. Provisions

Provisions' movement is as follows:

(Amounts in Euro thousand)

31.12.2010	Opening balance	Provision for the year	Unused provisions	Usage of provisions	Closing balance
Restructuring plan	542	-	-	(174)	368
Contingent indemnification of labour legal disputes	1.000	-	(658)	-	342
Litigation claims	328	40	(13)	(85)	270
Provision of medical expenses	230	-	-	(53)	177
Impairment on off-balance sheet items	1.593	-	(395)	-	1.198
<b>Total</b>	<b>3.693</b>	<b>40</b>	<b>(1.066)</b>	<b>(312)</b>	<b>2.355</b>

(Amounts in Euro thousand)

31.12.2009	Opening balance	Provision for the year	Unused provisions	Usage of provisions	Closing balance
Restructuring plan	1.749	-	-	(1.207)	542
Contingent indemnification of labour legal disputes	1.000	-	-	-	1.000
Impairment on claims except for Bank loans	1.846	462	-	(2.308)	0
Litigation claims	251	77	-	-	328
Income tax for open tax years	500	-	-	(500)	0
Provision of medical expenses	-	230	-	-	230
Impairment on off-balance sheet items	891	702	-	-	1.593
<b>Total</b>	<b>6.237</b>	<b>1.471</b>	<b>-</b>	<b>(4.015)</b>	<b>3.693</b>

The provisions of the period and unused provisions amounting to €(1,026) thousand are recorded in the "Provisions" in the profit and loss account which also includes provisions of impairment of other claims amounting to € 187 thousand which are shown as deduction in assets.

## 29. Other liabilities

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Bank drafts & cheques payable	3,580	10,421
Other accrued expenses	11,479	10,030
Other liabilities	8,007	7,010
Tax obligations	1,683	2,271
State and Social Insurance liabilities	1,563	1,859
Accrued interest expenses	349	708
<b>Total</b>	<b>26,661</b>	<b>32,299</b>

## 30. Employee benefits

Employee benefits are analyzed as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Defined benefit obligations	3,654	3,842
Vacation not taken	50	50
<b>Total</b>	<b>3,704</b>	<b>3,892</b>
<b>Defined benefit obligations</b>		
Present value of unfunded obligations	4,148	3,670
Unrecognised actuarial gains and losses	(494)	172
<b>Recognized liability for defined benefit obligations</b>	<b>3,654</b>	<b>3,842</b>
<b>Movement in the liability for defined benefit obligations</b>		
Net defined benefit obligations at 1 <sup>st</sup> January	3,842	3,622
Expense recognized in profit or loss	1,164	284
Benefits paid	(1,352)	(64)
<b>Total</b>	<b>3,654</b>	<b>3,842</b>
<b>Expense recognized in profit or loss</b>		
Current service costs	328	259
Interest on obligation	186	161
Amortization of actuarial loss	650	(136)
<b>Total</b>	<b>1,164</b>	<b>284</b>
<b>Actuarial assumptions</b>		
Discount rate	5.07%	5.07%
Future salary increases	3.5%	3.5%

## 31. Share capital

The extraordinary General Assembly of the Shareholders held on 23rd July 2009 decided the increase of the share capital with the amount of € 76,877 thousand by issuing 128,128,108 new common, shares with nominal value of € 0.60 each.

Finally, as it was verified from the Board of Directors minute held on 15<sup>th</sup> April 2010, the Bank's share capital increased in cash by Euro 48,374,403.60 through the offer of 80,624,006 new common registered shares, at a nominal value of Euro 0.60 each.

Following the above, the Bank's share capital amounting to Euro 86,812,836 divided in 144,688,060 common shares with nominal value of € 0.60 each.

The total charge for the Share Capital increase amounting to € 2,006 thousand and is recognized in "Share premium reserve".

TT Hellenic Postbank, after the completion of Share capital increase, possesses 32.90% which refers to 47,602,370 shares with voting rights.

As at 31 December 2010, the capital adequacy ratio is less than 10% and the Tier 1 ratio is less than 6.5%.

The Management of the Bank has received the assurance of its major shareholder " TT Hellenic Postbank " that it has the intention to support the Bank's capital adequacy in order to continue its operations without any complications.

The Management of the Bank in collaboration with the main shareholder is looking for all the necessary measures to be taken in order to increase the ratio above the limit.

### 32. Reserves

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Statutory reserve	649	649
Untaxed reserves	1,908	1,908
Available for sale reserve	(5,921)	(2,637)
Reserve from share capital reduction	135,176	135,176
Other reserves	5,782	5,782
<b>Total</b>	<b>137,594</b>	<b>140,878</b>

*Statutory reserve:* Under the provisions of Greek corporate law, entities are required to transfer 5% of their annual profits to a statutory reserve until the reserve equals one third of the issued capital. This reserve is not available for distribution but may be applied to cover losses.

*Untaxed reserves:* In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that the reserves are distributed they will be taxed at the rate applicable on the date of distribution. In case tax free reserves are distributed a tax of € 458 thousand will be paid.

*Available for sale reserve:* The available for sale reserve includes the cumulative net charge in the fair value of available-for-sale investments.

*Other reserves:* It includes other reserves.

### 33. Securitizations

On February 2009, the issuance of € 377 million bond loans (maturity: 15 October 2053, 3 month Euribor plus 0.25% spread), through Bank's subsidiary Byzantium II Finance Plc was completed. The Bonds are collateralized with mortgage loans of total value € 424 million of the Bank. The Bonds rated as AAA by credit rating agency (Fitch Ratings) .

According to the February 25, 2011 amendment to the securitization agreement, the expiration date of debentures Class A and Class B changed to October 15, 2055 while the rate of Class A shall be amended by month Euribor and margin 0.25% to 0.85% fixed.

According to rules of the European Central Bank from March 1, 2011, the bonds required to estimate by two independent rating firms. Basis of these bonds have a credit rating A-(Fitch Ratings) and A (Standard & Poor 's). The bonds were underwritten by the Bank to enhance the liquidity ratio by agreement of sale with right to repurchase securities.

Byzantium II issued additional Notes for € 33.25 million (maturity: 15 October 2053, 3 month Euribor plus 3% spread) purchased from the Bank aiming to establish reserves for protection against losses. These Notes are unrated and classified in "Available for Sale portfolio".

As of 31 December 2010 the above bonds are included in "Available for Sale portfolio" with a total value of € 321.9 million (Class A €306,57 million and Class B € 15.33 million) and the respective liability of € 354.04 million is classified in "Other borrowed funds".

The Bank granted a loan to Byzantium II of € 30.5 million in order to retain reserves for the protection against losses arising from the potential off-set of receivables with obligations of the borrowers.

### 34. Related-party transactions

The Bank defines its subsidiaries and the Board of Directors as related parties. The transactions are conducted under the market term and conditions.

*(Amounts in Euro thousand)*

<b>(a) Senior management and Board of Directors</b>	<b>31.12.2010</b>	<b>31.12.2009</b>
Loans and advances to customers	453	1,393
Due to customers	1,010	689
Other liabilities	43	114
	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>Income</b>		
Net interest income/expenses	(5)	(52)
Net commission income/expenses	0	1
<b>Expense</b>		
Staff costs	1,369	2,004
Other operating expenses	182	360
	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>(b) Balances and transaction with subsidiaries</b>		
Available-for-sale securities	323,948	369,280
Loans and advances to customers	134,397	197,402
Other assets	50,238	51,827
Due to customers	6,373	63,643
Subordinated liabilities and hybrid issues	90,000	115,000
Borrowings	5,000	
Other borrowed funds	345,042	391,829
Other liabilities	846	688
	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>Income</b>		
Interest income	6,449	8,149
Commission income	3,118	2,809
Other income	9	42
<b>Expense</b>		
Interest expense	4,026	5,751
Other expense	549	471
	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>(c) Other related parties:</b>		
Loans and advances to customers	1,774	21,349
Loans and advances to banks	1,903	-
Other assets	34,471	65
Due to customers	37,939	47,485
Due to banks	62,484	-
Other liabilities	48	29
	<b>31.12.2010</b>	<b>31.12.2009</b>
<b>Income</b>		
Net interest income	(1,570)	906
Net commission income	16	526
<b>Expense</b>		
Other operating expenses	-	2,644
Loans impairment charge for the period	128	-

The significant change in "Loans and advances to customers" (Senior management and BoD) is due to the resignation of General Managers during the period. The relevant amount as at 31<sup>st</sup> December 2009 included loans granted to the General Managers who resigned in 2010 amounting to € 900 thousand.

The compensation paid to Senior management resigned in 2010 amounts to € 571 thousand. The claims of the bank from loans and letters of guarantee granted to Aspis Pronoia S.A., Aspis Pronoia gen. security life S.A., and Commercial Value amounts to € 2,016 thousand. Cumulative impairment provisions amounts to € 1,858 thousand.

In "Balance with other related parties" includes the December 31, 2010 and the TT Hellenic Postbank.

Category	Company name	Loans	Deposits	Interest income	Interest expense	Other income	Other expenses	Letters of Guarantee	Stock brokerage	Placements	Borrowings	Other assets	Other liabilities
<b>Board of Directors &amp; Senior management</b>													
		453	1,010	14	19	0	1,551	-	0	0	0	-	43
	T FUNDS M.F.S.A.	-	17	-	0	313	102	50	-	-	-	11	3
	T LEASING S.A.	85,000	6,046	2,591	8	4	36	0	-	-	-	0	40
	ASPIS INSURANCE BROKERAGE S.A.	-	12	-	0	5	-	-	-	-	-	-	-
	T CREDIT S.A.	4,500	256	117	2	1	411	26	-	-	-	8	-
	ASPIS FINANCE PLC	-	-	-	1,740	-	-	-	-	-	-	-	50,271
	ASPIS JERSEY PLC	-	-	-	2,276	-	-	-	-	-	5,000	-	40,532
	ASPIS STEGASTIKA S.A.	0	42	-	-	2	-	-	-	-	-	0	-
	BYZANTIUM FINANCE I	19,121	-	0	-	908	-	-	-	-	-	5,649	-
	BYZANTIUM FINANCE II	25,776	-	3,741	-	1,894	-	-	-	-	-	368,518	345,042 **
<b>Aspis Bank Group</b>		<b>134,397</b>	<b>6,373</b>	<b>6,449</b>	<b>4,026</b>	<b>3,127</b>	<b>549</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>374,186</b>	<b>435,888</b>
	TT HELLENIC POSTBANK SA	-	-	21	893	-	-	-	-	1,903	62,484	34,471 ***	20
	ASPIS PRONOIA S.A.	1,447	5,146	242	109	1	184	242	-	-	-	-	18
	ASPIS PRONOIA FUNDS	-	136	0	3	-	-	-	-	-	-	-	-
	ASPIS PRONOIA GEN. SECURITY LIFE S.A.	162	4,308	14	144	0	(1)	0	-	-	-	-	10
	COMMERCIAL VALUE S.A.	165	28,349	5	703	15	(55)	0	-	-	-	-	-
<b>Other related parties</b>		<b>1,774</b>	<b>37,939</b>	<b>282</b>	<b>1,852</b>	<b>16</b>	<b>128</b>	<b>242</b>	<b>0</b>	<b>1,903</b>	<b>62,484</b>	<b>34,471</b>	<b>48</b>
<b>Total</b>		<b>136,624</b>	<b>45,322</b>	<b>6,745</b>	<b>5,897</b>	<b>3,143</b>	<b>2,228</b>	<b>318</b>	<b>0</b>	<b>1,903</b>	<b>62,484</b>	<b>408,657</b>	<b>435,979</b>

\* Available-for-sale securities and other funds to SPE for residential mortgage securitisation

\*\* Other borrowed funds from SPE

\*\*\* Advances from current accounts

## 35. Contingent liabilities and commitments

### 35.1 Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business.

Specifically, the Bank is exposed to law suits that have been claimed or might be claimed against which may affect the Statement of Comprehensive Income, the Statement of Financial Position and its capital adequacy.

The Bank is still subjected to extrajudicial claims and lawsuits versus Aspis Capital SA, Aspis Pronoia AEGA, Aspis Group SA as well as towards the Bank regarding bond loans disposed by Aspis Capital SA, Aspis Group SA and Aspis Pronoia AEGA for which the Bank operates as Administrator. The management of the Bank declares that there was no mediation from its side in disposing these products and operates exclusively as administrator of payments without to guarantee the fulfillment of payments or other liabilities from the respective issuers. The results of the litigation claims depend on the valuation of predictive evidence presented in court. However, Bank's lawyers estimate that the possibilities of prosperity are restricted.

In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Bank. The Bank has formed a provision of € 342 thousand for contingent labour legal disputes and of € 270 thousand for litigation claims (Note 28).

### 35.2 Credit commitments

Pledged securities for funding

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Trading securities	2,000	-
Available-for-sale investment securities	605,317	351,597
Held-to-maturity investment securities	256,000	8,300
Loans and advances to customers	169,022	168,015
<b>Total</b>	<b>1,032,339</b>	<b>527,912</b>

The contractual amounts of the Bank's off-balance sheet financial instruments that commit to extend credit to customers are as follows

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Letters of guarantee	107,228	144,180
Letters of credit	1,016	1,213

The Bank participates in the Company of innovator business participations NBGI Private Equity and has contractual obligation to pay the amount of GBP 5,000 thousand. The Bank has paid until today the amount of GBP 1,884 thousand or € 2,189 thousand. The value of the specific participation which has been classified in "Available for sale securities" arises to the amount of € 2,096 thousand, according to the latest available evaluation of 31 December 2010.

### 35.3 Operating leases

The Bank's commitments from lease contracts refer mainly to buildings used for its branches and other operating units. The future minimum lease payments under operating leases are as follows :

*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Less than one year	5,404	5,907
Between one and five years	13,927	15,759
More than five years	11,613	12,669

### 36. Subsequent events

Non applicable.



## **Independent Auditor's Report** **(Translated from the original in Greek)**

To the Shareholders of  
T BANK S.A.

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

We have audited the accompanying financial statements of T BANK S.A. (the "Bank") which comprise the Statement of Financial Position as of 31 December 2010 and the Statements of Comprehensive Income, Changes in Equity and Cash Flows 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 as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### **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 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 misstatements.

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

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

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of T BANK S.A. as of 31 December 2010 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

## Emphasis of Matter

Without qualifying our opinion we draw attention to Note 2.2 of the financial statements which refers to the options that the management of the Bank has, in collaboration with the major shareholder, in order to improve its capital adequacy ratio so that may not cast significant doubt on the Bank's ability to continue as a going concern.

Athens, 30 March 2011

KPMG Certified Auditors A.E.

**KPMG Certified Auditors A.E**  
3, Stratigou Tombra Str  
153 42 Aghia Paraskevi  
Greece  
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant  
AM SOEL 19071

VI. Financial data and Information for the period from 1st January 2010 to 31 December 2010



T BANK S.A.

(former ASPIS BANK)  
Reg. No 26699/06/B/92/12  
22<sup>nd</sup> Omirou Str, 106 72 Athens

Financial data and information for the period from 1<sup>st</sup> January 2010 to 31<sup>st</sup> December 2010

(In accordance with Codified Law 2190/20 article 135, regarding organizations that prepare annual financial statements, consolidated or standalone, in accordance with International Accounting Standards, I.A.S.)  
(Amounts in thousand of Euro)

The financial information listed below aims to provide an overview of the financial position and financial results of T BANK S.A and its Group. Consequently readers are advised to visit the web-site of the Bank where the financial statements under IFRS are available, as well as the auditor's report of the financial statements if required, before any investment decision or transaction with the Bank is conducted

Information of T Bank

**Registered office:** 22 Omirou Street, 106 72 Athens  
**Supervising authority:** Ministry of Development/ Bank of Greece  
**Company's web-site:** [www.tbank.com.gr](http://www.tbank.com.gr)  
**Certified Public Auditor:** Harry Stroums  
**Audit Firm:** KPMG Certified Auditors SA  
**Auditor's report of the financial statements:** Unmodified opinion Emphasis of matter  
**Date of approval of the financial statements by the Board of Directors (from which the financial data and information were derived):** 30 March 2011

Members of the Board of Directors

Kyriacos Papatheodorou  
George Handjicakou  
Andreas Tzanetis  
Soyros Pantelas  
Konstantinos Vlachogiannis  
Faidon Tamakakis  
Demetrios Goumas  
Vasileios Dalakidis  
Stavros Andrioutsopoulos

Chairman (Non-executive Member)  
Vice Chairman & CEO (Executive Member)  
Deputy CEO & Executive Member  
Non-executive member  
Non-executive member  
Non-executive, Independent member  
Non-executive, Independent member  
Non-executive, Independent member  
Non-executive, Independent member

STATEMENT OF FINANCIAL POSITION

	Group		Bank	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<b>ASSETS</b>				
Cash & cash equivalents	80.405	91.042	80.403	91.040
Loans and advances to banks	131.256	263.012	44.005	156.740
Loans and advances to customers (net of impairment)	1.808.659	1.871.434	1.774.575	1.875.729
Trading securities	3.599	3.894	1.922	1.971
Available-for-sale investment securities	210.400	37.076	642.336	407.232
Hold-to-maturity investment securities	229.105	10.655	229.106	10.655
Investment in subsidiaries	-	-	30.500	30.949
Property and equipment	47.312	50.031	42.926	43.689
Intangible assets	6.600	7.313	5.046	5.101
Other assets	107.119	93.565	133.642	136.600
<b>TOTAL ASSETS</b>	<b>2.732.456</b>	<b>2.428.022</b>	<b>3.005.311</b>	<b>2.759.506</b>
<b>LIABILITIES AND EQUITY</b>				
Due to banks	778.254	328.007	783.080	323.919
Due to customers	1.701.172	1.749.132	1.707.545	1.832.835
Debt securities in issue & other borrowed funds	132.631	173.562	435.407	507.002
Provisions/Other liabilities	43.715	49.012	32.720	39.884
<b>Total liabilities</b>	<b>2.655.772</b>	<b>2.320.618</b>	<b>2,958,832</b>	<b>2,703,720</b>
Share capital	66.013	30.430	66.013	30.430
Other reserves	(80.704)	28.107	(40.331)	17.348
<b>Total equity attributable to Bank equity holders</b>	<b>36.109</b>	<b>66.635</b>	<b>46.479</b>	<b>55.786</b>
Minority interest	929	1.168	-	-
Hybrid capital	39.645	39.601	-	-
<b>Total equity</b>	<b>76.681</b>	<b>107.404</b>	<b>46.479</b>	<b>55.786</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2.732.456</b>	<b>2.428.022</b>	<b>3.005.311</b>	<b>2.759.506</b>

STATEMENT OF COMPREHENSIVE INCOME

	Group		Bank	
	From 1 <sup>st</sup> January to 31.12.2010	31.12.2009	From 1 <sup>st</sup> January to 31.12.2010	31.12.2009
Net interest income	35.913	27.501	24.860	16.356
Net fee and commission income	11.193	17.275	13.077	18.286
Net trading profit	600	18.939	3.290	(8.724)
Other operating income	6.635	8.110	21.907	1.125
Impairment losses on loans and advances	(39.488)	(40.040)	(38.711)	(42.147)
Provisions	676	(5.638)	(5.329)	(4.932)
Staff expenses	(46.230)	(47.241)	(44.313)	(44.924)
Depreciation and amortization	(11.131)	(12.377)	(7.316)	(7.162)
Other operating expenses	(29.944)	(36.722)	(36.203)	(29.665)
<b>Loss before income tax</b>	<b>(71.784)</b>	<b>(77.193)</b>	<b>(52.942)</b>	<b>(104.987)</b>
Income tax	222	15.177	350	15.178
<b>Loss for the period (A)</b>	<b>(71.561)</b>	<b>(62.016)</b>	<b>(52.592)</b>	<b>(89.809)</b>
-Shareholders of the Bank	(71.322)	(61.659)	(52.343)	(89.640)
-Minority interest	(239)	(357)	(249)	(169)
P&L transfer of available for sale securities	103	0.629	103	0.629
Net change in fair value of available for sale securities	(3.287)	498	(3.287)	498
<b>Other comprehensive income after tax (B)</b>	<b>(3.284)</b>	<b>9.127</b>	<b>(3.284)</b>	<b>9.127</b>
<b>Total comprehensive income after tax (A)+(B)</b>	<b>(74.845)</b>	<b>(52.889)</b>	<b>(55.876)</b>	<b>(80.682)</b>
-Shareholders of the Bank	(74.636)	(52.722)	(55.637)	(80.513)
-Minority interest	(209)	(167)	(239)	(169)
Basic and diluted earnings/(loss) per share (in Euro)	(0,9900)	(0,9680)	(0,4924)	(1,4019)

STATEMENT OF CHANGES IN EQUITY

	Group		Bank	
	From 1 <sup>st</sup> January to 31.12.2010	31.12.2009	From 1 <sup>st</sup> January to 31.12.2010	31.12.2009
<b>Equity at the beginning of the period</b>	<b>107.404</b>	<b>162.640</b>	<b>55.706</b>	<b>136.460</b>
Total comprehensive income after tax	(74.045)	(52.889)	(55.676)	(80.682)
Net share capital increase	46.359	-	46.359	-
Hybrid capital changes	(1.940)	(2.363)	-	-
Other transfers	(254)	16	-	-
<b>Equity at the end of the period</b>	<b>76.681</b>	<b>107.404</b>	<b>46.479</b>	<b>55.786</b>

CASH FLOW STATEMENT

	Group		Bank	
	From 1 <sup>st</sup> January to 31.12.2010	31.12.2009	From 1 <sup>st</sup> January to 31.12.2010	31.12.2009
Cash flow from operating activities	41.099	39.897	37.715	(56.178)
Cash flow from investing activities	(226.275)	(17.007)	(205.111)	(13.034)
Cash flow from financing activities	44.334	(2.402)	46.359	-
<b>Net increase/(decrease) in cash and cash equivalents for the period</b>	<b>(140.841)</b>	<b>13.668</b>	<b>(121.827)</b>	<b>(69.212)</b>
Foreign exchange differences on cash and cash equivalents	(1.945)	245	(1.245)	245
<b>Net increase/(decrease) in cash flow</b>	<b>(142.786)</b>	<b>13.853</b>	<b>(122.572)</b>	<b>(69.967)</b>
Cash and cash equivalents at the beginning of the period	354.054	340.201	247.700	316.747
Cash and cash equivalents at the end of the period	211.661	354.054	125.208	247.780

Notes to the financial data and information

- The consolidated financial statements include the following companies (fully consolidated):  
T BANK SA, Athens, T Funds SA (55%), Athens, T CREDIT SA, Athens(100%), ASPIS BROKERAGE SA,Athens (100%), T LEASING SA, Athens(100%), S1GAG/IKSA SA, Athens (100%), BYZANTINIUM FINANCE PLC, London UK\*, ASPIS FINANCE PLC, London UK (100%), ASPIS JERSEY, Jersey UK (100%), BYZANTINIUM II FINANCE PLC, London UK\*.  
\*Special Purpose Entities (SPE) for securitization of loans  
The Bank's holding in the subsidiaries listed above has not changed during the year. The method of consolidation has not changed during the year since 31 December 2009.
- The Consolidated Financial Statements of T Bank SA are included in the Annual Financial Statements of T Bank Hellenic Postbank SA, Athens (are consolidated with the method of net equity). As of 31 December 2010 the T Bank Hellenic Postbank's participation in the share capital of T Bank SA arises to 32.9%.
- Tax authorities have not performed a tax audit for the following fiscal years:  
T Bank SA(2008 to 2010), T Leasing SA(2006 to 2010), T Insurance Brokerage SA(2010), T Funds SA (2008 to 2010), T Credit SA(2007 to 2010), T Stegastika SA (2010).
- The total number of employees as at 31.12.2010(31.12.2009) was 994 (1,030) for the bank and 1,029 (1,056) for the Group.
- The amount of 403,294 thousand recognized directly in equity, refers to the net change in fair value of available for sale securities amounting to € (3,387) thousand and amount of € 103 thousand P & L transfer of available for sales securities.
- The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2009 have been followed.
- As for the Group (Bank) certain amounts in prior year have been reclassified to conform to the current presentation. The reclassification in the "Statement of Comprehensive Income" for the period ended 31 December 2009 relates to the transfer of total amount € 5,238(4,621) thousand from the line "Interest expense and similar charges" to "Interest and similar income". The above amount of € 13 thousand have been included in the cash flow statement reclassification for the year 2009.  
The reclassification in the "Statement of Financial Position" for the year ended 31 December 2009 relates to the transfer of amount € 449 thousand from the line "Loans and advances to banks" to "cash & cash equivalents" and amount of € 12 thousand from the line "Loans and advances to banks" to "Other assets".  
The above amounts have been included in the cash-flow statement reclassification for the year 2009.
- The bank's share capital increased in cash by Euro 46,359, €10.40 through the offer of 80,626,000 new common registered shares, at a nominal value of Euro 0.60 each. T Bank Hellenic Postbank, after the completion of Share capital increase, possesses 32.90% which refers to 47,602,370 shares with voting rights.
- Emphasis of matter concerns the fact that the capital adequacy ratios are lower than the acceptable minimum limits, set out by the regulatory framework, therefore the management of the Bank, in collaboration with the main shareholder, have notified their options in order to increase capital adequacy ratios, as mentioned in note 2.2.e well.
- On 7<sup>th</sup> May 2010, the Annual General Shareholder's Meeting of ASPIS BANK SA, decided to change the bank's corporate name and identity to "T BANK". On 16<sup>th</sup> December 2010 the BCD decided the transfer of the register office from 4 Othonos St, 105 57 Athens, to 22 Omirou St, 106 72 Athens.
- The related party transactions and balances between the Bank and the Group and its Directors, Senior Management, subsidiaries and other related parties for the year are as follows (€ '000):

	Group	Bank
(a) Income	16	9,592
(b) Expense	1,729	6,273
(c) Assets	36,599	546,731
(d) Liabilities	100,482	947,732
(e) BoD members and key management: personal fees	(1,600)	(1,556)
(f) Receivables from BoD members and key management: personal	456	453
(g) Amounts due to BoD members and key management: personal	1,866	1,053
- The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. The accumulated provisions that have been raised are the ones listed below (€ '000):

	Group	Bank
Restructuring provision	342	342
Contingent indemnification of labour legal disputes	4	-
Provisions for tax issues	299	270
Provisions for litigation	177	177
Provisions for staff medical expenses	1,150	1,150
Impairment on off-balance sheet items	2,388	2,385
- Neither the Bank nor the Group hold treasury shares.

Athens, 30 March 2011

K.A.Papatheodorou  
ID.No.AH1502910  
CHAIRMAN OF THE BOARD OF DIRECTORS

G.P.Handjicakou  
ID.No.X.501829  
VICE CHAIRMAN OF THE BOARD OF DIRECTORS  
& CEO

A.K.Topaloglou  
ID.No.X.150663  
OEE.Lic.Reg.No: 0012737/18-2-08 'A' CI  
CHIEF FINANCIAL OFFICER

N.D.Dalakis  
ID.No.AZ.118227  
OEE.Lic.Reg.No: 0015078/4-07-01 'A' CI  
HEAD OF ACCOUNTING

**VIII. Condensed financial data and information for interim periods**

**Period 1.1.2010-31.03.2010**

**Period 1.1.2010-30.06.2010**

**Period 1.1.2010-30.09.2010**



**ASPIS BANK S.A.**  
Reg. No 26699/06/B/92/12  
4<sup>th</sup> Othonos Str, 105 57 Athens

Financial data and information for the period from 1<sup>st</sup> January 2010 to 31<sup>st</sup> March 2010  
(In accordance with the Decisions 4/507/28.04.2009 of Hellenic Capital Market Commission)  
(Amounts in thousand of Euro)

The financial information listed below aims to provide an overview of the financial position and financial results of ASPIS BANK SA and its Group. Consequently readers are advised to visit the web-site of the Bank where the interim condensed financial statements under IFRS are available, as well as the auditor's review report if required, before any investment decision or transaction with the Bank is conducted

**Information of Aspís Bank**

Registered office:  
Supervising authority:  
Company's web-site:  
Certified Public Auditor:  
Audit Firm:  
Auditor's report of the condensed financial statements :  
Date of approval of the Financial Statements by the Board of Directors  
(from which the financial statements and Information were derived):

4 Othonos Street, 105 57 Athens  
Ministry of Development/ Bank of Greece  
www.aspisbank.gr  
Harry Stroums  
KPMG Certified Auditors SA  
Not required  
28 May 2010

**Members of the Board of Directors**

Kleanthis Papadopoulos  
George Haniotopoulos  
Nikolaos Maltouchos  
Spyros Pantelias  
Konstantinos Vlachogiannis  
Faidon Tamvakidis  
Dimitrios Goumas  
Vasileios Dalakidis  
Stavros Androutsopoulos

Chairman (Non-executive Member)  
Vice Chairman & Managing Director (Executive Member)  
Executive Member  
Non-executive member  
Non-executive member  
Non-executive, Independent member  
Non-executive, Independent member  
Non-executive, Independent member

**FINANCIAL POSITION STATEMENT**

	Group		Bank	
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
<b>ASSETS</b>				
Cash & cash equivalents	72,896	90,593	72,895	90,591
Loans and advances to banks	166,351	263,474	73,680	157,202
Loans and advances to customers (net of impairment)	1,799,225	1,871,434	1,808,626	1,875,729
Trading securities	3,771	3,894	1,939	1,971
Available-for-sale investment securities	37,137	37,076	395,942	407,232
Held-to-maturity investment securities	10,773	10,655	10,773	10,655
Investment in subsidiaries	-	-	30,549	30,549
Property and equipment	49,029	50,031	43,336	43,889
Intangible assets	6,700	7,313	5,001	5,101
Other assets	138,936	93,552	186,347	136,587
<b>TOTAL ASSETS</b>	<b>2,284,818</b>	<b>2,428,022</b>	<b>2,629,288</b>	<b>2,759,506</b>
<b>LIABILITIES AND EQUITY</b>				
Due to banks	385,557	328,007	381,450	323,919
Due to customers	1,548,777	1,769,132	1,612,435	1,832,835
Other borrowed funds	150,676	173,562	90,342	90,253
Provisions/Other liabilities	59,392	49,917	48,893	39,884
<b>Total liabilities</b>	<b>2,144,402</b>	<b>2,320,618</b>	<b>2,540,195</b>	<b>2,703,720</b>
Share capital	86,912	38,438	86,913	38,438
Other reserves	12,865	28,197	2,280	17,348
<b>Total equity attributable to Bank equity holders</b>	<b>99,880</b>	<b>66,635</b>	<b>89,093</b>	<b>55,786</b>
Minority interest	1,117	1,168	-	-
Hybrid capital	39,612	39,601	-	-
<b>Total equity</b>	<b>140,409</b>	<b>107,404</b>	<b>89,093</b>	<b>55,786</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,284,818</b>	<b>2,428,022</b>	<b>2,629,288</b>	<b>2,759,506</b>

**COMPREHENSIVE INCOME STATEMENT**

	Group		Bank	
	From 1 <sup>st</sup> January to 31.03.2010	31.03.2009	From 1 <sup>st</sup> January to 31.03.2010	31.03.2009
Net interest income	9,407	2,941	6,951	972
Net fee and commission income	2,694	4,107	3,957	4,309
Net trading profit/(loss)	946	1,002	937	999
Other operating income	1,776	2,765	528	439
Impairment on loans and advances	(7,717)	(5,606)	(7,523)	(5,399)
Provisions	(4)	-	(39)	-
Staff expenses	(11,770)	(10,860)	(11,203)	(10,358)
Depreciation and amortization	(2,901)	(3,040)	(1,865)	(1,754)
Other operating expenses	(6,881)	(6,843)	(5,635)	(6,092)
<b>Loss before income tax</b>	<b>(14,290)</b>	<b>(15,554)</b>	<b>(14,792)</b>	<b>(16,884)</b>
Income tax	756	3,231	818	3,205
<b>Loss for the period (A)</b>	<b>(13,534)</b>	<b>(12,323)</b>	<b>(13,974)</b>	<b>(13,678)</b>
Shareholders of the Bank	(13,483)	(12,917)	-	-
Minority interest	(51)	594	-	-
Transfer of impairment loss of Available for sale securities to profit of loss	(6)	(5)	(6)	(5)
Changes in fair value of Available for sale securities	(319)	(251)	(319)	(252)
<b>Other comprehensive income after tax (B)</b>	<b>(325)</b>	<b>(256)</b>	<b>(325)</b>	<b>(257)</b>
<b>Total comprehensive income after tax (A)+(B)</b>	<b>(13,859)</b>	<b>(12,579)</b>	<b>(14,299)</b>	<b>(13,935)</b>
Shareholders of the Bank	(13,808)	(13,173)	-	-
Minority interest	(51)	594	-	-
Basic and diluted earnings/(loss) per share (in Euro)	(0.2084)	(0.1924)	(0.2181)	(0.2135)

**CHANGES IN EQUITY STATEMENT**

	Group		Bank	
	From 1 <sup>st</sup> January to 31.03.2010	31.03.2009	From 1 <sup>st</sup> January to 31.03.2010	31.03.2009
<b>Equity at the beginning of the period</b>	<b>107,404</b>	<b>162,640</b>	<b>55,786</b>	<b>136,468</b>
Total comprehensive income after tax	(13,859)	(12,579)	(14,299)	(13,935)
Net share capital increase	47,606	-	47,606	-
Hybrid capital changes	(501)	(708)	-	-
Other transfers	(241)	-	-	-
<b>Equity at the end of the period</b>	<b>140,409</b>	<b>149,353</b>	<b>89,093</b>	<b>122,533</b>

**CASH FLOW STATEMENT**

	Group		Bank	
	From 1 <sup>st</sup> January to 31.03.2010	31.03.2009	From 1 <sup>st</sup> January to 31.03.2010	31.03.2009
Cash flow from operating activities	(111,333)	113,281	(98,256)	12,063
Cash flow from investing activities	(1,225)	(1,242)	(1,211)	(424)
Cash flow from financing activities	(512)	(1,742)	-	-
<b>Net increase/(decrease) in cash and cash equivalents for the period</b>	<b>(113,070)</b>	<b>110,297</b>	<b>(99,467)</b>	<b>11,439</b>
Foreign exchange differences on cash and cash equivalents	(1,750)	(262)	(1,250)	(262)
<b>Net increase/(decrease) in cash flow</b>	<b>(114,820)</b>	<b>109,935</b>	<b>(101,217)</b>	<b>11,077</b>
Cash and cash equivalents at the beginning of the period	354,057	340,201	247,792	316,748
Cash and cash equivalents at the end of the period	239,247	450,136	146,575	327,825

**Notes to the financial data and information**

1. The consolidated financial statements include the following companies (fully consolidated):  
ASPIS BANK SA, Athens, ASPIS INTERNATIONAL MF SA, Athens, ASPIS CREDIT SA, Athens, ASPIS BROKERAGE SA, Athens, ASPIS LEASING SA, Athens, BYZANTINIUM FINANCE PLC, London UK, ASPIS FINANCE PLC, London UK, ASPIS JERSEY, Jersey UK, BYZANTINIUM II FINANCE PLC, London UK  
\*Special Purpose Entities (SPE) for securitization of loans  
The Bank's holding in the subsidiaries listed above has not changed during the period. The method of consolidation has not changed during the period as at 31 December 2009.  
In October 2008, Aspís Stegastika SA was founded (Registered: Athens Municipality, 4 Othonos Str, 105 57 Athens, Main activity: Bonds management services for bonds issued by organizations other than banks) with a share capital of € 60 thousand. The Bank participates with 100% ownership interest on the share capital of the entity. The SPE remains dormant up to the date of the Financial Report.  
In February 2009 Byzantium II Finance Plc, a Special Purpose Entity for mortgage loans securitisation was established.

2. Tax authorities have not performed a tax audit for the following fiscal years:  
Aspis Bank SA(2008-2009), Aspís Leasing SA(2006-2009), Aspís Insurance Brokerage SA(2007 to 2009), Aspís International MF SA (2007 to 2009), Aspís Credit SA(2007 to 2009).

3. The total number of employees as at 31.03.2010(31.03.2009) was 1,004 (1,014) for the Bank and 1,042 (1,040) for the Group.

4. The amount of € 325 thousand recognized directly in equity, refers to a gain from the fair value change of available for sale securities amount of € 319 thousand and amount of € 6 thousand transfer of impairment loss of available for sales securities to profit of loss.

5. Neither the Bank nor the Group hold treasury shares.

6. The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2009 have been followed.

7. The related party transactions and balances between the Bank and the Group and it's Directors, Senior Management, subsidiaries and other related parties for the period are as follows (€ '000):

	Group	Bank
a) Income	29	2,163
b) Expense	182	1,157
c) Assets	5,186	611,734
d) Liabilities	48,178	609,544
e) Related parties and key management personnel fees	689	612
f) Receivables from related members and key management personnel	1,131	1,131
g) Amounts due to related members and key management personnel	726	660

8. The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. The accumulated provisions that have been raised are the ones listed below (€ '000):

	Group	Bank
Restructuring provision	431	431
Contingent indemnification of labour legal disputes	1,000	1,000
Provisions for tax issues	27	-
Provisions for litigations	357	328
Provisions for staff medical expenses	207	207
Impairment on off-balance sheet items	1,456	1,456
	3,478	3,422

Athens, 28 May 2010

K.A.Papadopoulos  
ID.No.AH.582918  
CHAIRMAN OF THE BOARD OF DIRECTORS

G.P.Haniotopoulos  
ID.No.X.501829  
VICE CHAIRMAN OF THE BOARD OF DIRECTORS  
& MANAGING DIRECTOR

A.K.Topaloglou  
ID.No.X.158663  
OEE Lic.Reg.No: 0012737/18-2-08 A 'C'  
CHIEF FINANCIAL OFFICER

N.D.Dallaris  
ID.No.AZ.118237  
OEE Lic.Reg.No: 0015073/4-07-01 A 'C'  
HEAD OF ACCOUNTING



T BANK S.A.

(former ASPIS BANK)  
Reg. No 26699/06/8/92/12  
4<sup>th</sup> Othonos Str., 105 57 Athens

Financial data and information for the period from 1<sup>st</sup> January 2010 to 30<sup>th</sup> June 2010  
(In accordance with the Decision 4/507/28.04.2009 of Hellenic Capital Market Commission)  
(Amounts in thousand of Euro)

The financial information listed below aims to provide an overview of the financial position and financial results of T BANK SA and its Group. Consequently readers are advised to visit the web-site of the Bank where the interim condensed financial statements under IFRS are available, as well as the auditor's review report if required, before any investment decision or transaction with the Bank is conducted

Information of T Bank

Registered office: 4 Othonos Street, 105 57 Athens  
Supervising authority: Ministry of Development/ Bank of Greece  
Company's web-site: www.aspisbank.gr  
Certified Public Auditor: Harry Srouzos  
Audit Firm: KPMG Certified Auditors SA  
Auditor's report of the condensed financial statements: Unqualified opinion  
Date of approval of the Interim Condensed Financial Statements by the Board of Directors: 25 August 2010  
(from which the financial data and information were derived):

Members of the Board of Directors

Kleanthis Papadopoulos  
George Handjiniolou  
Nikolaos Malouchos  
Spyros Panayiotis  
Konstantinos Vlachogiannis  
Faidon Tamaçaklis  
Dimitrios Gioumas  
Vasileios Dalakidis  
Stavros Androutopoulos  
Chairman (Non-executive Member)  
Vice Chairman & Managing Director (Executive Member)  
Executive Member  
Non-executive member  
Non-executive member  
Non-executive, Independent member  
Non-executive, Independent member  
Non-executive, Independent member  
Non-executive, Independent member

STATEMENT OF FINANCIAL POSITION

Table with columns: Group (30.06.2010, 31.12.2009), Bank (30.06.2010, 31.12.2009). Rows include ASSETS (Cash & cash equivalents, Loans and advances to banks, etc.), LIABILITIES AND EQUITY (Due to banks, Debt securities in issue, etc.), and TOTAL ASSETS/LIABILITIES AND EQUITY.

STATEMENT OF COMPREHENSIVE INCOME

Table with columns: Group (From 1<sup>st</sup> January to 30.06.2010, 30.06.2009; From 1<sup>st</sup> April to 30.06.2009). Rows include Net interest income, Net fee and commission income, Net trading profit, Other operating income, Impairment losses on loans and advances, Provisions, Staff expenses, Depreciation and amortization, Other operating expenses, Loss before income tax, Income tax, Loss for the period (A), Shareholders of the Bank, Minority interest, Transfer of impairment (loss)/profit of available for sale securities to profit or loss, Changes in fair value of Available for sale securities, Other comprehensive income after tax (B), Total comprehensive income after tax (A)+(B), Shareholders of the Bank, Minority interest, Basic and diluted earnings/loss per share (in Euro).

CASH FLOW STATEMENT

Table with columns: Group (From 1<sup>st</sup> January to 30.06.2010, 30.06.2009), Bank (From 1<sup>st</sup> January to 30.06.2010, 30.06.2009). Rows include Cash flow from operating activities, Cash flow from investing activities, Cash flow from financing activities, Net increase/(decrease) in cash and cash equivalents for the period, Foreign exchange differences on cash and cash equivalents, Net increase/(decrease) in cash flow, Cash and cash equivalents at the beginning of the period, Cash and cash equivalents at the end of the period.

Table with columns: Bank (From 1<sup>st</sup> January to 30.06.2010, 30.06.2009; From 1<sup>st</sup> April to 30.06.2009). Rows include Net interest income, Net fee and commission income, Net trading profit, Other operating income, Impairment losses on loans and advances, Provisions, Staff expenses, Depreciation and amortization, Other operating expenses, Loss before income tax, Income tax, Loss for the period (A), Shareholders of the Bank, Minority interest, Transfer of impairment (loss)/profit of available for sale securities to profit or loss, Changes in fair value of Available for sale securities, Other comprehensive income after tax (B), Total comprehensive income after tax (A)+(B), Shareholders of the Bank, Minority interest, Basic and diluted earnings/loss per share (in Euro).

STATEMENT OF CHANGES IN EQUITY

Table with columns: Group (From 1<sup>st</sup> January to 30.06.2010, 30.06.2009), Bank (From 1<sup>st</sup> January to 30.06.2010, 30.06.2009). Rows include Equity at the beginning of the period, Total comprehensive income after tax, Net share capital increase, Hybrid capital changes, Other transfers, Equity at the end of the period.

Notes to the financial data and information

1. The interim consolidated financial statements include the following companies (fully consolidated): T BANK SA, Athens, ASPIS INTERNATIONAL MF SA (55%), Athens, ASPIS CREDIT SA, Athens(100%), ASPIS BROKERAGE SA, Athens (100%), ASPIS LEASING SA, Athens(100%), BIZANTINIUM FINANCE P.L.C., London UK, ASPIS FINANCE P.L.C., London UK (100%), ASPIS ISSUES, Jersey UK, BIZANTINIUM II FINANCE P.L.C., London UK, Aspis Stogias SA, Athens, in which the Bank participates with 100% ownership interest on its share capital. The entity remains dormant up to the date of the Interim Condensed Financial Statements.  
\*Special Purpose Entities (SPE) for securitization of loans  
The Bank's holding in the subsidiaries listed above has not changed during the period. The method of consolidation has not changed during the period since 31 December 2009.  
The Interim Condensed Consolidated Financial Statements of "T Bank SA" are included in the Interim Financial Statements of "TT Hellenic Postbank SA", Athens (are consolidated with the method of net equity) as of 30 June 2010 the TT Hellenic Postbank's participation in the share capital of T Bank SA rises to 32.9%.  
2. Tax authorities have not performed a tax audit for the following fiscal years:  
T Bank SA(2006-2009), Aspis Leasing SA(2006-2009), Aspis Insurance Brokerage SA(2007 to 2009), Aspis International MF SA (2007 to 2009), Aspis Credit SA(2007 to 2009).  
3. The total number of employees as at 30.06.2010(30.06.2009) was 1,009 (1,013) for the Bank and 1,047 (1,053) for the Group.  
4. The amount of € 3,803 thousand recognized directly in equity, refers to a loss from the fair value change of available for sale securities amount of € 3,788 thousand and amount of € 15 thousand transfer of impairment loss of available for sale securities to profit or loss.  
5. The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2009 have been followed.  
6. As for the Group (Bank) certain amounts in prior year have been reclassified to conform to the current presentation. The reclassification in the "Statement of Comprehensive Income" relates to the transfer of total amount € 2,826 (2,419) thousand from the line "Interest expense and similar charges" to "Interest and similar income".  
7. The Bank's share capital increased in cash by Euro 48,374,403.60 through the offer of 80,624,066 new common registered shares, at a nominal value of Euro 0.60 each. TT Hellenic Postbank, after the completion of share capital increase, possesses 32.96% which refers to 41,602,310 shares with voting rights.

8. The related party transactions and balances between the Bank and the Group and its Directors, Senior Management, subsidiaries and other related parties for the period are as follows (€ '000):  
a) Income  
b) Expense  
c) Loans  
d) Liabilities  
e) Board members and key management personnel fees  
f) Receivables from Board members and key management personnel  
g) Amounts due to Board members and key management personnel  
9. The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. The accumulated provisions that have been raised are the ones listed below (€ '000):  
Restructuring provision  
Contingent indemnification of labour legal disputes  
Provisions for tax issues  
Provisions for income tax for the period  
Provisions for special tax contribution Law 3845/2010  
Provisions for litigation  
Provisions for staff medical expenses  
Impairment on off-balance sheet items  
10. On 7th May 2010, the Annual General Shareholder's Meeting of ASPIS BANK SA, decided to change the Bank's corporate name and identity to T BANK.  
11. Neither the Bank nor the Group hold treasury shares.

Athens, 25 August 2010

K.A.Papadopoulos  
CHAIRMAN OF THE BOARD OF DIRECTORS

G.P.Handjiniolou  
VICE CHAIRMAN OF THE BOARD OF DIRECTORS  
& MANAGING DIRECTOR

A.K.Topaloglou  
OEE.LIC.Reg.No: 0012737/18-2-08 A 'C'  
CHIEF FINANCIAL OFFICER

N.D.Dallaris  
ID No: A2 118237  
OEE.LIC.Reg.No: 00150734/4-01 A 'C'  
HEAD OF ACCOUNTING



### T BANK ΑΝΩΝΥΜΗ ΤΡΑΠΕΖΙΚΗ ΕΤΑΙΡΙΑ

(πρώην ASPIS BANK)  
Αριθμός Μητρώου ΑΕ 5659/06/8/92/12  
Όμιλος 4, 105 57 Αθήνα

Στοιχεία και πληροφορίες περιόδου από 1<sup>η</sup> Ιανουαρίου 2010 έως 30<sup>η</sup> Σεπτεμβρίου 2010  
Σύμφωνα με την Απόφαση 4/507/28.04.2009 του Διοικητικού Συμβουλίου της Επιτροπής Κερδοσκοπίας  
(Πρώτο κεφάλαιο με κλιμάκιο Ευρώ)

Τα παρακάτω στοιχεία και πληροφορίες, που προκύπτουν από την ενδιάμεση χρηματοοικονομική πληροφόρηση, στοιχείων σε μία γενική ενημέρωση για την οικονομική κατάσταση και τα αποτελέσματα της T BANK ΑΝΩΝΥΜΗ ΤΡΑΠΕΖΙΚΗ ΕΤΑΙΡΙΑ (η Τράπεζα) και του Ομίλου της. Συστάσεις επομένως στον αναγνώστη, πριν προβεί σε οποιαδήποτε είδους επενδυτική επιλογή ή άλλη συναλλαγή με την Τράπεζα, να ανατρέξει στην διεύθυνση διαδικτυακής της Τράπεζας, όπου αναγράφονται οι ενδιάμεσες οικονομικές καταστάσεις καθώς και η έκθεση επικοινωνίας του νομίμου ελεγκτή όμοια αυτήν απαιτείται.

<b>ΣΤΟΙΧΕΙΑ ΕΠΙΧΕΙΡΗΣΗΣ</b>		<b>Σύνθεση Διοικητικού Συμβουλίου</b>	
<b>Διεύθυνση Έδρας Τράπεζας:</b>	Όμιλος 4, 105 57 Αθήνα	Κλεάνθης Παπαδόπουλος	Πρόεδρος (Μη εκτελεστικό μέλος)
<b>Αρμόδια εποπτική αρχή:</b>	Υπουργείο Ανάπτυξης / Τράπεζα της Ελλάδος	Γεώργιος Κωνσταντίνου	Αντιπρόεδρος Δ.Σ & Διευθύνων Σύμβουλος (Εκτελεστικό Μέλος)
<b>Διεύθυνση Διαδικτύου:</b>	www.tbank.com.gr	Νικόλαος Μπαλακλής	Εκτελεστικό μέλος
<b>Νόμος Ελεγκτής:</b>	Καρλόλαμος Σαρογιάννης	Σπυρίδων Πρωτοπάκης	Μη εκτελεστικό μέλος
<b>Ελεγκτική Έταιρεία:</b>	ΚΡΦΚ Ορκωτοί Ελεγκτές ΑΕ	Κωνσταντίνος Φιλοφρόνητος	Μη εκτελεστικό μέλος
<b>Μόρος έκθεσης επικοινωνίας νόμιμου ελεγκτή:</b>	Δεν απαιτείται	Φοίβων Τσιανόνης	Ανεξάρτητο - Μη εκτελεστικό μέλος
<b>Ημερομηνία Έγκρισης από το Διοικητικό Συμβούλιο των Οικονομικών Καταστάσεων :</b>		Δημήτριος Γκούρας	Ανεξάρτητο - Μη εκτελεστικό μέλος
<b>( από τις οποίες αντλήθηκαν τα στοιχεία και πληροφορίες):</b>	26 Νοεμβρίου 2010	Βασίλειος Δολαδής	Ανεξάρτητο - Μη εκτελεστικό μέλος
		Σπυρίδων Ανδρονειτσάκουλος	Ανεξάρτητο - Μη εκτελεστικό μέλος

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΟΙΚΟΝΟΜΙΚΗΣ ΘΕΣΗΣ	Όμιλος		Τράπεζα	
	30.09.2010	31.12.2009	30.09.2010	31.12.2009
<b>ΕΠΕΝΔΥΣΕΙΣ</b>				
Ταμείο και διαθέσιμα στην κεντρική τράπεζα	54.791	91.042	54.790	91.040
Αποτήσεις κατά πιστωτικών ιδρυμάτων	169.353	263.012	82.458	156.740
Δάνεια και προκαταβολές σε πελάτες (μετά από απομείωση)	1.732.559	1.871.434	1.690.917	1.875.729
Χρηματοοικονομικά στοιχεία σε εύληξη αξία μετά απομειώσεων	3.619	2.894	1.922	1.971
Χρηματοοικονομικά στοιχεία διαθέσιμα προς πώληση	314.528	37.076	650.411	407.232
Αναρροπούμενες ως την λήξη επενδύσεων	170.401	10.655	170.401	10.655
Συμμετοχές σε θυγατρικές επιχειρήσεις	-	-	30.550	30.549
Διαφορολογούμενα στοιχεία πάγια στοιχεία	47.485	50.031	42.797	43.889
Άλλα περιουσιακά στοιχεία	5.821	7.313	4.875	5.101
Λοιπά στοιχεία ενεργητικού	103.601	93.585	139.974	136.603
<b>ΣΥΝΟΛΟ ΕΠΕΝΔΥΣΕΩΝ</b>	<b>2.603.210</b>	<b>2.428.022</b>	<b>2.880.103</b>	<b>2.759.506</b>
<b>ΥΠΟΧΡΕΩΣΕΙΣ ΚΑΙ ΙΔΙΑ ΚΕΦΑΛΑΙΑ</b>				
Υποχρεώσεις προς πιστωτικά ιδρύματα	630.565	328.007	655.417	323.919
Υποχρεώσεις προς πελάτες	1.690.941	1.749.132	1.694.793	1.832.835
Στοιχεία μεμειωμένης εφάρμοξης & λοιπές δασεακές υποχρεώσεις	137.735	173.562	147.947	507.082
Προβλέψεις/Λοιπές υποχρεώσεις	50.842	49.917	39.513	39.894
<b>Σύνολο υποχρεώσεων</b>	<b>2.510.083</b>	<b>2.320.618</b>	<b>2.837.728</b>	<b>2.703.729</b>
Μετόχων Κεφάλαιο	86.813	38.438	86.813	38.438
Λοιπά στοιχεία ιδίων κεφαλαίων	(34.329)	29.793	(44.438)	17.348
<b>Σύνολο ιδίων κεφαλαίων ιδιοκτητών μετρητής</b>	<b>52.484</b>	<b>66.635</b>	<b>42.375</b>	<b>55.786</b>
Διακείμενα μετοχές	1.016	1.168	-	-
Υπόλοιπα κεφάλαια	39.468	39.468	-	-
<b>Σύνολο ιδίων κεφαλαίων</b>	<b>93.135</b>	<b>107.404</b>	<b>42.375</b>	<b>55.786</b>
<b>ΣΥΝΟΛΟ ΥΠΟΧΡΕΩΣΕΩΝ ΚΑΙ ΙΔΙΩΝ ΚΕΦΑΛΑΙΩΝ</b>	<b>2.603.210</b>	<b>2.428.022</b>	<b>2.880.103</b>	<b>2.759.506</b>

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΣΥΝΟΛΙΚΩΝ ΕΣΟΔΩΝ	Όμιλος		Τράπεζα	
	Από 1 <sup>η</sup> Ιανουαρίου έως 30.09.2010	30.09.2009	Από 1 <sup>η</sup> Ιανουαρίου έως 30.09.2010	30.09.2009
Καθαρά έσοδα από τόκους	25.338	17.357	8.352	10.329
Καθαρά έσοδα από προμήθειες	9.885	13.465	2.681	4.001
Κέρδη από χρηματοοικονομικά στοιχεία	495	17.787	1.236	15.970
Λοιπά έσοδα	4.776	5.808	1.517	903
Προβλέψεις για πιστωτικούς κινδύνους	(32.566)	(37.280)	(14,475)	(21,168)
Προβλέψεις για πιστωτικούς κινδύνους	150	(2.839)	36	(2,589)
Δαπάνες προσωπικού	(34,257)	(35,308)	(10,917)	(12,810)
Αμοιβές	(6,396)	(9,303)	(2,718)	(3,155)
Λοιπά έσοδα	(21,891)	(26,216)	(6,567)	(10,289)
<b>Ζημίες προ φόρου εισοδήματος</b>	<b>(56,256)</b>	<b>(56,528)</b>	<b>(23,121)</b>	<b>(18,808)</b>
Φόρος εισοδήματος	2,141	14,490	3,349	7,357
<b>Ζημίες περιόδου (Α)</b>	<b>(56,215)</b>	<b>(42,038)</b>	<b>(21,772)</b>	<b>(11,471)</b>
- Διακοπές μετρητής	(56,063)	(41,950)	(21,726)	(11,477)
- Διακοπές μερισμάτων	(152)	(88)	(46)	6
Μεταφορά (θυσίας)/κέρδους σημειώσεων χρηρτηρών διαθέσιμων προς πώληση μεταφερθέντα στο αποσπείζομετο	(435)	8,338	(420)	8,331
Καθαρά μετοχική της εύληξη αξία του διαθέσιμου προς πώληση χρηματοοικονομικού	(2,239)	1,749	1,549	586
<b>Λοιπά συνολικά έσοδα μετά από φόρους (Β)</b>	<b>(2,674)</b>	<b>10,087</b>	<b>1,129</b>	<b>8,917</b>
<b>Συνεγερματικά συνολικά έσοδα μετά από φόρους (Α)+(Β)</b>	<b>(58,889)</b>	<b>(31,951)</b>	<b>(20,643)</b>	<b>(2,554)</b>
- Διακοπές μετρητής	(58,737)	(31,863)	(20,597)	(2,560)
- Διακοπές μερισμάτων	(152)	(88)	(46)	6
Βασικά και προσαρμογόμενα κέρδη(ζημία) ανά μετοχή (σε Ευρώ)	(0,4960)	(0,6548)	(0,1433)	(0,1791)

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΤΑΜΕΙΑΚΩΝ ΡΟΩΝ	Όμιλος		Τράπεζα	
	Από 1 <sup>η</sup> Ιανουαρίου έως 30.09.2010	30.09.2009	Από 1 <sup>η</sup> Ιανουαρίου έως 30.09.2010	30.09.2009
Σύνολο εσόδων (εξορών) από λειτουργικές δραστηριότητες	(8,421)	113,822	6,373	1,411
Σύνολο εσόδων (εξορών) από επενδυτικές δραστηριότητες	(164,059)	(13,704)	(164,002)	(9,827)
Σύνολο εσόδων (εξορών) από χρηματοδοτικές δραστηριότητες	41,839	(1,897)	46,367	-
Καθαρά αύξηση(μείωση) στα περιεχόμενα διαθέσιμα και ισότιμα περιόδου	(127,641)	98,221	(108,262)	(8,416)
Επίσημη συνολική διαφορά από τραπεζικά διαθέσιμα και ισότιμα περιόδου	(2,022)	135	(2,022)	135
<b>Σύνολο εσόδων (εξορών) περιόδου</b>	<b>(129,923)</b>	<b>98,356</b>	<b>(110,544)</b>	<b>(8,281)</b>
Τραπεζικά διαθέσιμα και ισότιμα ενδεχόμενα περιόδου	354,067	340,201	247,792	316,748
Τραπεζικά διαθέσιμα και ισότιμα κλήρη περιόδου	224,144	438,551	137,248	308,461

ΣΤΟΙΧΕΙΑ ΚΑΤΑΣΤΑΣΗΣ ΜΕΤΑΒΑΘΝΩΝ ΙΔΙΩΝ ΚΕΦΑΛΑΙΩΝ	Όμιλος		Τράπεζα	
	Από 1 <sup>η</sup> Ιανουαρίου έως 30.09.2010	30.09.2009	Από 1 <sup>η</sup> Ιανουαρίου έως 30.09.2010	30.09.2009
Σύνολο ιδίων κεφαλαίων ενδεχόμενα περιόδου	107,404	162,640	55,786	136,468
Συνεγερματικά συνολικά έσοδα μετά από φόρους	(58,889)	(31,951)	(20,643)	(60,317)
Κλήρη διαβόητων τίτλων	46,369	-	46,369	-
Λοιπές κλήρες	(253)	15	-	-
<b>Σύνολο ιδίων κεφαλαίων κλήρη περιόδου</b>	<b>93,135</b>	<b>128,822</b>	<b>42,375</b>	<b>76,151</b>

### ΠΡΟΣΕΤΑ ΣΤΟΙΧΕΙΑ ΚΑΙ ΠΛΗΡΟΦΟΡΙΕΣ

- Ο παρακάτω πίνακας του Ομίλου περιλαμβάνει τις ενδιάμεσες οικονομικές καταστάσεις και ενοικούνται με τη μέθοδο της ονείας ενοίκησης: T BANK ΑΤΕ, Έδρα Αθήνα, T Fund ΑΕΑΚ, Έδρα Αθήνα και ποσοστό συμμετοχής 55%, T Credit ΑΕ Αετοφυρών Μελισίων, Έδρα Αθήνα και ποσοστό συμμετοχής 100%, ASPIS ΑΕ ΜΕΣΣΙΣΣΙΑ ΑΣΦΑΛΙΣΕΩΣ, Έδρα Αθήνα και ποσοστό συμμετοχής 100%, T Leasing ΑΕ Χρηματοδοτικής Μελισίων, Έδρα Αθήνα και ποσοστό συμμετοχής 100%, T ΣΤΕΓΑΣΤΙΚΑ ΑΕ, Έδρα Αθήνα και ποσοστό συμμετοχής 100%, BFDANTHUM FINANCE P.L.C., Έδρα Λονδίνο Μ.Βρετανία \*, ASPIS FINANCE P.L.C., Έδρα Λονδίνο Μ.Βρετανία και ποσοστό συμμετοχής 100%, ASPIS JERSEY P.L.C., Έδρα Jersey, Μ.Βρετανία και ποσοστό συμμετοχής 100%, BFDANTHUM FUNDING P.L.C., Έδρα Λονδίνο, Μ.Βρετανία \*
  - \* Εταιρείες ονείας ονείας για πιστωτικές ονείας.
- Δεν υφίσταται μεταβολή στο ποσοστό συμμετοχής της Μητρικής της παρούσας εταιρείας και στη μέθοδο ενοίκησης, σε σχέση με τις οικονομικές καταστάσεις της χρήσης που έληξε την 31<sup>η</sup> Δεκεμβρίου 2009.
  - Οι ενδιάμεσες οικονομικές καταστάσεις της T Bank Ανωνύμη Τραπεζική Εταιρεία περιλαμβάνονται με τη μέθοδο της καθαφής θέσης στις οικονομικές καταστάσεις που ενοικούνται το Ταμείο Τραπεζικού Εσόδου Α.Τ.Ε. με Έδρα την Ελλάδα. Κατά την 30<sup>η</sup> Σεπτεμβρίου 2010 το Ταμείο Τραπεζικού Εσόδου Α.Τ.Ε. συμμετέχει στο μετοχικό κεφάλαιο της T Bank Ανωνύμη Τραπεζική Εταιρεία με ποσοστό 32,9%.
- Ο φορολογικός όφελος δεν έχουν πραγματοποιηθεί άλλαγες για τις ακόλουθες χρήσεις:
  - T bank ΑΤΕ (2008-2009), T Leasing ΑΕ Χρηματοδοτικής Μελισίων (2006-2009), Αρσία ΑΕ Μεσσιςσίων Ασφαλίσεων (2007-2009), T Fund ΑΕΑΚ (2007-2009), T Credit ΑΕ Αετοφυρών Μελισίων (2007-2009), T Στεγαστικά ΑΕ (2008-2009).
- Ο αριθμός του αποσπείζομενου προσωπικού στο τέλος της τραπεζικής περιόδου ανήλθε σε 1.001 (1.021) υπαλλήλους για την Τράπεζα και 1.037 (1.060) για τον Όμιλο.
  - 4. Ο αριθμός ονείων που καταμείωνται σε σχέση με καθαφής θέση, ποσό € (2.674) γλ., αφορά Όμιλο που έχει προκύψει από την απόληξη του διαθέσιμου προς πώληση χρηματοοικονομικού χρηρτηρών ποσό € (2.239) γλ. και ποσό € (435) γλ. μεταφορά θυσίας σημειώσεων διαθέσιμων προς πώληση μεταφερθέντα στο αποσπείζομετο.
- Έγγραφο περίληψη οι λογιστικές αρχές που υφίσταθηκαν από τον Όμιλο βάσει των ΔΠΧΑ και οι οποίες δεν έχουν διαφοροποιηθεί σε σχέση με τις Οικονομικές Καταστάσεις της χρήσης του 2009.
- Όσον αφορά στην Όμιλο (Τράπεζα) ορισμένα διαθέσιμα έχουν επανορθωθεί προκειμένου να είναι συγκρίσιμα με το αντίστοιχο της τραπεζικής περιόδου.
  - Στην κατάσταση Σύνολων Εσόδων περιλαμβάνονται 30.09.2009 η επανορθωμένη καθαφής μεταφορά ποσού ύψους € 4.111 (€ 3.552) γλ. από την γραμμή "Τόκοι και εξοφλούμενα έσοδα" στη γραμμή "Τόκοι και εξοφλούμενα έσοδα".
- Στην κατάσταση Χρηματοοικονομικών θέσεων χρήσης 2009 η επανορθωμένη καθαφής μεταφορά ποσού ύψους € 449 γλ. από την γραμμή "Αποτήσεις κατά πιστωτικών ιδρυμάτων" στη γραμμή "Ταμείο και τραπεζικά διαθέσιμα" και ποσό ύψους € 234, από την γραμμή "Αποτήσεις κατά πιστωτικών ιδρυμάτων" στη γραμμή "Λοιπά στοιχεία ενεργητικού".
7. Με την από 15 Απριλίου 2010 απόφαση του Διοικητικού Συμβουλίου πιστοποιήθηκε η καθαφής θέση του ποσού της αύξησης του μετοχικού κεφαλαίου της Τράπεζας ύψους 48.374.403,60 Ευρώ που αντιστοιχεί σε 80.24.095 κοινές ονομαστικές αξίας 0,60 Ευρώ η κοινή μ.ό. Το Ταμείο Τραπεζικού Εσόδου Α.Τ.Ε. στο πλαίσιο της συμμετοχής στην ως άνω αύξηση μετοχικού κεφαλαίου, εκτέλεσε έσοδα € 1.602.370 μετρητής από διακείμενα κλήρη, ήτοι το 32,80% των ονείων διακείμενων κλήρη.
  - 8. Με την από 7 Μαΐου 2010 απόφαση της Τακτικής Γενικής Συνέλευσης των μετόχων της τράπεζας, αποφασίστηκε η αλλαγή της επωνυμίας της από "ASPIS BANK ΑΝΩΝΥΜΗ ΤΡΑΠΕΖΙΚΗ ΕΤΑΙΡΙΑ" σε "T BANK ΑΝΩΝΥΜΗ ΤΡΑΠΕΖΙΚΗ ΕΤΑΙΡΙΑ" με διοικητικό ήλιο T Bank.
9. Οι συνολικές της Τράπεζας και του Ομίλου με μέλη της διοίκησης, διευθυντικά στέλχη, θυγατρικές και λοιπά ονείων μετρητή για το διάστημα έως 30.09.2010 έχουν ως εξής (σε χιλιάδες):

	Όμιλος	Τράπεζα
α) Επαφές	1.062	5.370
β) Επαφές	80	3.345
γ) Αποθήκες	37.848	558.149
δ) Υποκαταστήματα	59.650	539.258
ε) Συναλλαγές και αρχικά διευθυντικά στέλχη & μέλη της διοίκησης	1.273	1.243
στ) Αποθήκες από διευθυντικά στέλχη & μέλη της διοίκησης	460	456
ζ) Υποκαταστήματα προ διευθυντικά στέλχη & μέλη της διοίκησης	1.062	1.049
10. Ο πάσης φύσεως εφίλεξ (ή υπό διαπραγματεύσεις) της Τράπεζας και του Ομίλου καθώς και οι αποφασισθέντες ή διαπραγματευόμενες ονείων ονείων να έχουν σημαντική επίσημη στην οικονομική κατάσταση και λειτουργία τους. Οι προβλέψεις που έχουν διαπραγμαθεί από την Τράπεζα και τον Όμιλο είναι οι εξής (σε γλ. ευρώ):

	Όμιλος	Τράπεζα
Προβλέψεις για έσοδα αναδοχών	224	224
Προβλέψεις για ονείων επενδύσεων εφίλεξ των διαβόητων	1.000	1.000
Προβλέψεις για ανέλετες φορολογικές χρήσεις	28	-
Προβλέψεις φόρου εισοδήματος περιόδου	506	-
Προβλέψεις έκτακτης εισφοράς Ν.3845/2010	317	288
Προβλέψεις για επίδομα διακοπής υπηρέτησης	174	174
Προβλέψεις για επίδομα παύσης προσωπικού	1.214	214
Απομείωση από απομειώσεων ονείων	3.611	2.904
11. Δεν υφίσταται ίδες μεταβολές είτε καθαφής μετρητής της μετρητής εσόδων από θυγατρικές ή συγγενικές εταιρείες.

Αθήνα, 26 Νοεμβρίου 2010

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