



## **Six Months Financial Report**

(According to the provisions of the Law 3556/2007)

**AUGUST 2010**



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According to article 5 of the Law 3556/2007, to the best of our knowledge:

The Interim Financial Information have been prepared in accordance with the applicable International Financial Reporting Standards and give a fair and true view of the assets, liabilities and financial position of TT HELLENIC POSTBANK S.A. as well as the entities that included in the consolidation, considered as total, as provided in art. 5 par. 3 - 5 of Law 3556/2007

the Board of Director's interim report as of 30 June 2010 provides all information required by art. 5 par. 6 of Law 3556 /2007.

**Athens, August 30th, 2010**

Chairman  
of the BoD

Vice-Chairman  
of the BoD

Member  
of the BoD

\_\_\_\_\_  
Kleanthis Papadopoulos

\_\_\_\_\_  
Spyros Pantelias

\_\_\_\_\_  
Ioannis Tsagdis



**SEMI-ANNUAL MANAGEMENT REPORT**

**OF THE BOARD OF DIRECTORS  
OF THE BANKING COMPANY**

**“HELLENIC POSTBANK  
SOCIETE ANONYME”**

**ON STAND ALONE AND CONSOLIDATED BASIS**

**Covering operations for the period from  
1/1/2010 until 30/6/2010**

**AUGUST 2010**

**MANAGEMENT REPORT****OF THE BOARD OF DIRECTORS OF****“HELLENIC POSTBANK  
SOCIÉTÉ ANONYME”****ON STAND ALONE AND CONSOLIDATED BASIS****FOR THE PERIOD FROM 1/1/2010 UNTIL 30/06/2010**

Dear shareholders,

This semi-annual Report of the Board of Directors concerns the time period of the first semester of the current fiscal year 2010 and has been drawn according to the provisions of paragraph 6, article 5, Law 3556/2007, article 4 of decision 7/448/2007 and article 3 of decision 1/434/2007, as well as the relevant executive decisions of the Board of Directors of the Exchange Commission.

Financial information about the Bank and the Group are briefly described in the present Report, which aim at providing general information about the development of financial figures, the results and the changes of said figures during the first six months of the present fiscal year, the significant events that took place during said fiscal year and their impact in the financial statements. Reference is also made to the possible main risks that the Bank and the Group may face during the second semester of the current fiscal year, and the most important transactions between the issuer and its affiliated parties are also mentioned.

**1. PERFORMANCE AND FINANCIAL POSITION**

During the first semester of 2010, the conditions in the international markets, and especially in the domestic financial sector, remained unfavorable. The few positive influences by the first indications of a recovery of the global economy were offset, in reality, by the negative effects from the concerns of international investors about the development of fiscal figures and prospects of the Greek economy. These concerns fueled a series of downgrades in the credit rating of the country and affected also the credit ratings of domestic banks, as well as their securities.

Under these development, the deteriorating fiscal crisis caused a worsening of the lending terms of the country and under the fear of a spreading of said crisis in other Member States of the European Union that face fiscal problems, it was decided, on a Pan-European level, to create a framework to support the European, and within this framework also the Greek economy, through a loan to Greece in cooperation with the International Monetary Fund, on the condition of the implementation of a fiscal adjustment program and structural modifications. Greece resorted to this framework, thus ensuring, under conditions, a loan of 110 billion Euros from the Member States of the European Union and the International Monetary Fund.

Further to these developments, the banks faced a serious difficulty to access the international money markets, thus they were forced to resort to further increase their refinancing from the European Central

Bank in exchange for securities and mainly Greek Government Bonds, a loan which remains at a low cost of 1% and the amount of which was 90 billion Euros in total for the Greek credit system.

However, the fact of the worsening of the credit rating of the country and the expansion of the credit spread of the Greek Government Bonds compared to the German Bonds, reduced the market value of the Greek Bond portfolio held by the banks and further limited their ability to draw liquidity from the Euro system through a value "haircut" of 5%. At the same time, the uncertainty that was created in the Greek market by the developments of the fiscal figures and the possible negative impact to the domestic credit institutions, lead to a significant reduction in the deposits of their clients, thus further pressuring the unfavorable liquidity of the credit institutions, a fact which was verified by the modest worsening of the relevant indices. It is estimated that the disbursements of deposits from the domestic credit institutions reached approximately 21.5 billion Euros (a reduction by 9.0%) from December 2009 and until June of 2010.

The reduction of the liquidity sources for the banks, that is, the deposits and the securities portfolio value that were acceptable for refinancing by the ECB, in combination with the continuous increase of delays in loan servicing and the continuous need for further projections for possible future delinquencies, created a significant deceleration in the financing of new loans, with a corresponding impact, mainly on businesses. This fact is also strongly depicted in the information published by the Bank of Greece, which show a reduction of the pace of credit expansion during the month of June of 2010 at a percentage of 2.5% compared to 4.2% in December of 2009 and 7.4% for the same month of 2009.

There was a gradual de-escalation in the interest rates of deposits, mainly time deposits, following an increasing course which peaked during the first quarter of the current year, at the same time with the expansion of the Greek Government Bond credit spread (and until it was decided that Greece would resort to the support framework), a fact which contributed to the limitation of cost for the Greek banks and facilitated their efforts to draw funds from sources beyond the European Central Banks and the support framework.

However, significant facilitation was provided in regard to the liquidity of credit institutions by the extension of the ability to use non-provided sources from the liquidity strengthening measures, Law 3723/2008, as well as by a series of measures which were taken at the level of the European Central Bank in order for the Greek Government Bonds, and bonds guaranteed by the Greek Government, to be accepted as collateral for refinancing, regardless of their credit ratings.

At the same time, the Greek Government, in its effort to support the stability of the Greek banking system, with the purpose of strengthening the capital adequacy of the credit institutions, proceeded to the establishment of the Financial Stability Fund with the new Law 3864/2010. The capital of the fund shall be 10 billion Euros, derived from the sum of the 110 billion Euros loan. This fund will operate as a supplemental instrument to Law 3723/2008 for the "Strengthening of the liquidity of the economy and the offset of the impact from the international financial crisis" and will not strengthen the liquidity provided with the abovementioned law.

In view of these developments, but also due to the prompt implementation of the commitments in the Memorandum concerning the accession of Greece in the support framework, through the implementation of the fiscal adjustment program and structural reforms, the Greek economy seemed to be affected more than the other European economies in the first semester of 2010. GDP growth rate (according to information of the Hellenic Statistic Authority) exhibited a reduction of 3.5% during the second quarter of 2010 when compared to the corresponding quarter of 2009 and a reduction of 1.5% when compared to the previous quarter. The development ratios of other indices depicting the economic activity were also negative. The mean annual inflation (June 2010 - July 2009), on the basis of the adjusted consumer price

index rose to 2.7% while it was 2.4% in the previous twelve month period. The unemployment rate increased (first quarter) to 11.7%, while it was 9.3% during the previous twelve month period. The economic activity, which affects the development of home loans to a great degree, exhibited a reduction of 22.0% during the twelve month of May 2010 - May 2009. These indices depict, in a quite evidential manner the recession of the Greek economy which also affects the growth of financial figures of the Banks, both in regard to the disbursements of loans (due to a reduction in construction activities, reduction of the public sector employee income, etc), and to an increase in the delays of loan servicing (due to an increase of unemployment, decrease of income, etc).

The abovementioned developments worsened the performance of the Greek banks during the first semester of 2010 and contributed, as the first quarter reports showed losses of the banking system, especially at a level of financial actions and at a level of increased projections, despite any control measures on their operational expenses.

Despite the fact that the lack of liquidity affected the entire Greek banking system, Hellenic Postbank, having high liquidity and strong capital adequacy, was a major financier of it, through the interbank market. Specifically, the strong capital adequacy of Hellenic Postbank was shown also in practice, during the publication of the results from the stress test which took place with the participation of 91 large European Banks in July of 2010. Hellenic Postbank ranked first among the six Greek banking groups that participated, achieving, after the application of the "extremely unfavorable" scenario, an index of 10.1%, while it also ranked among the first credit institutions among the 91 largest European Banks.

However, with the exception of the Agricultural Bank, which was behind the minimum limit, the Greek banks exhibited a very satisfactory strength in the various scenarios of the stress test, the conditions of which, it must be noted, are based on extreme but also seemingly reasonable financial conditions, the concurrent oncoming of which is less likely to happen, therefore the results of these tests may not be considered as projections in any case.

Despite the unfavorable international developments, and especially the Greek financial difficulties, the Bank maintained its high liquidity and continued at a satisfactory growth rate throughout the first semester of 2010 on the basis of the restrained and safe credit expansion policy, the conditions that prevailed, the strengthening of the repeated (operating) sources of income, the reduction of assumed risk, particularly in the investment portfolio, the control of its operating expenses, and, finally, the proper and safe use of its high liquidity.

Within the framework of the abovementioned strategy, the total assets on an annualized basis, as of June 30th 2010 amounted to 18.17 billion Euros, an increase of 1.18% from 31.12.2009 and 11.85% from June 30th 2009. Respectively, the total assets on stand alone basis amounted to 18.18 billion Euros as of June 30th 2010, an increase of 1.21% from 31.12.2009 and 11.86% from June 30th 2009. The liquidity of the Bank Group was 2,856.69 million Euros compared to 2,449.06 million Euros on 31.12.2009 and 2,119.03 million Euros as of June 30th 2009. The portfolio of loans and advances to clients amounted to 8.09 billion Euros, an increase of 0.55% when compared to the balances of 31.12.2009 and 9.11% billion Euros when compared to the balances of June 30th 2009. Deposits and Repos amounted to 12.69 billion Euros, showing a small increase of 0.46% when compared to the balances of 31.12.2009 and an increase of 3.39% from the corresponding previous period of 2009, while its net position amounted to 869.08 million Euros.

The results before taxes in the first semester of 2010 showed, on stand alone basis, losses of 32.81 million Euros, mainly due to the effect of the adverse financial conditions on the valuation of the securities in the Bank's portfolio, which are reflected in the results from financial assets in the statement of comprehensive income. On a consolidated basis, the results before taxes of the period showed losses of 39.75 million Euros, further burdened by the negative result of the consolidated companies of the Group. The net loss of

the period for the Bank, after the relevant income taxes and the extraordinary social security contribution, amounted to 46.26 million Euros, while for the Group to losses of 55.11 million Euros. The net profit for the first semester of 2009 was 89.11 million Euros and 94.28 million Euros, respectively.

The ratio of loans to deposits was 63.72% compared to 63.67% at 31.12.2009 and 60.38% at 30.06.2009, while finally the ratio of capital adequacy was approximately 15.47% compared to 17.10% 31.12.2009 and 10.96% in the corresponding period of 2008.

**The main points of the Results of the First Semester on a consolidated basis, are the following:**

- **Interest and similar income** were 308.68 million Euros from 335.38 million Euros of the corresponding period of 2009, showing a decrease of 7.96%, which is due to the reduction in interest rates, thus a reduction in the interest income from the interbank market, as well as a reduction in disbursements.
- **Interest and similar charges** were 128.05 million Euros compared to 205.52 million Euros in the corresponding period of 2009, showing a decrease of 37.69%, which is due to the reduction in interest rates, that affected negatively the cost of deposits, especially time deposits, as well as the cost of interbank lending.
- **Net interest** income amounted to 180.63 million Euros compared to 129.86 million Euros in the corresponding period of 2009, showing a significant increase of 39,10%.
- **Commission income** amounted to 8.55 million Euros compared to 10.33 million Euros in the corresponding period of 2009, showing a decrease of 17.25%.
- **Commission expenses** were approximately 0.62 million Euros compared to 1.18 million Euros in the corresponding period of 2009, showing a decrease of 47.01%.
- **Net commission income** was 7.92 million Euros compared to 9.15 million Euros in the corresponding period of 2009, showing a decrease of 13,43%.
- **Dividend income** was 3.55 million Euros compared to 4.15 million Euros in the corresponding period of 2009, showing a decrease of 14,49%.
- **Net losses from financial assets** at fair value through profit or loss amounted to 86.06 million Euros, compared to 104.66 million Euros net gains in the corresponding period of 2009, reflecting the impact of the adverse financial conditions on the valuation of the securities in the portfolio of the Bank.
- The **net income of the investment portfolio** amounted to 0.23 million Euros compared to 10.61 million Euros in the corresponding period of 2009.
- **Other operating income** were 0.60 million Euros compared to 0.50 million Euros in the corresponding period of 2009, which is an increase of 19.92%.
- **Personnel expenses** amounted to 65.04 million Euros compared to 51.83 million Euros for the corresponding period of 2009, which is an increase by 25.50%. This increase mainly reflects, during the first semester of 2010, the complete incorporation of the newly hired employees during the first semester of 2009 in the personnel expenses. The employees were gradually included in the personnel of the Bank and the Group, together with the employees hired within the second semester and thereafter.
- **Other operating expenses** were 43.47 million Euros compared to 55.45 million Euros in the corresponding period of 2009, which is a significant decrease of 21.60%. This reduction reflects mainly the effort to control operating expenses.
- **Depreciation and amortization charges** were 5.86 million Euros compared to 5.30 million Euros in the corresponding period of 2009, which is an increase of 10,51%.

- **Other expenses** were 3.91 million Euros compared to 6.95 million Euros in the corresponding period of 2009, which is a significant decrease of 43,73%.
- **The allowance for impairment of loans and other assets** was approximately 21.58 million Euros compared to 16,98 million Euros in the corresponding period of 2009, showing an increase of 27.07%. The calculation of allowances complies with the minimum requirements set by the Bank of Greece.
- **The share of profits/losses** from associates showed losses of 6.75 million Euros compared to 0.52 million Euros in the corresponding period of 2009.
- Finally, the **Bank's share capital**, after income tax for the fiscal year, amounted to 853.44 million Euros compared to 1,224.49 million Euros in the prior fiscal year.

In regard to the abovementioned results, it should be noted that with the exception of the losses from financial assets, the allowances and the depreciation charges, the loss for the period before taxes of the Group, which is derived from repeated operations showed a significant increase by 145.42% when compared to the corresponding period of 2009, and amounted to 73.52 million Euros from 29.96 million Euros, respectively.

## 2. SIGNIFICANT EVENTS IN THE FIRST SEMESTER OF THE CURRENT FISCAL YEAR

The main events that took place during the first semester of 2010 were the following:

### I. Consumer Credit

Hellenic Postbank, considering the difficult economic circumstances, created the loan product "**Protection for the Unemployed**". This product enables existing customers who are currently unemployed to suspend the payment of loan instalments for a certain time period which varies and with duration of up to 12 months for consumer loans and up to 24 months for home loans.

Also, Hellenic Postbank, within the scope of the development of new products, the difficult economic circumstances and the "conservation" of natural resources, created and provides the loan product "**Solar Roof**" in cooperation with the Postbank Green Institute (a subsidiary of the Group) which gives the option to any citizen to save money by using solar energy with the use of photovoltaic systems which may self-finance the loan and add income to the family budget.

### II. Cooperation with Hellenic Post

The connection of the systems of the two organizations has been completed, as well as their communication in real time, which is an essential development of the cooperation of the Bank with EL.TA. The number of the inter-connected branches-shops of the EL.TA was 441 shops until the end of June 2010, while the other EL.TA shops make real time transactions through updated electronic communication (call center).

Also, until the first semester of 2010, the Bank was operating 81 "Shop in the Shop" locations, that is, locations for sales and support for the clients of the Bank within the shop network of EL.TA. These actions are expected to strengthen the presence of the Bank in that network, therefore the sales of its products and the prompt service to its clients.

### III. Investments in Associates

In **February of 2010**, Hellenic Postbank, following a series of decisions by its Board of Directors, exhibited its initial intention to participate in the share capital increase of the public limited banking

company "Aspis Bank A.T.E." (currently "T Bank A.T.E."), deeming that the abovementioned investment may essentially contribute and accelerate the implementation of the business plans of the Bank and the Group, under the following conditions:

- a. The acquisition of holdings in the total stock capital, after its increase, and voting rights in Aspis Bank S.A. from 30% to a maximum of 32.9% from any unsold stock shares.
- b. The exercise of preemptive rights or any pre-registration rights on behalf of the major shareholders of Aspis Bank S.A., of either natural or legal persons.
- c. The finalization of the specific terms of the increase, mainly the price of each stock share, by the Board of Directors of Aspis Bank S.A.
- d. The prior acquisition of necessary approvals from the competent authorities.

In **April of 2010**, Hellenic Postbank, following full satisfaction of the abovementioned conditions and all the necessary authorizations, participated in the share capital increase through the "Book of Demand" for the distribution of outstanding shares. As a result, the Bank acquired 47.602.370 new, common registered, with voting rights, shares of "T BANK S.A" (former "ASPIS BANK S.A.") at a price of 0.60 Euros per share.

The Bank's participation in the "Aspis Bank A.T.E." (currently "T Bank A.T.E.") share capital and voting rights amounted to 32.90%.

In **May of 2010**, the President and the Vice President of the Board of Directors of Hellenic Postbank, Mr. Kleanthis Papadopoulos and Mr. Spyridon Pantelias respectively, were elected as new members of the Board of Directors of "T Bank A.T.E." by the Ordinary General Assembly of the shareholders. Subsequently, and specifically on the 10th of May of 2010, the Board of Directors of T Bank A.T.E., upon its composition, elected Mr. Kleanthis Papadopoulos as a non-Executive President of the Board of Directors.

#### **IV. Distinction of the Hellenic Postbank in the category "Use of Technology in the Administration of Human Resources"**

In March of 2010, Hellenic Postbank was awarded one of the three KPMG awards during the 13th Human Resources **Symposium**. Specifically, it earned an award in the category "Use of Technology in the Administration of Human Resources". The award was given for its comprehensive Human Resources management computer system of the Bank, which, in the context of the self-service functionality, was enriched with new, innovative functions, in order to:

- ✓ offer to the employees the option of interactive internal communication,
- ✓ contribute to their updating, through the establishment of an electronic library with many articles, general topics, and educational material,
- ✓ strengthen the individual sense of social and environmental responsibilities of the employees, through cooperation with various organizations which provide social service, and
- ✓ to promote the concept of health and well being in the work place, and to make practical advice available to the employees for their protection in safety and first aid subjects.

#### **V. Agreement of the subsidiary "Hellenic Post Credit A.E.E.P." with the Medical Group of Athens.**

In **March of 2010**, an agreement was signed between the Medical Group of Athens and the subsidiary **Hellenic Post Credit A.E.E.P.**, according to which the holders of its credit cards shall receive, free of

charge, the medical benefits program "Health Credit" which offers discount privileges for medical and diagnostic examinations in outpatient offices of hospitals of the Medical Group of Athens.

#### VI. Development of information systems

The setup of a data warehouse system (administrative information system) is at a final stage at TT Hellenic Postbank, while it is expected that the e-banking system, the ERP system (Enterprise Resource Planning), as well as the singularization of the clients.

#### VII. Non-payment of dividend for the fiscal year 2009

- I. In **June of 2010**, the 7th Ordinary General Assembly of the shareholders of the Bank, on the basis of further strengthening of the Bank's capital adequacy, under the current economic circumstances, decided the distribution of the profits of the fiscal year of 2009, according to the approved Annual Financial Statements of the fiscal year 2009, and specifically, accepted the relevant proposal of the Board of Directors and approved the **non-distribution** of dividend for the fiscal year 2009 (in the form of distribution of stock shares per articles 1 and 2 of Law 3723/2008) and the transfer of the profits of the fiscal year in the "Retained earnings".

#### VIII. Election of new members of the Board of Directors of the Bank

In **June of 2010**, the 7th Ordinary General Assembly of the shareholders of the Bank elected as new (non-Executive) Members of the Board of Directors, Mr. Varsamis Christos and Mr. Tsagdis Ioannis, to replace members who resigned and ratified the February 9<sup>th</sup> 2010 election of Mr. Aristides Pittas as Independent non-Executive Member of the Board of Directors and, the 11th June 2010 election of Mr. Georgios Sideris as a non-Executive Member - Employee Representative.

On the 24th of June 2010, pursuant to the 26320/B1278/18.06.2010 Decision of the Minister of Economics and Finance with subject "Appointment of representatives of the Greek State according to the provisions of Law 3723/2008, as applicable", Mr. Georgios Mouzoulas was appointed as a new member of the Board of Directors of the Bank in the capacity of the Representative of the Greek State (to replace Mr. Aggelos Androulidakis, Greek State's Representative, who resigned). The tenure of Mr. Mouzoulas commenced from the publication of the abovementioned decision in the Official Gazette and shall expire when the Bank is no longer subject to the provision of article 1, Law 3723/2008, as applicable.

#### IX. Distinctions

In July of 2010, the magazine "The Banker" (of the Group of the Financial Times), declared Hellenic Postbank as the 330th largest bank in the world for "Tier 1 Capital", that is, 200 positions higher than the previous ranking.

### 3. MAIN RISKS AND UNCERTAINTIES IN THE SECOND SEMESTER OF THE FISCAL YEAR

The International and the European macroeconomic environment is still characterized by a relative uncertainty about its future course. This fact affects the economic policies of all countries, and especially of the Eurozone.

However, the fact that growth in the 16 countries of the Eurozone during the second quarter of 2010 was 1% was encouraging, as it is a percentage which created a relevant optimism for a possible reversal of the negative economic climate and a return to a more stable economic environment in a shorter time period. However, although it is expected that the International and the European course affect the money and capital markets to a great degree, thus affecting the course of the Greek economy, the special situation of the Greek economy, after Greece participated in the financing framework of the European Union and the International Monetary Fund, differentiates the expected development of the macroeconomic figures at a national level.

The implementation of the commitments of the Greek Government for fiscal adjustment lead to a series of measures of fiscal rationalization which are expected to modify the economic activities of the country in a manner different from the one of the international and the European economic course.

The calculations of the Hellenic Statistical Authority and the reports of the Bank of Greece, reveal the economic recession in which the credit institutions will operate for the second semester of the current year.

Under these conditions and specifically due to the shrinking of the family income, which constitutes a significant part of the population, of the public and private employees, as well as the increase of the unemployment rate, it is possible that the loan servicing for the loans of the Bank will be further affected, and the balance of delinquent loans will increase. This possibility would affect the expected course of projections for possible delinquent demands, which would negatively affect the results of the current fiscal year, therefore, the account of own funds.

The administration of the Bank, in order to offset such a possibility, has designed and maintains flexible products to facilitate the repayment of delinquent loans, in order to limit their expansion, while at the same time it provides fixed interest products to the borrowers, which it hedges, to the degree that it's possible, for the risk of loss of revenues from a possible increase of the interest rates in the market.

Due to the abovementioned expected economic developments and the continued reduction of the GDP, in combination with the continued market uncertainty and the worsening of the economic figures, it is possible that the reduction in banks' retail disbursements will continue in Greece. This scenario could affect the credit expansion rate of the Bank and subsequently the growth rate of its repeated revenues from interest. However, by maintaining the benefit of strong liquidity, the Bank provides for its effective management in order to strengthen its revenues from interest.

The Bank continues to maintain significant positions in financial assets, which, under these conditions, may continue to be negatively affected in their valuations and to negatively affect the results from financial and investment transactions, as well as its own funds.

The Management of the Bank, in order to offset the abovementioned risk, has redefined its management goals, mainly in the aspects of return risks and safety of invested capital, by reversing the policy of high risk complex investments products and by continuously reducing the relevant positions it maintained. The Bank has also applied hedging policies for said risks, through financial tools and models, in order to limit possible negative impact.

In general, and although the present conditions constitute a significantly difficult period, the Management of the Bank remains committed to its strategic goals for the development of its profitability basis through repeated revenue sources, for the control of its costs, for the restructuring and the safer management of the investment portfolio, for the more efficient management of its liquidity and for the efficient use of its capital adequacy. However, the composition of the Bank's results may exhibit variations between the sources of their origin.

## 4. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

## a) Balances with members of the Board of Directors and Managerial Officers

| <i>Amounts in €</i>  | 30.06.2010          | 31.12.2009          |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Loans  | 2,762,042.21        | 6,590,763.97        |
| <b>Total</b>   | <b>2,762,042.21</b> | <b>6,590,763.97</b> |
| <b>Liabilities</b>   |                     |                     |
| Deposits   | 1,172,088.19        | 3,840,410.81        |
| <b>Total</b>   | <b>1,172,088.19</b> | <b>3,840,410.81</b> |
| <i>Amounts in €</i>  | 30.06.2010          | 30.06.2009          |
| <b>Expenses</b>  |                     |                     |
| Fees and other benefits to members of the BoD and Management | 4,754,275.23        | 3,310,826.87        |
| Interest from deposits                                       | 22,419.26           | 43,979.05           |
| <b>Total</b>   | <b>4,776,694.49</b> | <b>3,354,805.92</b> |
| <b>Income</b>  |                     |                     |
| Interest income  | 42,739.76           | 74,989.97           |
| <b>Total</b>   | <b>42,739.76</b>    | <b>74,989.97</b>    |

## b) Balances With Subsidiaries And Associates

| <i>Amounts in €</i>                                | 30.06.2010            | 31.12.2009            |
|--|-----------------------|-----------------------|
| <b>Assets</b>                                      |                       |                       |
| Interbank loans and advances                       | 100,000,000.00        | 100,000,000.00        |
| Loans to Subsidiaries and Associates               | 500,000.00            | -                     |
| <b>Total</b>                                       | <b>100,500,000.00</b> | <b>100,000,000.00</b> |
| <b>Liabilities</b>                                 |                       |                       |
| Interbank deposits and liabilities                 | 1,914,957,95          | 0                     |
| <b>Total</b>                                       | <b>1,914,957,95</b>   |                       |
| <i>Amounts in €</i>                                | 30.06.2010            | 30.06.2009            |
| <b>Expenses</b>                                    |                       |                       |
| Interest expense from interbank deposits and loans | 37,202.13             | 191,255.46            |
| <b>Total</b>                                       | <b>37,202.13</b>      | <b>191,255.46</b>     |
| <b>Income</b>                                      |                       |                       |
| Interest income from interbank loans and advances  | 738,657.00            | 14,247.94             |
|  | 213.89                | -                     |
| <b>Total</b>                                       | <b>738,870.89</b>     | <b>14,247.94</b>      |

## 5. EVALUATIONS FOR THE DEVELOPMENT OF THE ACTIVITIES DURING THE SECOND SEMESTER OF THE FISCAL YEAR

The second semester of the current fiscal year is expected to be a difficult period for the Greek economy and for the country's credit system.

The Management, by utilizing the comparative advantages of adequate liquidity and strong capital adequacy, aims not only to maintain the financial figures of the Bank, but to also improve its financial results, on the basis of the healthy and safe development of its loan portfolio, even at a slower pace, the maintenance, and to the degree that it is possible, the increase of its client base and the strengthening of its relationship of trust with its clients.

The policy to maintain adequate capital and allowances, especially due to the economic conditions, constitute one of the most important aspects of the strategic shielding of the Bank, so that it will be in a position to continue its current business activity and to utilize possible opportunities for growth in new areas of business activities. This policy will also continue in the second semester of the fiscal year.

Specifically, in regard to its investments, the Bank aims to continue the policy to reduce assumed risks until the full replacement of any type of complex bond instruments, as well as the hedging policy for the financial assets of its portfolio. However, the speed and the efficiency of the implementation of the fiscal adjustment program will continue to be a critical factor which shall affect the valuations of its investment portfolio in the second semester of the fiscal year.

Through retail banking and further growth of the high grade corporate bonds in neutral sectors and sectors of the economy which invest or conduct business in environment-friendly development and technology, or the development of renewable energy sources, the Bank aims to continue to utilize its strong liquidity and to strengthen repeated revenues from interest.

Specifically, at the sector of retail banking and considering the current fiscal condition of the country, the Management aims to achieve a pace of business growth satisfactory for the present environment, to maintain safe, efficient and covered with adequate allowances portfolios, to provide products that facilitate the servicing of loans, to expand its branch network in selected areas and in general to maintain and strengthen the revenues of the Bank from interest.

Additionally, the marketing of bank-assurance products which combine savings and insurance is continued through the subsidiary Post Insurance Brokerage - Insurance Brokers S.A. which is expected to exhibit a satisfactory contribution ratio in the Bank's repeated revenues from commissions, while further growth is expected in the Personal Banking and Trust services.

**At the same time, the effort for further Bank operating cost control will continue, which is expected to produce results in the second semester of the fiscal year, mainly through the following actions:**

- Continuous re-negotiation of contracts
- Better utilization of the current bank product distribution networks, through the increase of the number of ATMs.
- Increase of the number of EL.TA branches connected with the computer system of the Bank.
- Strengthening of the presence of "Shop in the Shop" areas in the shops of the EL.TA. network.
- Maximum possible utilization of the current distribution network of the subsidiary "Hellenic Postcredit S.A."
- Completion of the computer application for the monitoring and the control of commission and service cost.
- Commencement of the operation of the electronic banking (**e-banking**) system.

The Management of Hellenic Postbank is continuously reviewing the possibilities for new areas of business activities, so that the Bank, to the degree that it is possible, and considering the fiscal and economic conditions, may expand its activities and strengthen enhance its efficiency. The goal is to maintain the character of a Bank with a strong and modern image, which operates with private sector economic criteria and aims to follow a course of healthy and stable growth and profitability from sources of repeated revenues, for the benefit of the shareholders, the employees, the clients and all Greek citizens.

**Report on Review of Interim Financial Information**  
Translated from the original text in Greek  
To the Shareholders of "HELLENIC POSTBANK S.A."

**Introduction**

We have reviewed the accompanying condensed company and consolidated statement of financial position of Hellenic Postbank S.A. (the "Bank") and its subsidiaries (the "Group") as of 30 June 2010, and the related condensed company and consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of Law 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

**Reference to Other Legal and Regulatory Requirements**

Our review has not revealed any inconsistency or discrepancy of the other information included in the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

The logo for PricewaterhouseCoopers, featuring the company name in a stylized, cursive font with a small square icon containing the letters 'PC' to the right.

Athens, 30 August 2010  
The Certified Auditors- Accountants

PricewaterhouseCoopers  
268 Kifissias Avenue  
Halandri 152 32  
SOEL Reg. No. 113

Constantinos Michalatos  
Sourbis  
SOEL Reg. No. 17701  
16891

Dimitrios  
SOEL Reg. No.



**Interim Financial Information  
on Consolidated and Stand Alone Basis  
June 30<sup>th</sup>, 2010  
in accordance with  
International Accounting Standard 34**

**AUGUST 2010**

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# INCOME STATEMENT (ON CONSOLIDATED BASIS)



June 30<sup>th</sup>, 2010

|  |       | ON CONSOLIDATED BASIS           |                         |                               |                        |
|--|-------|---------------------------------|-------------------------|-------------------------------|------------------------|
|  |       | From January 1 <sup>st</sup> to |                         | From April 1 <sup>st</sup> to |                        |
| <i>Amounts in €</i>  | Note  | 30.6.2010                       | 30.6.2009               | 30.6.2010                     | 30.6.2009              |
| Interest and similar income  |       | 308.682.990,34                  | 335.381.905,79          | 162.429.991,11                | 152.275.183,18         |
| Interest expense and similar charges   |       | (128.054.677,50)                | (205.522.773,32)        | (60.603.007,46)               | (96.684.091,38)        |
| <b>Net interest income</b>   | 4     | <b>180.628.312,84</b>           | <b>129.859.132,47</b>   | <b>101.826.983,65</b>         | <b>55.591.091,80</b>   |
| Fee and commission income  |       | 8.548.028,90                    | 10.330.199,34           | 4.590.197,03                  | 3.678.688,26           |
| Fee and commission expense   |       | (623.211,56)                    | (1.176.083,62)          | (223.138,58)                  | (520.880,23)           |
| <b>Net fee and commission income</b>   | 5     | <b>7.924.817,34</b>             | <b>9.154.115,72</b>     | <b>4.367.058,45</b>           | <b>3.157.808,03</b>    |
| Dividend income  | 6     | 3.545.348,09                    | 4.146.214,56            | 2.363.493,05                  | 2.866.373,48           |
| Net income from financial instruments designated at fair value through profit and loss | 7     | (86.058.296,62)                 | 104.655.541,71          | (55.619.933,26)               | 74.673.772,43          |
| Net income from investment securities  | 8     | 230.198,62                      | 10.609.395,72           | 942.189,24                    | 6.458.368,36           |
| Other operating income   |       | 600.985,66                      | 501.165,59              | 320.355,67                    | 258.760,28             |
| <b>Total operating income</b>  |       | <b>106.871.365,93</b>           | <b>258.925.565,77</b>   | <b>54.200.146,80</b>          | <b>143.006.174,38</b>  |
| Personnel expenses   | 9     | (65.044.386,46)                 | (51.829.582,20)         | (31.771.085,52)               | (27.746.048,33)        |
| Other operating expenses   | 10    | (43.470.565,99)                 | (55.447.919,30)         | (24.229.179,24)               | (32.581.236,05)        |
| Depreciation and amortization charges  | 22,23 | (5.859.113,45)                  | (5.301.846,33)          | (2.969.284,88)                | (2.989.560,12)         |
| Allowance for the impairment of loans  | 17    | (21.579.947,86)                 | (16.982.369,00)         | (10.757.002,22)               | (10.438.924,00)        |
| Allowance for the impairment of other assets and investments                           |       | -                               | -                       | 32.957,25                     | -                      |
| Other expenses   | 11    | (3.910.570,61)                  | (6.950.301,11)          | (985.167,35)                  | (3.624.391,67)         |
| <b>Total operating expenses</b>  |       | <b>(139.864.584,37)</b>         | <b>(136.512.017,93)</b> | <b>(70.678.761,96)</b>        | <b>(77.380.160,16)</b> |
| Share of profit / (losses) from associates   |       | (6.754.188,91)                  | 523.308,63              | (6.562.282,24)                | 1.160.934,37           |
| <b>Profit / (loss) before tax</b>  |       | <b>(39.747.407,35)</b>          | <b>122.936.856,47</b>   | <b>(23.040.897,40)</b>        | <b>66.786.948,59</b>   |
| Income tax   | 12    | (10.990.831,37)                 | (28.659.228,43)         | (6.643.608,09)                | (16.693.463,48)        |
| Extraordinary social responsibility tax  | 13    | (4.376.210,86)                  | -                       | (4.376.210,86)                | -                      |
| <b>Profit / (loss) for the period after tax</b>  |       | <b>(55.114.449,58)</b>          | <b>94.277.628,04</b>    | <b>(34.060.716,35)</b>        | <b>50.093.485,11</b>   |
| <b>Attributable to :</b>   |       |                                 |                         |                               |                        |
| Non- controlling interest  |       | (423.189,76)                    | 2.757.462,45            | 203.316,07                    | 1.048.965,34           |
| Owners of the parent   |       | (54.691.259,82)                 | 91.520.165,59           | (34.264.032,42)               | 49.044.519,77          |
| <b>Earnings / (losses) per share</b>   |       |                                 |                         |                               |                        |
| - Basic and diluted  | 14    | <b>(0,2248)</b>                 | <b>0,5921</b>           | <b>(0,1371)</b>               | <b>0,3117</b>          |

Athens, August 30<sup>th</sup>, 2010

|                           |                                |                               |                                      |
|---------------------------|--------------------------------|-------------------------------|--------------------------------------|
| CHAIRMAN                  | EXECUTIVE<br>VICE-<br>CHAIRMAN | CHIEF<br>FINANCIAL<br>OFFICER | DIRECTOR OF<br>FINANCIAL<br>SERVICES |
| KLEANTHIS<br>PAPADOPOULOS | SPYROS<br>PANTELIAS            | GEORGE<br>XIFARAS             | ATHANASIOS<br>DIONAS                 |

# INCOME STATEMENT (ON STAND ALONE BASIS)



June 30<sup>th</sup>, 2010

|  |       | ON STAND ALONE BASIS            |                         |                               |                        |
|--|-------|---------------------------------|-------------------------|-------------------------------|------------------------|
|  |       | From January 1 <sup>st</sup> to |                         | From April 1 <sup>st</sup> to |                        |
| <i>Amounts in €</i>  | Note  | 30.6.2010                       | 30.6.2009               | 30.6.2010                     | 30.6.2009              |
| Interest and similar income  |       | 298.239.774,81                  | 335.334.065,79          | 157.167.150,37                | 152.248.382,33         |
| Interest expense and similar charges   |       | (128.069.836,54)                | (205.535.163,25)        | (60.618.034,12)               | (96.696.758,10)        |
| <b>Net interest income</b>   | 4     | <b>170.169.938,27</b>           | <b>129.798.902,54</b>   | <b>96.549.116,25</b>          | <b>55.551.624,23</b>   |
| Fee and commission income  |       | 5.877.057,26                    | 7.303.218,25            | 3.190.589,24                  | 3.305.887,84           |
| Fee and commission expense   |       | (449.259,48)                    | (1.012.176,56)          | (162.812,45)                  | (449.584,12)           |
| <b>Net fee and commission income</b>   | 5     | <b>5.427.797,78</b>             | <b>6.291.041,69</b>     | <b>3.027.776,79</b>           | <b>2.856.303,72</b>    |
| Dividend income  | 6     | 4.803.748,09                    | 5.017.414,56            | 3.621.893,05                  | 3.737.573,48           |
| Net income from financial instruments designated at fair value through profit and loss | 7     | (86.043.565,05)                 | 104.623.478,37          | (55.599.150,01)               | 74.649.712,72          |
| Net income from investment securities  | 8     | 230.198,62                      | 10.609.395,72           | 942.189,24                    | 6.458.368,36           |
| Other operating income   |       | 567.826,74                      | 566.889,45              | 327.704,10                    | 254.399,80             |
| <b>Total operating income</b>  |       | <b>95.155.944,45</b>            | <b>256.907.122,33</b>   | <b>48.869.529,42</b>          | <b>143.507.982,31</b>  |
| Personnel expenses   | 9     | (62.861.630,25)                 | (50.234.173,33)         | (30.696.072,22)               | (26.894.593,68)        |
| Other operating expenses   | 10    | (40.740.587,06)                 | (60.855.331,94)         | (23.131.970,78)               | (36.016.502,78)        |
| Depreciation and amortization charges  | 22,23 | (5.462.594,37)                  | (5.238.657,84)          | (2.770.228,40)                | (2.954.613,24)         |
| Allowance for the impairment of loans  | 17    | (15.076.115,58)                 | (16.982.369,00)         | (8.172.522,27)                | (10.438.924,00)        |
| Allowance for the impairment of other assets and investments                           |       | -                               | -                       | 32.957,25                     | -                      |
| Other expenses   | 11    | (3.828.672,99)                  | (6.950.130,04)          | (939.638,90)                  | (3.624.221,25)         |
| <b>Total operating expenses</b>  |       | <b>(127.969.600,25)</b>         | <b>(140.260.662,15)</b> | <b>(65.677.475,32)</b>        | <b>(79.928.854,95)</b> |
| <b>Profit / (loss) before tax</b>  |       | <b>(32.813.655,80)</b>          | <b>116.646.460,18</b>   | <b>(16.807.945,90)</b>        | <b>63.579.127,36</b>   |
| Income tax   | 12    | (9.567.705,14)                  | (27.535.526,23)         | (5.964.388,77)                | (15.873.690,74)        |
| Extraordinary social responsibility tax  | 13    | (3.874.448,86)                  | -                       | (3.874.448,86)                | -                      |
| <b>Profit / (loss) for the period after tax</b>  |       | <b>(46.255.809,80)</b>          | <b>89.110.933,95</b>    | <b>(26.646.783,53)</b>        | <b>47.705.436,62</b>   |
| <b>Attributable to :</b>   |       |                                 |                         |                               |                        |
| Owners of the parent   |       | (46.255.809,80)                 | 89.110.933,95           | (26.646.783,53)               | 47.705.436,62          |
| <b>Earnings / (losses) per share</b>   |       |                                 |                         |                               |                        |
| - Basic and diluted  | 14    | <b>(0,1948)</b>                 | <b>0,5761</b>           | <b>(0,1100)</b>               | <b>0,3028</b>          |

Athens, August 30<sup>th</sup>, 2010

|                        |                         |                         |                                |
|------------------------|-------------------------|-------------------------|--------------------------------|
| CHAIRMAN               | EXECUTIVE VICE-CHAIRMAN | CHIEF FINANCIAL OFFICER | DIRECTOR OF FINANCIAL SERVICES |
| KLEANTHIS PAPADOPOULOS | SPYROS PANTELIAS        | GEORGE XIFARAS          | ATHANASIOS DIONAS              |

| <i>Amounts in €</i>  | On consolidated basis           |                       |                               |                       |
|--|---------------------------------|-----------------------|-------------------------------|-----------------------|
|  | From January 1 <sup>st</sup> to |                       | From April 1 <sup>st</sup> to |                       |
|  | 30.6.2010                       | 30.6.2009             | 30.6.2010                     | 30.6.2009             |
| <b>Profit / (loss) for the period (after tax)</b>                        | (55.114.449,58)                 | 94.277.628,04         | (34.060.716,34)               | 50.093.485,11         |
| <b>Other comprehensive income / (expense):</b>                           |                                 |                       |                               |                       |
| Change in Available for Sale Reserve (after tax)                         | (304.898.142,56)                | 59.455.316,76         | (146.799.881,60)              | 69.413.963,52         |
| Other comprehensive income / (expense) for the period (after tax):       | <b>(304.898.142,56)</b>         | <b>59.455.316,76</b>  | <b>(146.799.881,60)</b>       | <b>69.413.963,52</b>  |
| <b>Total comprehensive income / (expense) for the period (after tax)</b> | <b>(360.012.592,14)</b>         | <b>153.732.944,80</b> | <b>(180.860.597,94)</b>       | <b>119.507.448,63</b> |
| <b>Attributable to :</b>   |                                 |                       |                               |                       |
| Non- controlling interest  | (423.189,76)                    | 2.757.462,45          | 203.316,07                    | 1.048.965,34          |
| Owners of the parent   | (359.589.402,38)                | 150.975.482,35        | (181.063.914,01)              | 118.458.483,29        |

| <i>Amounts in €</i>  | On stand-alone basis            |                       |                               |                       |
|--|---------------------------------|-----------------------|-------------------------------|-----------------------|
|  | From January 1 <sup>st</sup> to |                       | From April 1 <sup>st</sup> to |                       |
|  | 30.6.2010                       | 30.6.2009             | 30.6.2010                     | 30.6.2009             |
| <b>Profit / (loss) for the period (after tax)</b>                        | (46.255.809,80)                 | 89.110.933,95         | (26.646.783,53)               | 47.705.436,62         |
| <b>Other comprehensive income / (expense):</b>                           |                                 |                       |                               |                       |
| Change in Available for Sale Reserve (after tax)                         | (296.121.302,06)                | 59.136.053,15         | (139.831.444,17)              | 67.691.953,42         |
| Other comprehensive income / (expense) for the period (after tax):       | <b>(296.121.302,06)</b>         | <b>59.136.053,15</b>  | <b>(139.831.444,17)</b>       | <b>67.691.953,42</b>  |
| <b>Total comprehensive income / (expense) for the period (after tax)</b> | <b>(342.377.111,86)</b>         | <b>148.246.987,10</b> | <b>(166.478.227,70)</b>       | <b>115.397.390,04</b> |

Athens, August 30<sup>th</sup>, 2010

|                           |                                |                               |                                      |
|---------------------------|--------------------------------|-------------------------------|--------------------------------------|
| CHAIRMAN                  | EXECUTIVE<br>VICE-<br>CHAIRMAN | CHIEF<br>FINANCIAL<br>OFFICER | DIRECTOR OF<br>FINANCIAL<br>SERVICES |
| KLEANTHIS<br>PAPADOPOULOS | SPYROS<br>PANTELIAS            | GEORGE<br>XIFARAS             | ATHANASIOS<br>DIONAS                 |

# STATEMENT OF FINANCIAL POSITION



June 30<sup>th</sup>, 2010

| <i>Amounts in €</i>  | Note | Consolidated Basis       |                          | Stand alone basis        |                          |
|--|------|--------------------------|--------------------------|--------------------------|--------------------------|
|  |      | 30.6.2010                | 31.12.2009               | 30.6.2010                | 31.12.2009               |
| <b>ASSETS</b>  |      |                          |                          |                          |                          |
| Cash and balances with Central bank                                      | 15   | 287.482.740,87           | 109.688.152,51           | 287.479.505,98           | 109.683.785,19           |
| Due from banks   | 16   | 2.569.208.376,14         | 2.339.367.903,83         | 2.560.935.085,01         | 2.334.818.210,09         |
| Financial assets designated at fair value through profit and loss        | 18   | 75.300.028,46            | 446.088.908,46           | 74.940.086,01            | 445.588.886,78           |
| Derivative financial assets  | 19   | 1.466.184,41             | 6.104.895,79             | 1.466.184,41             | 6.104.895,79             |
| Loans and advances due from customers                                    | 17   | 8.086.840.053,35         | 8.042.768.918,04         | 8.063.845.291,54         | 8.034.818.860,76         |
| Less: Allowance for impairment of loans and advances, due from customers | 17   | (184.452.046,95)         | (162.874.705,50)         | (161.080.794,00)         | (146.731.495,83)         |
| Investment securities available for sale                                 | 20   | 1.462.156.075,96         | 5.773.764.441,36         | 1.462.156.075,96         | 5.773.764.441,36         |
| Investment securities held to maturity                                   | 20   | 1.573.825.187,31         | 450.736.603,03           | 1.573.825.187,31         | 450.736.603,03           |
| Debt securities  | 21   | 3.222.605.364,52         | 22.701.717,71            | 3.222.605.364,52         | 22.701.717,71            |
| Investment in subsidiaries   | 24   | -                        | -                        | 20.722.928,00            | 20.722.928,00            |
| Investment in associates   | 25   | 137.660.391,27           | 125.683.029,22           | 154.271.422,11           | 125.710.000,00           |
| Property, plant and equipment  | 22   | 134.511.604,51           | 130.449.962,88           | 134.377.234,52           | 130.316.833,77           |
| Goodwill and other Intangible assets                                     | 23   | 24.431.145,20            | 25.450.672,96            | 11.734.321,41            | 12.408.893,12            |
| Deferred tax assets  | 26   | 269.178.671,32           | 157.392.016,04           | 269.082.858,74           | 157.301.572,92           |
| Current income tax assets  | 27   | 23.117.291,77            | 25.754.374,42            | 23.117.291,77            | 25.754.374,42            |
| Other assets   | 28   | 482.724.216,47           | 462.439.768,60           | 478.057.063,03           | 456.319.891,76           |
| <b>Total assets</b>  |      | <b>18.166.055.284,61</b> | <b>17.955.516.659,35</b> | <b>18.177.535.106,32</b> | <b>17.960.020.398,87</b> |
| <b>LIABILITIES</b>   |      |                          |                          |                          |                          |
| Due to banks   | 29   | 4.109.992.075,78         | 3.666.970.541,44         | 4.109.992.075,78         | 3.666.970.541,44         |
| Due to customers   | 30   | 12.690.363.809,39        | 12.632.215.337,20        | 12.707.054.547,56        | 12.657.721.362,58        |
| Derivative financial liabilities   | 19   | 232.838.599,31           | 158.304.124,32           | 232.838.599,31           | 158.304.124,32           |
| Deferred tax liabilities   | 26   | 58.792.988,62            | 35.811.505,68            | 57.060.017,04            | 34.012.050,50            |
| Current income tax liabilities   | 27   | 7.280.290,96             | 10.059.203,65            | 3.874.448,86             | 7.285.323,26             |
| Retirement benefit obligations   | 31   | 21.209.060,86            | 20.146.187,57            | 20.690.722,23            | 19.644.199,23            |
| Other liabilities  | 32   | 176.501.822,44           | 190.208.551,51           | 174.531.611,03           | 191.812.053,23           |
| <b>Total liabilities</b>   |      | <b>17.296.978.647,36</b> | <b>16.713.715.451,37</b> | <b>17.306.042.021,81</b> | <b>16.735.749.654,56</b> |
| <b>EQUITY</b>  |      |                          |                          |                          |                          |
| Share capital  | 33   | 1.277.484.066,80         | 1.277.484.066,80         | 1.277.484.066,80         | 1.277.484.066,80         |
| Share premium  |      | 16.904.259,06            | 16.904.259,06            | 16.904.259,06            | 16.904.259,06            |
| Treasury shares  | 34   | (23.507.018,24)          | (23.507.018,24)          | (23.228.778,24)          | (23.228.778,24)          |
| Available for sale reserve   | 34   | (532.752.954,44)         | (227.854.811,88)         | (524.437.735,36)         | (228.316.433,30)         |
| Other reserves   | 34   | 86.848.062,87            | 86.848.062,87            | 86.662.309,84            | 86.662.309,84            |
| Retained earnings  | 34   | 28.468.433,08            | 94.613.271,49            | 38.108.962,41            | 94.765.320,15            |
| <b>Capital and reserves attributable to the owners of the parent</b>     |      | <b>853.444.849,13</b>    | <b>1.224.487.830,10</b>  | <b>871.493.084,51</b>    | <b>1.224.270.744,31</b>  |
| Non- controlling interest  |      | 15.631.788,12            | 17.313.377,88            | -                        | -                        |
| <b>Total equity</b>  |      | <b>869.076.637,25</b>    | <b>1.241.801.207,98</b>  | <b>871.493.084,51</b>    | <b>1.224.270.744,31</b>  |
| <b>Total equity and liabilities</b>                                      |      | <b>18.166.055.284,61</b> | <b>17.955.516.659,35</b> | <b>18.177.535.106,32</b> | <b>17.960.020.398,87</b> |

Athens, August 30<sup>th</sup>, 2010

|                        |                         |                         |                                |
|------------------------|-------------------------|-------------------------|--------------------------------|
| CHAIRMAN               | EXECUTIVE VICE-CHAIRMAN | CHIEF FINANCIAL OFFICER | DIRECTOR OF FINANCIAL SERVICES |
| KLEANTHIS PAPADOPOULOS | SPYROS PANTELIAS        | GEORGE XIFARAS          | ATHANASIOS DIONAS              |

# STATEMENT OF CHANGES IN EQUITY

(ON CONSOLIDATED BASIS)



June 30<sup>th</sup>, 2010

## Statement of changes in equity for 2009 on consolidated basis

| Amounts in €   | Attributable to the owners of the parent company |                      |                              |                            |                        |                       |                         | Non - controlling interest | Total                   |
|--|--|----------------------|------------------------------|----------------------------|------------------------|-----------------------|-------------------------|----------------------------|-------------------------|
|  | Share Capital                                    | Share premium        | Statutory and other reserves | Available for Sale Reserve | Treasury shares        | Retained earnings     | Total                   |                            |                         |
| <b>Balance at January, 1<sup>st</sup> 2009</b>                 | <b>526.262.033,40</b>                            | <b>16.904.259,06</b> | <b>85.663.547,54</b>         | <b>(155.059.106,57)</b>    | <b>(21.639.036,60)</b> | <b>80.031.247,83</b>  | <b>532.162.944,66</b>   | <b>11.788.030,28</b>       | <b>543.950.974,94</b>   |
| <b>Changes in equity 1/1-30/6/2009</b>                         |  |                      |                              |                            |                        |                       |                         |                            |                         |
| Profit / (loss) for the period (after tax)                     | -  | -                    | -                            | -                          | -                      | 91.520.165,59         | 91.520.165,59           | 2.757.462,45               | 94.277.628,04           |
| <b>Other comprehensive income of the period after tax</b>      |  |                      |                              |                            |                        |                       |                         |                            |                         |
| Changes in Available for Sale Reserve                          | -  | -                    | -                            | 59.455.316,76              | -                      | -                     | 59.455.316,76           | -                          | 59.455.316,76           |
| <b>Total comprehensive income of the period after tax</b>      | <b>0,00</b>                                      | <b>0,00</b>          | <b>0,00</b>                  | <b>59.455.316,76</b>       | <b>0,00</b>            | <b>91.520.165,59</b>  | <b>150.975.482,35</b>   | <b>2.757.462,45</b>        | <b>153.732.944,80</b>   |
| Increase of share capital (preference shares)                  | 224.960.000,00                                   | -                    | -                            | -                          | -                      | -                     | 224.960.000,00          | -                          | 224.960.000,00          |
| Share capital increase expenses (common and preference shares) | -  | -                    | -                            | -                          | -                      | (2.497.056,00)        | (2.497.056,00)          | -                          | (2.497.056,00)          |
| Purchases of treasury shares                                   | -  | -                    | -                            | -                          | (1.790.281,64)         | -                     | (1.790.281,64)          | -                          | (1.790.281,64)          |
| Income from treasury shares' pre-emptive rights disposal       | -  | -                    | -                            | -                          | -                      | 2.194.386,32          | 2.194.386,32            | -                          | 2.194.386,32            |
| Dividends  | -  | -                    | -                            | -                          | -                      | -                     | -                       | (871.200,00)               | (871.200,00)            |
| Transfer to Legal Reserve                                      | -  | -                    | 46.370,69                    | -                          | -                      | (46.370,69)           | -                       | -                          | -                       |
| <b>Balance at June 30<sup>th</sup>, 2009</b>                   | <b>751.222.033,40</b>                            | <b>16.904.259,06</b> | <b>85.709.918,23</b>         | <b>(95.603.789,81)</b>     | <b>(23.429.318,24)</b> | <b>171.202.373,05</b> | <b>906.005.475,69</b>   | <b>13.674.292,73</b>       | <b>919.679.768,42</b>   |
| Increase of share capital (common shares)                      | 526.262.033,40                                   | -                    | -                            | -                          | -                      | -                     | 526.262.033,40          | -                          | 526.262.033,40          |
| Share capital increase expenses (common and preference shares) | -  | -                    | -                            | -                          | -                      | (6.384.066,62)        | (6.384.066,62)          | -                          | (6.384.066,62)          |
| Deferred tax on share capital increase expenses                | -  | -                    | -                            | -                          | -                      | 1.822.906,45          | 1.822.906,45            | -                          | 1.822.906,45            |
| Deferred tax on subsidiary's intangible assets                 | -  | -                    | -                            | -                          | -                      | -                     | -                       | (949.200,00)               | (949.200,00)            |
| Purchases of treasury shares                                   | -  | -                    | -                            | -                          | (77.700,00)            | -                     | (77.700,00)             | -                          | (77.700,00)             |
| Share capital increase of subsidiary                           | -  | -                    | -                            | -                          | -                      | -                     | -                       | 583.200,00                 | 583.200,00              |
| Non - controlling interest after acquisition of subsidiary     | -  | -                    | -                            | -                          | -                      | -                     | -                       | 4.746.000,00               | 4.746.000,00            |
| Transfer to Legal Reserve                                      | -  | -                    | 1.138.144,64                 | -                          | -                      | (1.138.144,64)        | -                       | -                          | -                       |
| Changes in equity 1.7.2009 - 31.12.2009                        | -  | -                    | -                            | (132.251.022,07)           | -                      | (70.889.796,75)       | (203.140.818,83)        | (740.914,85)               | (203.881.733,68)        |
| <b>Balance at December 31<sup>st</sup>, 2009</b>               | <b>1.277.484.066,80</b>                          | <b>16.904.259,06</b> | <b>86.848.062,87</b>         | <b>(227.854.811,88)</b>    | <b>(23.507.018,24)</b> | <b>94.613.271,49</b>  | <b>1.224.487.830,10</b> | <b>17.313.377,88</b>       | <b>1.241.801.207,98</b> |

The notes in pages 12 to 56 are an integral part of these Interim Financial Information on Consolidated and Stand alone basis at June 30<sup>th</sup>, 2010

**STATEMENT OF CHANGES IN EQUITY**  
(ON CONSOLIDATED BASIS)



June 30<sup>th</sup>, 2010

Statement of changes in equity as at June 30<sup>th</sup>, 2010 on consolidated basis

| <i>Amounts in €</i>                                       | Attributable to the owners of the parent company |                      |                              |                            |                        |                        |                         | Non - controlling interest | Total                   |
|---|--|----------------------|------------------------------|----------------------------|------------------------|------------------------|-------------------------|----------------------------|-------------------------|
|   | Share Capital                                    | Share premium        | Statutory and other reserves | Available for Sale Reserve | Treasury shares        | Retained earnings      | Total                   |                            |                         |
| <b>Balance at January 1<sup>st</sup>, 2010</b>            | <b>1.277.484.066,80</b>                          | <b>16.904.259,06</b> | <b>86.848.062,87</b>         | <b>(227.854.811,88)</b>    | <b>(23.507.018,24)</b> | <b>94.613.271,49</b>   | <b>1.224.487.830,10</b> | <b>17.313.377,88</b>       | <b>1.241.801.207,98</b> |
| <b>Changes in Equity 1/1-30/6/2010</b>                    |  |                      |                              |                            |                        |                        |                         |                            |                         |
| Profit / (loss) for the period (after tax)                | -  | -                    | -                            | -                          | -                      | (54.691.259,82)        | (54.691.259,82)         | (423.189,76)               | (55.114.449,58)         |
| <b>Other comprehensive income of the period after tax</b> |  |                      |                              |                            |                        |                        |                         |                            |                         |
| Changes in Available for Sale Reserve                     | -  | -                    | -                            | (304.898.142,56)           | -                      | -                      | (304.898.142,56)        | -                          | (304.898.142,56)        |
| <b>Total comprehensive income of the period after tax</b> | <b>-</b>   | <b>-</b>             | <b>-</b>                     | <b>(304.898.142,56)</b>    | <b>-</b>               | <b>(54.691.259,82)</b> | <b>(359.589.402,38)</b> | <b>(423.189,76)</b>        | <b>(360.012.592,14)</b> |
| Dividends of subsidiaries                                 | -  | -                    | -                            | -                          | -                      | -                      | -                       | (1.258.400,00)             | (1.258.400,00)          |
| Preference shares dividend                                | -  | -                    | -                            | -                          | -                      | (11.453.578,59)        | (11.453.578,59)         | -                          | (11.453.578,59)         |
| <b>Balance at June 30<sup>th</sup>, 2010</b>              | <b>1.277.484.066,80</b>                          | <b>16.904.259,06</b> | <b>86.848.062,87</b>         | <b>(532.752.954,44)</b>    | <b>(23.507.018,24)</b> | <b>28.468.433,08</b>   | <b>853.444.849,13</b>   | <b>15.631.788,12</b>       | <b>869.076.637,25</b>   |

**STATEMENT OF CHANGES IN EQUITY**  
(ON STAND ALONE BASIS)



June 30<sup>th</sup>, 2010

**Statement of changes in equity for 2009 on stand alone basis**

| <i>Amounts in €</i>  | Share Capital           | Share premium        | Statutory and other reserves | Available for Sale Reserve | Treasury shares        | Retained earnings     | Total                   |
|--|-------------------------|----------------------|------------------------------|----------------------------|------------------------|-----------------------|-------------------------|
| <b>Balance at January 1<sup>st</sup>, 2009</b>                 | 526.262.033,40          | 16.904.259,06        | 85.663.547,54                | (155.059.106,57)           | (21.444.296,60)        | 80.652.666,26         | 532.979.103,09          |
| <b>Changes in equity 1/1-30/6/2009</b>                         |                         |                      |                              |                            |                        |                       |                         |
| Profit / (loss) for the period (after tax)                     | -                       | -                    | -                            | -                          | -                      | 89.110.933,95         | 89.110.933,95           |
| <b>Other comprehensive income of the period after tax</b>      |                         |                      |                              |                            |                        |                       |                         |
| Changes in Available for Sale Reserve                          | -                       | -                    | -                            | 59.136.053,15              | -                      | -                     | 59.136.053,15           |
| <b>Total comprehensive income of the period after tax</b>      | <b>0,00</b>             | <b>0,00</b>          | <b>0,00</b>                  | <b>59.136.053,15</b>       | <b>0,00</b>            | <b>89.110.933,95</b>  | <b>148.246.987,10</b>   |
| Increase of share capital (preference shares)                  | 224.960.000,00          | -                    | -                            | -                          | -                      | -                     | 224.960.000,00          |
| Tax on share capital increase (preference shares)              | -                       | -                    | -                            | -                          | -                      | (2.497.056,00)        | (2.497.056,00)          |
| Purchases of treasury shares                                   | -                       | -                    | -                            | -                          | (1.784.481,64)         | -                     | (1.784.481,64)          |
| Income from treasury shares' pre-emptive rights disposal       | -                       | -                    | -                            | -                          | -                      | 2.194.386,32          | 2.194.386,32            |
| <b>Balance at June 30<sup>th</sup>, 2009</b>                   | <b>751.222.033,40</b>   | <b>16.904.259,06</b> | <b>85.663.547,54</b>         | <b>(95.923.053,42)</b>     | <b>(23.228.778,24)</b> | <b>169.460.930,53</b> | <b>904.098.938,87</b>   |
| Increase of share capital (common shares)                      | 526.262.033,40          | -                    | -                            | -                          | -                      | -                     | 526.262.033,40          |
| Share capital increase expenses (common and preference shares) | -                       | -                    | -                            | -                          | -                      | (6.384.066,62)        | (6.384.066,62)          |
| Deferred tax on share capital increase expenses                | -                       | -                    | -                            | -                          | -                      | 1.822.906,45          | 1.822.906,45            |
| Transfer to Legal Reserve                                      | -                       | -                    | 998.762,30                   | -                          | -                      | (998.762,30)          | -                       |
| Changes in equity 1.7.2009 - 31.12.2009                        | -                       | -                    | -                            | (132.393.379,88)           | -                      | (69.135.687,91)       | (201.529.067,79)        |
| <b>Balance at December 31<sup>st</sup>, 2009</b>               | <b>1.277.484.066,80</b> | <b>16.904.259,06</b> | <b>86.662.309,84</b>         | <b>(228.316.433,30)</b>    | <b>(23.228.778,24)</b> | <b>94.765.320,15</b>  | <b>1.224.270.744,31</b> |

**STATEMENT OF CHANGES IN EQUITY**  
(ON STAND ALONE BASIS)



June 30<sup>th</sup>, 2010

Statement of changes in equity as at June 30<sup>th</sup>, 2010 on stand alone basis

| <i>Amounts in €</i>                                       | Share Capital           | Shares premium       | Statutory and other reserves | Available for Sale Reserve | Treasury shares        | Retained earnings      | Total                   |
|---|-------------------------|----------------------|------------------------------|----------------------------|------------------------|------------------------|-------------------------|
| <b>Balance at January 1<sup>st</sup>, 2010</b>            | 1.277.484.066,80        | 16.904.259,06        | 86.662.309,84                | (228.316.433,30)           | (23.228.778,24)        | 94.765.320,15          | 1.224.270.744,31        |
| <b>Changes in Equity 1/1-30/6/2010</b>                    |                         |                      |                              |                            |                        |                        |                         |
| Profit / (loss) for the period (after tax)                | -                       | -                    | -                            | -                          | -                      | (46.255.809,80)        | (46.255.809,80)         |
| <b>Other comprehensive income of the period after tax</b> |                         |                      |                              |                            |                        |                        |                         |
| Changes in Available for Sale Reserve                     | -                       | -                    | -                            | (296.121.302,06)           | -                      | -                      | (296.121.302,06)        |
| <b>Total comprehensive income of the period after tax</b> | <b>0,00</b>             | <b>0,00</b>          | <b>0,00</b>                  | <b>(296.121.302,06)</b>    | <b>0,00</b>            | <b>(46.255.809,80)</b> | <b>(342.377.111,86)</b> |
| Preference shares dividend                                | -                       | -                    | -                            | -                          | -                      | (10.400.547,94)        | (10.400.547,94)         |
| <b>Balance at June 30<sup>th</sup>, 2010</b>              | <b>1.277.484.066,80</b> | <b>16.904.259,06</b> | <b>86.662.309,84</b>         | <b>(524.437.735,36)</b>    | <b>(23.228.778,24)</b> | <b>38.108.962,41</b>   | <b>871.493.084,51</b>   |

# STATEMENT OF CASH FLOWS



June 30<sup>th</sup>, 2010

| Amounts in €  | Note  | On Consolidated basis           |                         | On Stand alone basis            |                         |
|---|-------|---------------------------------|-------------------------|---------------------------------|-------------------------|
|   |       | From January 1 <sup>st</sup> to |                         | From January 1 <sup>st</sup> to |                         |
|   |       | 30.6.2010                       | 30.6.2009               | 30.6.2010                       | 30.6.2009               |
| <b>Operating activities</b>   |       |                                 |                         |                                 |                         |
| Profit / (loss) before tax  |       | (39.747.407,35)                 | 122.936.856,47          | (32.813.655,80)                 | 116.646.460,18          |
| <i>Adjustments to profits / (losses) for:</i>   |       |                                 |                         |                                 |                         |
| Depreciation of tangible assets   | 22    | 3.740.730,83                    | 3.717.814,93            | 3.712.807,21                    | 3.693.034,93            |
| Amortization of intangible assets   | 23    | 2.118.382,62                    | 1.584.031,40            | 1.749.787,16                    | 1.545.622,91            |
| Share in (profits) / losses of associates   |       | 6.754.188,91                    | (523.308,63)            | -                               | -                       |
| Allowance for impairment of loans   | 17    | 21.579.947,86                   | 16.982.369,00           | 15.076.115,58                   | 16.982.369,00           |
| Amortization of premium / discount of investment and loans portfolio                      |       | 8.240.268,54                    | 8.544.421,18            | 8.240.268,54                    | 8.544.421,18            |
| Allowance for retirement benefit obligations  |       | 1.062.873,29                    | 2.318.841,29            | 1.046.523,00                    | 2.289.038,00            |
| Contribution to Hellenic Deposit and Investment Guarantee Fund                            |       | 6.302.596,62                    | 6.137.476,29            | 6.302.596,62                    | 6.137.476,29            |
| (Profit) / loss due to hedging  |       | (97.392.818,78)                 | (10.600.992,36)         | (97.392.818,78)                 | (10.600.992,36)         |
| Currency exchange differences   |       | (22.313.186,22)                 | 1.000.782,88            | (22.313.186,22)                 | 1.000.782,88            |
| Net income from investment securities   | 8     | (230.198,62)                    | (10.609.395,72)         | (230.198,62)                    | (10.609.395,72)         |
| Movement of income tax  |       | (26.252.841,96)                 | (14.154.422,06)         | (24.888.062,36)                 | (13.859.971,34)         |
|   |       | <b>(136.137.464,26)</b>         | <b>127.334.474,67</b>   | <b>(141.509.823,67)</b>         | <b>121.768.845,95</b>   |
| <b>Net change ((increase) / decrease) of operations related to assets and liabilities</b> |       |                                 |                         |                                 |                         |
| Mandatory deposits to Bank of Greece  |       | (172.973.163,88)                | 104.018.887,19          | (172.973.163,88)                | 104.018.887,19          |
| Financial assets designated at fair value through profit or loss                          |       | 81.118.471,92                   | 67.312.023,57           | 80.978.392,69                   | 67.008.135,40           |
| Loans and receivables from customers  |       | (54.255.416,08)                 | (283.120.440,46)        | (39.934.922,55)                 | (283.120.440,46)        |
| Debt securities   |       | (12.837.006,92)                 | -                       | (12.837.006,92)                 | -                       |
| Other assets  |       | (20.284.447,88)                 | (31.241.584,62)         | (21.737.171,27)                 | (35.145.014,22)         |
| Due from / to banks (net amount)  |       | 551.234.767,38                  | 1.021.152.216,90        | 551.234.767,38                  | 1.021.152.216,90        |
| Derivative financial instruments (net amount)   |       | 79.173.186,37                   | 36.981.504,03           | 79.173.186,37                   | 36.981.504,03           |
| Due to customers  |       | 58.148.472,19                   | 1.062.827.306,08        | 49.333.184,98                   | 1.065.990.156,80        |
| Other liabilities   |       | (20.009.317,53)                 | (59.935.223,36)         | (23.583.030,65)                 | (56.005.914,45)         |
|   |       | <b>489.315.545,57</b>           | <b>1.917.994.689,33</b> | <b>489.654.236,15</b>           | <b>1.920.879.531,19</b> |
| <b>Cash flow from operating activities</b>  |       | <b>353.178.081,31</b>           | <b>2.045.329.164,00</b> | <b>348.144.412,48</b>           | <b>2.042.648.377,14</b> |
| <b>Investing activities</b>   |       |                                 |                         |                                 |                         |
| Purchases of tangible and intangible assets   | 22,23 | (8.901.227,28)                  | (14.830.112,60)         | (8.848.423,41)                  | (14.824.294,17)         |
| Investments in subsidiaries and associated companies                                      | 24,25 | (28.561.422,11)                 | (2.062.695,19)          | (28.561.422,11)                 | (2.062.695,19)          |
| Purchases of investment securities  |       | (1.622.706.897,12)              | (2.418.350.315,33)      | (1.622.706.897,12)              | (2.418.350.315,33)      |
| Income from disposal and maturity of investment securities                                | 20    | 1.518.521.492,08                | 2.213.181.050,59        | 1.518.521.492,08                | 2.213.181.050,60        |
| <b>Net cash flow from investing activities</b>  |       | <b>(141.648.054,43)</b>         | <b>(222.062.072,53)</b> | <b>(141.595.250,56)</b>         | <b>(222.056.254,10)</b> |
| <b>Financing Activities</b>   |       |                                 |                         |                                 |                         |
| Purchases of treasury shares  |       | -                               | (1.790.281,64)          | -                               | (1.784.481,64)          |
| Dividends paid to the preference shareholders   |       | (13.867.397,26)                 | -                       | (13.867.397,26)                 | -                       |
| Share capital increase expenses (common and preference shares)                            |       | -                               | (2.497.056,00)          | -                               | (2.497.056,00)          |
| Dividends paid  |       | (1.258.400,00)                  | -                       | -                               | -                       |
| <b>Net cash flow from financing activities</b>  |       | <b>(15.125.797,26)</b>          | <b>(4.287.337,64)</b>   | <b>(13.867.397,26)</b>          | <b>(4.281.537,64)</b>   |
| <b>Net increase of cash and cash equivalents</b>  |       | <b>196.404.229,62</b>           | <b>1.818.979.753,83</b> | <b>192.681.764,66</b>           | <b>1.816.310.585,40</b> |
| Cash and cash equivalents at the beginning of the period                                  |       | 2.191.570.879,21                | 1.430.380.266,20        | 2.187.016.818,15                | 1.427.434.086,52        |
| <b>Cash and cash equivalents at the end of the period</b>                                 | 37    | <b>2.387.975.108,83</b>         | <b>3.249.360.020,03</b> | <b>2.379.698.582,81</b>         | <b>3.243.744.671,92</b> |

## 1. Information for the Bank

### General information

- “TT Hellenic Postbank S.A.” (“Bank” or “Hellenic Postbank”) is a Société Anonyme, which in 2002 has substituted in all its rights and obligations the decentralized public entity “Postal Savings Bank”, which was established by virtue of Law GYMST/1909, as subsequently supplemented and amended by Compulsory Law 391/1936, Law 1118/1938 and other provisions. The General Assembly of Shareholders of May 2<sup>nd</sup>, 2008, and after the amendment of the relative article 2 of the Bank’s Articles of Association, decided the change in the trade name and the distinctive title used by the Bank in its international transactions as “TT HELLENIC POSTBANK S.A.” and “HELLENIC POSTBANK”, respectively, or an accurate translation of them in any foreign language.

- The Governor’s Act of the Bank of Greece No 2579/19.4.2006 was issued according to provisions of article 9 paragraph 5 of Law 3082/2002, which constitutes as a banking license. Therefore, the Bank is under the supervisory role of Bank of Greece according to Law 3601/2007 as amended.

- The Bank’s headquarters are located in the Municipality of Athens (2-6 Pasmazoglou Street, 101 75). By resolution of the Board of Directors, the Bank can establish and close down branches, correspondence offices, safe deposit boxes or/and agencies anywhere in Greece and abroad. The Bank is registered with the Registry of Société Anonyme registration number 54777/06/B/03/7 and its website is [www.ttbank.gr](http://www.ttbank.gr).

- As at June 30<sup>th</sup>, 2010, «HELLENIC POSTBANK’s» branch network comprises of 146 branches located in 66 cities throughout Greece.

- The term of the bank is set to 100 years from its establishment and may be extended by resolution of the General Assembly of the shareholders.

- These interim financial information for the period ended at June 30<sup>th</sup>, 2010, were approved by the Board of Directors on August 30<sup>th</sup>, 2010.

- Apart from the ATHEX Composite Index, Hellenic Postbank’s share is included in a series of other indices, such as DTR, FTSEA, FTSE, FTSE1 and FTSE/ATHEX-20.

### Collaboration Agreement with the TT Hellenic Post S.A.

On November 19<sup>th</sup>, 2001, the Bank entered into a 10-year exclusive collaboration agreement with the Hellenic Post (hereinafter “EL.TA”). The Board of Directors of both counterparties agreed to extend the collaboration agreement until December 31<sup>st</sup>, 2021.

- Major terms and conditions of the agreement

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

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

Each counterparty may develop autonomously its main activities in terms of the financial products and services that it provides.

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

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

• Financial Cost

After the modification of annex 6 of the collaboration agreement of November 19<sup>th</sup>, 2001 at 27/12/2006, 14/12/2007, 21/12/2007, 16/10/2008 and with joint agreement of both counterparties was decided that the total remuneration of EL.TA. derives from the sum of: 1) the cost of the Bank's access to the Network of EL.TA. Shops (transactions fees) in which the Lowest Guaranteed Annual Cost amounted to €

2,8 million or € 0,70 million quarterly is included, 2) fee of commercial agreement in which the Lowest Guaranteed Annual Fee amounted to € 7 million annually or € 1,75 million quarterly is included (commission of sale of products and services of Hellenic Postbank from the network of EL.TA.'s Branches), and 3) additional fees calculated as a productivity percentage on the net increase of the amount of the deposit account balances serviced by the EL.TA network.

• Network used

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

Based on the terms of the agreement, the Bank's products/ services are sold at 844 EL.TA branches and 895 postmen delivering in rural areas, who act as EL.TA subcontractors in remote areas where there are no branches or agencies, while the EL.TA products/ services can be sold through the Bank's network comprising of 146 branches.

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

The exclusive collaboration agreement expressly acknowledges that EL.TA shall undertake to sell, exclusively, only the banking products of the Bank, provided that the Bank will neither use nor develop its branches network competitively to the EL.TA network.

• **Products/ Services**

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

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

Regarding any new products to be developed by either one of the counterparties, the agreement provides "the right of first refusal" to the other party. New products do not include variations or changes introduced to existing products, but

rather distinct, new wide product categories aimed to cover customers' needs not covered by existing products.

Especially, in the sector of loans, the collaboration which started in the summer of 2006 in the form of a pilot plan, continues with satisfactory results. As a result, the program was applied in a larger number of branches, which amounted to 310 until the end of June 2010.

In order to reinforce the presence of Hellenic PostBank in this network and finally reinforce its productivity in the fiscal year 2008, 81 special distinct spaces were created and operated inside the branches of the network of EL.TA (Shop in Shop).

**Bank's participation in ELTA's share capital**

The total number of the shares of EL.TA held by the Bank amounts to 20.047.900 shares (10% of the total shares) and the value of the participation after impairment reaches the amount of € 26.808.357,65 at 30/6/2010.

Likewise, at 30/6/2010 EL.TA. was the second most significant owner of the Bank after the "Hellenic Public Sector" with 28.446.598 shares which represents the 10% of HELLENIC POSTBANK's share capital.

**Mortgage Savings**

According to article 10, paragraph 12, of the Bank's establishing law, L.3082/2002 (Government Gazette Issue No. 316/16.12.2002), and after the decision of the Bank's Board of Directors, an amount of € 17 million will be available from the Bank's existing reserves into

an account that already exists or will be created by a similar decision. The return that proceeds from such an account will be available to cover mortgage benefits to the Bank's employees. The Board of Directors will deal with any issue relating to this account.

The 17<sup>th</sup> meeting of the Board of Directors of the Hellenic Postbank held on September 23<sup>rd</sup>, 2003 decided unanimously to create and keep the account according to Law 3082/2002, since January 1<sup>st</sup>, 2003. Pursuant to Law 3082/2002, such account will be credited with the amount of € 17 million, as well as with the amounts relating to principal repayments of the mortgage loans paid each month by the employees which will be refinanced as a new loan to the beneficiaries bearing a special interest rate. Hellenic PostBank will reinvest the amount related to the collected instalments together with the amount of € 17.000.000,00 guaranteeing a minimum return. The investment policy for the product must cover a minimum annual net return of 5,25% aiming to reduce the total duration of the loans.

Beneficiaries of this account, include all persons that were employed with a salaried employment agreement on December 16<sup>th</sup>, 2002, as well as the retired employees of Hellenic Postbank.

The 29<sup>th</sup> meeting of the Board of Directors of Hellenic Postbank, held on March 4<sup>th</sup>, 2004, approved the "General Management and Operations Regulation for the Mortgage Allowance Investment Account". It should be clarified that Hellenic Postbank has established the aforementioned account.

Hellenic Postbank has assigned a specialized actuarial firm to prepare a valuation study in

order to calculate the cost of implementing the specific scheme.

The result of such study has been recorded in the financial statements bearing a negative sign under Note 17 of the interim financial information "Loans and advances to customers" and specifically under item "Mortgage Loans". The respective result of the study amounted to approximately € 81.365 thousand as at 30<sup>th</sup> June 2010 and to approximately € 82.826 thousand as at 31<sup>st</sup> December 2009. In order to calculate the present value of the scheme, the discount rate of 5,6% were used for the period 1.1 – 30.6.2010 and the year 2009.

#### **Structure and activities of the Bank**

The purpose of the Bank is to operate, for its own account or for the account of third parties, in Greece and abroad, independently or in collaboration or joint venture, operation, without limitation or other distinction, for the total of the operations and activities that are allowed from time to time to domestic financial institutions by the existing legislation. The following activities fall under the purposes of the Bank:

- ❖ The acceptance, on an interest-bearing or zero interest basis, of any type of deposits or other accepted funds in Euro, exchange or foreign currency.
- ❖ The granting of loans and credits of any kind, the offer of guarantees in favour of third parties, the undertaking of liabilities, the acquisition or transfer of claims, as well as the intermediation in the financing of companies or their collaboration.

❖ The receipt of loans, credits or guarantees and the issue of securities for the raising of funds.

❖ The acts of executing payments and funds transfer as well as the financing of overseas trade.

❖ The safeguarding, organizing and management of any kind of movable assets, securities, financial products and generally of assets, including their portfolio, the operation of transactions over these, for own account or for the account of third parties, as well as the offer of relevant services and consultations.

❖ The establishment of, or participation in, domestic or foreign companies of any kind that are involved in the money market, capital market and generally in the wider financial and investment sector.

❖ The issuance and management of means of payment (credit cards, travellers cheques and letters of credit)

❖ The provision of underwriter's services, participation to issuance and distribution of securities, bond issuance covering and provision of similar services.

❖ The provision of services to enterprises regarding capital structure and corporate strategy, as well as services in the sectors of merger, disintegration and acquisition of enterprises, after the relevant subjects,

❖ The provision of reforming and financing restructuring services

❖ Corporate factoring

❖ The provision of commercial information, including evaluation services of credit worthiness of third parties

❖ The leasing of safe deposit boxes

❖ Pawnshop Operations

❖ The representation of third parties, who have or pursue relevant to the above aims, and

generally transact business, transactions or activities pertinent to the above aims as they arise from the Bank's Articles of Association

❖ The provision of intermediary services in the interbank market;

❖ leasing

❖ prepaid cards

❖ transactions on behalf of the institution or its clientele, that refer to:

i. financial market instruments (securities, certificates of deposits etc.)

ii. exchange

iii. future contracts (or forwards) or options

iv. interest rate swaps and currency swaps

v. securities

❖ The activities, apart from the above-mentioned, which refer to the provision of major and sequential investment services, as those that are reported in the article 4 of Law 3606/2007 (Government Gazette 73 A).

Within the framework of its operations the Bank, promotes the spirit of saving especially towards the youth, aids the lower income population groups in acquiring residence, promotes through its credit policy the general economic development of the country and of the local communities where it is active and contributes to the fulfillment of general public purposes.

For the fulfillment of this scope the Bank can collaborate with individuals and any form of legal entities, enterprises or institutions and in order to create or participate in non-profit organizations in Greece or abroad.

## Composition of the Bank's Board of Directors

The new Board of Directors is composed of eleven (11) members, two (2) executive and nine (9) non executive members, the two (2) of which are independent. The term of the Board of Directors lasts 5 years, until the 11<sup>th</sup> of June 2015.

The composition of Board of Directors of "Hellenic Postbank", after the decisions of the Extraordinary General Assembly of December 11<sup>th</sup>, 2009 and the General Assembly of June 11<sup>th</sup>, 2010, is as follows:

| TABLE: The Board of Directors |  |
|-------------------------------|--|
| Papadopoulos Kleanthis        | Chairman, Executive Board Member                     |
| Pantelias Spyros              | Executive Vice-Chairman                              |
| Michos Ioannis                | Non Executive Board Member                           |
| Oikonomopoulou Antouanetta    | Non Executive Board Member                           |
| Katsimi Margarita             | Non Executive Board Member                           |
| Tsagdis Ioannis               | Non Executive Board Member                           |
| Varsamis Christos             | Non Executive Board Member                           |
| Siamidis Michalis             | Non Executive, Independent Board Member              |
| Pittas Aristides              | Non Executive, Independent Board Member              |
| Kotsiris Konstantinos         | Non Executive Board Member - Employee representative |
| Sideris George                | Non Executive Board Member - Employee representative |

It is noted that an additional member of the Bank's Board of Directors is George Mouzoulas (in replacement of Mr. Aggelos Androulidakis) as a Greek State's representative according to the 26320/B1278/18.06.2010 decision of Ministry of Economy and Finance at 24/06/2010.

Mr Mouzoulas' term starts from the issuance of the abovementioned decision in the Government Gazette Issue and terminates with the expiration of the Bank's subjection to the program of Law 3723/2008, article 1.

## 2. Significant accounting policies

### 2.1 Basis of presentation

The Interim Consolidated and Stand alone Financial Information of the Bank as of 30<sup>th</sup> June

2010 are prepared in accordance with International Financial Reporting Standards

(I.F.R.S.) and International Accounting Standards (I.A.S.), issued by the International Accounting Standards Board (I.A.S.B.), as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.), as these have been endorsed by the European Union, through the procedure of adoption which the European Committee follows.

The Bank's interim consolidated and stand alone financial information have been prepared under the historic cost convention, as adjusted by the fair valuation of certain assets and liabilities, the going concern principle, and comply with the

**New standards, amendments to standards and interpretations:** Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

**Standards effective for the fiscal year 2010**

**I.F.R.S. 3 (Revised) "Business Combinations" and I.A.S. 27 (Amended) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009)**

The revised I.F.R.S. 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and

Framework for Preparation and Presentation of financial statements.

During the fiscal years 2008 and 2010, "HELLENIC POSTBANK" made use of the amendments of International Accounting Standard (I.A.S.) 39 and International Financial Reporting Standard (I.F.R.S.) 7, which were published during October 2008 and are effective since 1/7/2008. The effects of applying the above amendments are set out in Note 20.

recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended I.A.S. 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Furthermore the acquirer in a business combination has the option of measuring the non-controlling interest, at the acquisition date, either at fair value or at the amount of the percentage of the non-controlling interest over the net assets acquired. The Group has applied the revised and amended standards from 1<sup>st</sup> January 2010.

**I.F.R.S. 1 (Amendment) "First-time adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 January 2010)**

This amendment provides additional clarifications for first-time adopters of I.F.R.S.s in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains

a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment will not impact the Group's financial statements since it has already adopted I.F.R.S.s.

**I.F.R.S. 2 (Amendment) "Share-based Payment" (effective for annual periods beginning on or after 1 January 2010)**

The purpose of the amendment is to clarify the scope of I.F.R.S. 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment is not expected to impact the Group's financial statements.

**I.A.S. 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 July 2009)**

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Group.

**Interpretations effective for the fiscal year 2010**

**I.F.R.I.C. 12 – Service Concession Arrangements (EU endorsed for periods beginning 30 March 2009)**

This interpretation applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

**I.F.R.I.C. 15 - Agreements for the construction of real estate (EU endorsed for use from 1 January 2010)**

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with I.A.S. 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with I.A.S. 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.

**I.F.R.I.C. 16 - Hedges of a net investment in a foreign operation (EU endorsed for use from 1 July 2009)**

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with I.A.S. 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group, as the Group does not apply hedge accounting for any investment in a foreign operation.

**I.F.R.I.C. 17 "Distributions of non-cash assets to owners" (effective for annual periods beginning on or after 1 July 2009)**

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This

interpretation is not expected to impact the Group's financial statements.

**I.F.R.I.C. 18 “Transfers of assets from customers” (EU-endorsed for use annual periods beginning on or after 31 October 2009)**

This interpretation clarifies the requirements of I.F.R.S.s. for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

**Amendments to standards that form part of the I.A.S.B.'s annual improvements project**

The amendments set out below describe the key changes to I.F.R.S.s following the publication in July 2009 of the results of the I.A.S.B.'s annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group's financial statements.

**I.F.R.S. 2 “Share-Based payment” (effective for annual periods beginning on or after 1 July 2009)**

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of I.F.R.S. 2.

**I.F.R.S. 5 “ Non-current Assets Held for Sale and Discontinued Operations”**

The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

**I.F.R.S. 8 “Operating Segments”**

The amendment provides clarifications on the disclosure of information about segment assets.

**I.A.S. 1 “Presentation of Financial Statements”**

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

**I.A.S. 7 “Statement of Cash Flows”**

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

**I.A.S. 17 “Leases”**

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

**I.A.S. 18 “Revenue”**

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

**I.A.S. 36 “Impairment of Assets”**

The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

**I.A.S. 38 “Intangible Assets”**

The amendments clarify (a) the requirements under I.F.R.S. 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

**I.A.S. 39 “Financial Instruments: Recognition and Measurement”**

The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

**I.F.R.I.C. 9 “Reassessment of Embedded Derivatives” (effective for annual periods beginning on or after 1 July 2009)**

The amendment clarifies that I.F.R.I.C. 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

**I.F.R.I.C. 16 “Hedges of a Net Investment in a Foreign Operation” (effective for annual periods beginning on or after 1 July 2009)**

The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group, including the foreign operation itself, as long as certain requirements are satisfied.

**Standards effective from 1<sup>st</sup> January 2011**

**I.F.R.S. 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2013)**

I.F.R.S. 9 is the first part of Phase 1 of the Board’s project to replace I.A.S. 39. The I.A.S.B. intends to expand I.F.R.S. 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. I.F.R.S. 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. I.F.R.S. 9 prohibits reclassifications except in rare circumstances when the entity’s business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. I.F.R.S. 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. I.F.R.S. 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently

investigating the impact of I.F.R.S. 9 on its financial statements. The Group cannot currently early adopt I.F.R.S. 9 as it has not been endorsed by the EU. Only once approved will the Group decide if I.F.R.S. 9 will be adopted prior to 1<sup>st</sup> January 2013.

**I.A.S. 24 (Amendment) “Related Party Disclosures” (effective for annual periods beginning on or after 1<sup>st</sup> January 2011)**

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date. This amendment has not yet been endorsed by the EU.

**I.A.S. 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1<sup>st</sup> February 2010)**

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group’s financial statements.

**IFRS 1 (Amendment) “First-time adoption of International Financial Reporting Standards” – financial instrument disclosures (effective for annual periods beginning on or after 1 July 2010)**

This amendment provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7 regarding comparative information for the new three-level fair value classification disclosures. This amendment will not impact the Group’s financial statements since it has already adopted IFRSs.

**Interpretations effective from fiscal year 2011**

**I.F.R.I.C. 19 “Extinguishing Financial Liabilities with Equity Instruments” (effective for annual periods beginning on or after 1<sup>st</sup> July 2010)**

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group. This amendment has not yet been endorsed by the EU.

**I.F.R.I.C. 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (effective for annual periods beginning on or after 1<sup>st</sup> January 2011)**

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group. This amendment has not yet been endorsed by the EU.

### **Annual improvements 2010**

During 2010, I.A.S.B. issued the annual improvements to I.F.R.S. for 2010, a series of adjustments in 7 Standards, as a part of the annual improvement program. The annual improvement program of I.A.S.B. aims to make necessary but not urgent adjustments to I.F.R.S.'s that will not be part of a bigger revision program. Most adjustments are effective for annual periods beginning on or after January 1<sup>st</sup> 2011, with early adoption allowed. The annual improvements have not yet been endorsed by European Union.

The Group does not have the intention to apply any of the above Standards or Interpretations earlier.

Based on the current Group structure and the accounting policies which are applied, management does not expect significant effect to its financial statements from the application of new Standards and interpretations.

### **Critical accounting policies and estimates**

The preparation of financial statements in accordance with International Financial Reporting Standards (I.F.R.S.) requires management to make a number of judgments, estimates and assertions that affect the reported amount of assets, liabilities, income and expenses in consolidated and stand alone Financial Statements and the accompanying notes. The Bank's management believes that the judgments, estimates and assertions used in the preparation of interim financial statements on consolidated and stand alone basis, which have not changed in comparison with the previous fiscal period,

present appropriately the factual circumstances as at June 30<sup>th</sup>, 2010.

### **2.2 Consolidation**

The interim consolidated financial information as at June 30<sup>th</sup>, 2010 include the interim financial information of the Bank, its subsidiaries and its associates which are referred below:

a) The subsidiary "Hellenic Postbank - EL.TA. Mutual Fund Management S.A.", is located in Athens, in which the Bank's holding percentage represents 51% of the share capital and the voting rights and is consolidated according to the method of full consolidation.

b) The subsidiary "Hellenic Post Credit S.A.", in which the Bank's percentage participation in the share capital and the voting rights of the said company is amounted to 50% and is consolidated according to the method of full consolidation. The company is located in Paiania, Attica.

c) The subsidiary assurance brokerage company under the name "Post Insurance Brokerage S.A.", located in Athens, Attica, in which the Bank's participation percentage in the share capital and the voting rights of the said company is amounted to 50,01% and is consolidated according to the method of full consolidation.

d) The associate "ATTICA BANK S.A.", is located in Athens. The Bank's participation in its share capital and voting rights is amounted to 22,43% and is consolidated with the equity method.

e) The associate “Post Bank Green Institute” in which the Bank’s participation percentage in the share capital and the voting rights of the said company is amounted to 50% and is consolidated with the equity method. The aim of the company is to provide consulting in issues of strategic planning, coordination and administration of projects regarding viable development and environment.

f) The associate “T BANK S.A.” (former “ASPIS BANK S.A.”), is located in Athens. The Bank’s participation in its share capital and voting rights is amounted to 32,90% and is consolidated for the first time, in current period, according to the equity method. It is noted that the acquisition process of the above participation was completed on April 22<sup>nd</sup>, 2010, following the BoD decisions, for the Bank’s participation in the share capital increase of the aforementioned bank, and all the necessary authorizations by the authorities via the «Book of Demand» for the distribution of outstanding shares. As a result, the Bank acquired 47.602.370 new, common registered, with voting rights, shares of “T BANK S.A” (former “ASPIS BANK S.A.”).

### **2.3 Reclassification of amounts**

Certain amounts of the interim financial information of the previous comparative period (1/1 - 30/6/2009) and the previous comparative fiscal year ended as at 31<sup>st</sup> of December 2009, have been reclassified compared to financial information of these periods, in order to conform to current period’s presentation.

In the Statement of Financial Position at 31/12/2009 (on consolidated and stand alone basis), there is a reclassification of €

22.701.717,71 from the line “Loans and advances due from customers” to the line “Debt securities”, in order to be consistent with debt securities at 30/06/2010.

In the Income Statement for the period 1/1 – 30/06/2009 (on consolidated and stand alone basis), there is a reclassification of € 467.219,61 from the line “Commission expenses” to the line “Other operating expenses”, because it was related to legal fees.

In the Income Statement (on consolidated and stand alone basis), the analysis of the lines “Other operating expenses” and “Net income from financial instruments designated at fair value through profit and loss” of the comparative period 1/1 – 30/06/2009, as well as the analysis of the lines “Deferred tax assets and liabilities” and “Other liabilities”, in the Statement of Financial Position (on consolidated and stand alone basis), as at 31/12/2009, have been reclassified in order to be consistent with the current period.

Additionally, there are reclassifications in lines of Note 3 of the Financial Information, which refers to Segment Report of the previous comparative period 30/06/2009.

It is noted that all the above adjustments and reclassifications do not affect the final result of the previous comparative period and Total Equity at 31/12/2009 as well.

### 3. Segment report analysis

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

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

The Bank has divided its activities in different business segments:

1. **Retail Banking:** This segment comprises the total of private individuals - clients. Via the network of its branches, its subsidiary Post Credit and the alternative network of EL.TA shops, the Bank provides its clients with a range of

mortgage and consumer credit products, credit cards and deposit products.

2. **Corporate:** This segment comprises of public companies, loan portfolio and corporate bonds. The Bank provides loans to customers of this segment and has not issued any letter of credit. Bonds that have been transferred from "Trading Securities" portfolio as at 1/7/2008 as well as corporate bonds published after the fourth quarter of 2008 are also included in this segment.

3. **Treasury:** This segment comprises the management of Bank's securities and cash equivalents. Financial products which the Bank invests on are mainly Greek government bonds, derivative products, shares listed in both Athens Stock Exchange and foreign stock exchanges and foreign currency transactions.

| <b>Segment Reporting on Consolidated Basis</b>                   |                        |                        |                     |                          |
|--|------------------------|------------------------|---------------------|--------------------------|
| <b>Amounts in €</b>  | <b>Retail Banking</b>  | <b>Treasury</b>        | <b>Corporate</b>    | <b>Total</b>             |
| <b>From January 1<sup>st</sup> to June 30<sup>th</sup>, 2010</b> |                        |                        |                     |                          |
| Net income from interest   | 115.450.725,39         | 57.034.092,48          | 8.143.494,97        | <b>180.628.312,84</b>    |
| Net income from commissions                                      | 7.759.776,88           | 143.675,27             | 21.365,19           | <b>7.924.817,34</b>      |
| Net other operating income                                       | 4.275.617,28           | (87.214.412,40)        | 1.257.030,87        | <b>(81.681.764,25)</b>   |
| <b>Total net income</b>  | <b>127.486.119,55</b>  | <b>(30.036.644,65)</b> | <b>9.421.891,03</b> | <b>106.871.365,93</b>    |
| Expenses   | 102.055.204,15         | 8.345.248,24           | 2.025.070,67        | <b>112.425.523,06</b>    |
| Depreciation   | 5.403.095,95           | 424.158,96             | 31.858,54           | <b>5.859.113,45</b>      |
| Allowance for the impairment of loans                            | 21.002.885,85          | -                      | 577.062,01          | <b>21.579.947,86</b>     |
| Share in (profits) / losses of associates                        | -                      | 6.754.188,91           | -                   | <b>6.754.188,91</b>      |
| <b>Profit / (loss) before tax</b>                                | <b>(975.066,40)</b>    | <b>(45.560.240,76)</b> | <b>6.787.899,81</b> | <b>(39.747.407,35)</b>   |
| Income tax   |                        |                        |                     | (10.990.831,37)          |
| Extraordinary social responsibility tax                          |                        |                        |                     | (4.376.210,86)           |
| <b>Net profit / (loss) after tax</b>                             |                        |                        |                     | <b>(55.114.449,58)</b>   |
| Capital expenditure  | 8.630.411,93           | 223.540,61             | 47.275,90           | <b>8.901.228,44</b>      |
| Total assets at 30.6.2010  | 7.284.834.317,28       | 9.494.815.118,44       | 1.386.405.848,89    | <b>18.166.055.284,61</b> |
| Total liabilities at 30.6.2010                                   | 11.790.481.685,00      | 5.094.646.193,52       | 411.850.768,84      | <b>17.296.978.647,36</b> |
| <b>From January 1<sup>st</sup> to June 30<sup>th</sup>, 2009</b> |                        |                        |                     |                          |
| Net income from interest   | 75.759.507,22          | 47.126.928,31          | 6.972.696,94        | <b>129.859.132,47</b>    |
| Net income from commissions                                      | 9.142.431,13           | (293.360,41)           | 305.045,00          | <b>9.154.115,72</b>      |
| Net other operating income                                       | 1.341.512,14           | 118.959.162,18         | (388.356,74)        | <b>119.912.317,58</b>    |
| <b>Total net income</b>  | <b>86.243.450,49</b>   | <b>165.792.730,08</b>  | <b>6.889.385,20</b> | <b>258.925.565,77</b>    |
| Expenses   | 104.712.354,25         | 5.055.584,48           | 4.459.863,87        | <b>114.227.802,60</b>    |
| Depreciation   | 4.662.079,48           | 182.948,86             | 456.817,98          | <b>5.301.846,32</b>      |
| Allowance for the impairment of loans                            | 16.982.369,00          | -                      | -                   | <b>16.982.369,00</b>     |
| Share in (profits) / losses of associates                        | -                      | -                      | -                   | <b>(523.308,62)</b>      |
| <b>Profit / (loss) before tax</b>                                | <b>(40.113.352,24)</b> | <b>160.554.196,74</b>  | <b>1.972.703,35</b> | <b>122.936.856,47</b>    |
| Income tax   |                        |                        |                     | (28.659.228,43)          |
| <b>Net profit / (loss) after tax</b>                             |                        |                        |                     | <b>94.277.628,04</b>     |
| Capital expenditure 30.6.2009                                    | 12.880.535,69          | 665.133,51             | 1.343.893,39        | <b>14.889.562,59</b>     |
| Total assets at 31.12.2009                                       | 6.872.223.820,68       | 9.522.209.849,63       | 1.561.082.989,03    | <b>17.955.516.659,35</b> |
| Total liabilities at 31.12.2009                                  | 12.477.972.141,66      | 3.876.404.580,48       | 359.338.729,24      | <b>16.713.715.451,37</b> |

| <b>Segment Reporting on stand alone Basis</b>                    |                        |                        |                     |                          |
|--|------------------------|------------------------|---------------------|--------------------------|
| <b>Amounts in €</b>  | <b>Retail Banking</b>  | <b>Treasury</b>        | <b>Corporate</b>    | <b>Total</b>             |
| <b>From January 1<sup>st</sup> to June 30<sup>th</sup>, 2010</b> |                        |                        |                     |                          |
| Net income from interest   | 105.016.772,59         | 57.025.242,25          | 8.127.923,43        | <b>170.169.938,27</b>    |
| Net income from commissions                                      | 5.628.121,00           | (221.688,41)           | 21.365,19           | <b>5.427.797,78</b>      |
| Net other operating income                                       | 5.508.507,14           | (87.207.329,61)        | 1.257.030,87        | <b>(80.441.791,60)</b>   |
| <b>Total net income</b>  | <b>116.153.400,73</b>  | <b>(30.403.775,77)</b> | <b>9.406.319,49</b> | <b>95.155.944,45</b>     |
| Expenses   | 97.364.810,63          | 8.041.009,00           | 2.025.070,67        | <b>107.430.890,30</b>    |
| Depreciation   | 5.017.949,45           | 412.786,38             | 31.858,54           | <b>5.462.594,37</b>      |
| Allowance for the impairment of loans                            | 14.499.053,57          | -                      | 577.062,01          | <b>15.076.115,58</b>     |
| <b>Profit / (loss) before tax</b>                                | <b>(728.412,92)</b>    | <b>(38.857.571,15)</b> | <b>6.772.328,27</b> | <b>(32.813.655,80)</b>   |
| Income tax   |                        |                        |                     | (9.567.705,14)           |
| Extraordinary social responsibility tax                          |                        |                        |                     | (3.874.448,86)           |
| <b>Net profit / (loss) after tax</b>                             |                        |                        |                     | <b>(46.255.809,80)</b>   |
| Capital expenditure  | 8.522.223,82           | 275.884,34             | 50.315,25           | <b>8.848.423,41</b>      |
| Total assets at 30.6.2010  | 7.074.545.637,88       | 9.512.874.725,93       | 1.590.114.742,51    | <b>18.177.535.106,32</b> |
| Total liabilities at 30.6.2010                                   | 11.782.955.062,90      | 5.094.549.067,06       | 428.537.891,85      | <b>17.306.042.021,81</b> |
| <b>From January 1<sup>st</sup> to June 30<sup>th</sup>, 2009</b> |                        |                        |                     |                          |
| Net income from interest   | 75.704.288,35          | 47.121.917,25          | 6.972.696,94        | <b>129.798.902,54</b>    |
| Net income from commissions                                      | 6.521.164,33           | (535.167,64)           | 305.045,00          | <b>6.291.041,69</b>      |
| Net other operating income                                       | 1.438.089,45           | 119.767.445,39         | (388.356,74)        | <b>120.817.178,10</b>    |
| <b>Total net income</b>  | <b>83.663.542,13</b>   | <b>166.354.195,00</b>  | <b>6.889.385,20</b> | <b>256.907.122,33</b>    |
| Expenses   | 108.837.832,72         | 4.741.938,70           | 4.459.863,89        | <b>118.039.635,31</b>    |
| Depreciation   | 4.616.656,83           | 165.183,02             | 456.817,99          | <b>5.238.657,84</b>      |
| Allowance for the impairment of loans                            | 16.982.369,00          | -                      | -                   | <b>16.982.369,00</b>     |
| <b>Profit / (loss) before tax</b>                                | <b>(46.773.316,42)</b> | <b>161.447.073,28</b>  | <b>1.972.703,32</b> | <b>116.646.460,18</b>    |
| Income tax   |                        |                        |                     | (27.535.526,23)          |
| <b>Net profit / (loss) after tax</b>                             |                        |                        |                     | <b>89.110.933,95</b>     |
| Capital expenditure 30.6.2009                                    | 13.156.606,08          | 353.577,02             | 1.373.561,06        | <b>14.883.744,16</b>     |
| Total assets at 31.12.2009                                       | 6.876.132.935,26       | 9.522.804.474,57       | 1.561.082.989,05    | <b>17.960.020.398,87</b> |
| Total liabilities at 31.12.2009                                  | 12.499.739.639,96      | 3.876.671.285,37       | 359.338.729,23      | <b>16.735.749.654,56</b> |

#### 4. Net interest income

Net interest income is analyzed as follows:

| <b>Amounts in €</b>  | <b>ON CONSOLIDATED BASIS</b> |                       | <b>ON STAND ALONE BASIS</b> |                       |
|--|------------------------------|-----------------------|-----------------------------|-----------------------|
|  | <b>30.6.2010</b>             | <b>30.6.2009</b>      | <b>30.6.2010</b>            | <b>30.6.2009</b>      |
| <i>Interest income from:</i>                                   |                              |                       |                             |                       |
| Fixed income securities  | 128.889.640,86               | 102.539.014,10        | 128.889.640,86              | 102.539.014,10        |
| Loans and advances, due from customers                         | 164.732.206,54               | 178.878.128,80        | 154.343.942,77              | 178.878.128,80        |
| Amounts due from banks   | 13.791.645,21                | 52.187.497,46         | 13.736.693,45               | 52.139.657,46         |
| Interest on deposits in Bank of Greece                         | 1.269.497,73                 | 1.777.265,43          | 1.269.497,73                | 1.777.265,43          |
| <b>Interest and similar income</b>                             | <b>308.682.990,34</b>        | <b>335.381.905,79</b> | <b>298.239.774,81</b>       | <b>335.334.065,79</b> |
| <i>Interest expense from:</i>                                  |                              |                       |                             |                       |
| Liabilities due to credit institutions                         | 18.612.209,95                | 47.222.255,06         | 18.612.209,95               | 47.222.255,06         |
| Amounts due to customers                                       | 102.052.401,81               | 150.821.821,80        | 102.067.973,35              | 150.834.644,72        |
| Contribution to Hellenic Deposit and Investment Guarantee Fund | 6.302.596,62                 | 6.637.476,29          | 6.302.596,62                | 6.637.476,29          |
| Other interest bearing liabilities                             | 1.087.469,12                 | 841.220,17            | 1.087.056,62                | 840.787,18            |
| <b>Interest and similar expenses</b>                           | <b>128.054.677,50</b>        | <b>205.522.773,32</b> | <b>128.069.836,54</b>       | <b>205.535.163,25</b> |
| <b>Net interest income</b>                                     | <b>180.628.312,84</b>        | <b>129.859.132,47</b> | <b>170.169.938,27</b>       | <b>129.798.902,54</b> |

## 5. Net fee and commission income

Net fee and commission income is analyzed as follows:

| <i>Amounts in €</i>  | ON CONSOLIDATED BASIS |                      | ON STAND ALONE BASIS |                     |
|--|-----------------------|----------------------|----------------------|---------------------|
|  | 30.6.2010             | 30.6.2009            | 30.6.2010            | 30.6.2009           |
| Commissions from securities  | 389.544,54            | 266.043,84           | 23.258,88            | 19.114,56           |
| Fund management fees & commissions<br>from foreign exchange operations | 202.668,64            | 53.823,56            | 202.668,64           | 53.823,56           |
| Commissions from credit cards and<br>consumer loans                    | 2.151.702,25          | 2.128.352,27         | 260.602,18           | 2.128.352,27        |
| Other commission income  | 5.804.113,47          | 7.881.979,67         | 5.390.527,56         | 5.101.927,86        |
| <b>Total commission income</b>   | <b>8.548.028,90</b>   | <b>10.330.199,34</b> | <b>5.877.057,26</b>  | <b>7.303.218,25</b> |
| Credit cards commission expenses                                       | 86.636,77             | 219.318,38           | 86.636,77            | 219.318,38          |
| Other commission expenses  | 536.574,79            | 956.765,24           | 362.622,71           | 792.858,18          |
| <b>Total commission expenses</b>                                       | <b>623.211,56</b>     | <b>1.176.083,62</b>  | <b>449.259,48</b>    | <b>1.012.176,56</b> |
| <b>Net commission income</b>   | <b>7.924.817,34</b>   | <b>9.154.115,72</b>  | <b>5.427.797,78</b>  | <b>6.291.041,69</b> |

## 6. Dividend income

Dividend income is analyzed as follows:

| <i>Amounts in €</i>   | ON CONSOLIDATED BASIS |                     | ON STAND ALONE BASIS |                     |
|---|-----------------------|---------------------|----------------------|---------------------|
|   | 30.6.2010             | 30.6.2009           | 30.6.2010            | 30.6.2009           |
| Dividends from investments in subsidiaries                            | -                     | -                   | 1.258.400,00         | 871.200,00          |
| Dividends from shares of companies listed<br>on the ATHEX             | 1.019.660,37          | 1.754.227,67        | 1.019.660,37         | 1.754.227,67        |
| Dividends from shares of listed companies<br>on foreign stock markets | 2.525.687,72          | 2.391.986,89        | 2.525.687,72         | 2.391.986,89        |
| <b>Total</b>  | <b>3.545.348,09</b>   | <b>4.146.214,56</b> | <b>4.803.748,09</b>  | <b>5.017.414,56</b> |

## 7. Net income from financial instruments designated at fair value through profit or loss

Net income from financial instruments designated at fair value through profit or loss is analyzed as follows:

| <i>Amounts in €</i>   | ON CONSOLIDATED BASIS  |                       | ON STAND ALONE BASIS   |                       |
|---|------------------------|-----------------------|------------------------|-----------------------|
|   | 30.6.2010              | 30.6.2009             | 30.6.2010              | 30.6.2009             |
| <b>Gains / (Losses) from financial assets at fair value through P&amp;L</b>                 |                        |                       |                        |                       |
| - Debt securities   | (7.821.869,78)         | (3.458.382,19)        | (7.821.869,78)         | (3.458.382,19)        |
| - Mutual Funds  | (2.879.506,99)         | 1.383.525,65          | (2.877.113,11)         | 1.385.506,79          |
| <b><i>Total of Gains / (Losses) from financial assets at fair value through P&amp;L</i></b> | <b>(10.701.376,77)</b> | <b>(2.074.856,54)</b> | <b>(10.698.982,89)</b> | <b>(2.072.875,40)</b> |
| <b>Gains / (Losses) from trade portfolio</b>  |                        |                       |                        |                       |
| - Debt securities and derivatives   | (76.066.096,89)        | 105.558.313,30        | (76.066.096,89)        | 105.558.313,30        |
| - Equity securities   | 343.730,14             | 1.002.813,35          | 348.419,05             | 968.768,87            |
| Foreign exchange profits / (losses)   | 365.446,90             | 169.271,60            | 373.095,68             | 169.271,60            |
| <b><i>Total of trade portfolio</i></b>  | <b>(75.356.919,85)</b> | <b>106.730.398,25</b> | <b>(75.344.582,16)</b> | <b>106.696.353,77</b> |
| <b>Total</b>  | <b>(86.058.296,62)</b> | <b>104.655.541,71</b> | <b>(86.043.565,05)</b> | <b>104.623.478,37</b> |

Since July 1<sup>st</sup>, 2008 the Bank has applied fair value hedge accounting for a part of fixed rate mortgage and consumer loans portfolio using interest rate swaps. Moreover, since 1/10/2008 the Group has carried out fair value hedge accounting as regards bonds in AFS and Loans portfolios, using interest rate swaps and futures. For the period 1/1/2010-30/6/2010, the net result

of interest rate swaps and futures valuation amounted to a loss of € 100.298.166,40, while the net result of loans and debt securities valuation at fair value amounted to a profit of € 98.707.768,25. The difference of the above results amounting to € 1.590.398,15 has been added to "Other expenses".

## 8. Net income from investment securities

The profits / (losses) of investment portfolio are analyzed as follows:

| <i>Amounts in €</i>                                      | ON CONSOLIDATED BASIS |                      | ON STAND ALONE BASIS |                      |
|--|-----------------------|----------------------|----------------------|----------------------|
|  | 30.6.2010             | 30.6.2009            | 30.6.2010            | 30.6.2009            |
| <b>Net income from the available for sale securities</b> |                       |                      |                      |                      |
| - Shares   | 468.438,76            | 1.428.870,36         | 468.438,76           | 1.428.870,36         |
| - Bonds and other securities                             | (5.041,51)            | 11.269.452,78        | (5.041,51)           | 11.269.452,78        |
| - Impairment   | (233.198,63)          | (2.088.927,42)       | (233.198,63)         | (2.088.927,42)       |
| <b>Total</b>   | <b>230.198,62</b>     | <b>10.609.395,72</b> | <b>230.198,62</b>    | <b>10.609.395,72</b> |

## 9. Personnel expenses

The number of the Group employees on June 30<sup>th</sup>, 2010 amounts to 2.527 (129 of which are related to subsidiaries) as compared to 2.206 (112 of which are related to subsidiaries) on June 30<sup>th</sup>, 2009.

Personnel expenses affect the Income Statement of the period as follows:

| <i>Amounts in €</i>                       | ON CONSOLIDATED BASIS |                      | ON STAND ALONE BASIS |                      |
|---|-----------------------|----------------------|----------------------|----------------------|
|   | 30.6.2010             | 30.6.2009            | 30.6.2010            | 30.6.2009            |
| Wages and salaries                        | 55.005.138,04         | 44.653.071,38        | 53.215.380,32        | 43.371.542,04        |
| Social security contributions             | 6.792.788,09          | 3.821.201,30         | 6.504.936,04         | 3.561.524,72         |
| Provision for staff termination indemnity | 1.809.730,59          | 2.321.524,62         | 1.772.371,00         | 2.289.038,00         |
| Other personnel expenses                  | 1.436.729,74          | 1.033.784,90         | 1.368.942,89         | 1.012.068,57         |
| <b>Total</b>                              | <b>65.044.386,46</b>  | <b>51.829.582,20</b> | <b>62.861.630,25</b> | <b>50.234.173,33</b> |

## 10. Other operating expenses

Other operating expenses are analyzed as follows:

| <i>Amounts in €</i>                 | ON CONSOLIDATED BASIS |                      | ON STAND ALONE BASIS |                      |
|-------------------------------------|-----------------------|----------------------|----------------------|----------------------|
|                                     | 30.6.2010             | 30.6.2009            | 30.6.2010            | 30.6.2009            |
| Associated lawyers & engineers fees | 1.638.016,50          | 1.502.090,57         | 1.638.016,50         | 1.502.090,57         |
| Electronic data support fees        | 1.751.979,57          | 1.489.584,77         | 812.048,14           | 721.767,59           |
| Other third party fees and expenses | 5.385.294,22          | 8.987.627,38         | 5.214.400,75         | 8.798.250,21         |
| Expenses of EL.TA. Network          | 8.105.112,73          | 8.252.638,80         | 8.105.112,73         | 8.252.638,80         |
| Brokerage fees of Post Credit       | -                     | -                    | 63.301,53            | 7.260.934,93         |
| Rental expenses                     | 3.290.783,94          | 2.827.274,27         | 3.117.974,83         | 2.654.230,58         |
| Insurance expenses                  | 780.881,64            | 312.552,56           | 769.796,05           | 300.699,04           |
| Telephone-postal expenses           | 2.736.016,96          | 2.784.261,80         | 2.002.943,24         | 2.501.461,76         |
| Repairs and maintenance             | 1.893.012,09          | 1.561.899,17         | 1.807.230,20         | 1.511.796,40         |
| Office supplies                     | 824.527,46            | 888.595,93           | 697.994,97           | 801.046,55           |
| Promotion and advertising expenses  | 6.120.079,71          | 13.663.082,40        | 5.874.897,02         | 13.637.451,57        |
| Electricity expenses                | 854.606,18            | 849.194,44           | 854.606,18           | 849.194,44           |
| Cleaning expenses                   | 113.239,71            | 368.152,52           | 113.057,20           | 368.152,52           |
| Tax and duties - VAT                | 4.375.921,04          | 5.795.241,75         | 4.364.580,71         | 5.782.170,56         |
| Subscription-contributions          | 1.035.683,98          | 1.005.015,06         | 849.651,31           | 965.255,58           |
| Other operating expenses            | 4.565.410,26          | 5.160.707,88         | 4.454.975,70         | 4.948.190,84         |
| <b>Total</b>                        | <b>43.470.565,99</b>  | <b>55.447.919,30</b> | <b>40.740.587,06</b> | <b>60.855.331,94</b> |

## 11. Other expenses

| <i>Amounts in €</i>                          | ON CONSOLIDATED BASIS |                     | ON STAND ALONE BASIS |                     |
|--|-----------------------|---------------------|----------------------|---------------------|
|  | 30.6.2010             | 30.6.2009           | 30.6.2010            | 30.6.2009           |
| Ineffectiveness of hedge accounting (note 7) | 1.590.398,15          | 5.563.741,10        | 1.590.398,15         | 5.563.741,10        |
| Cost of loans to employees                   | 1.256.066,12          | 1.276.243,41        | 1.256.066,12         | 1.276.243,41        |
| Other expenses                               | 1.064.106,34          | 110.316,60          | 982.208,72           | 110.145,53          |
| <b>Total</b>                                 | <b>3.910.570,61</b>   | <b>6.950.301,11</b> | <b>3.828.672,99</b>  | <b>6.950.130,04</b> |

## 12. Income tax

Tax expense affects the comprehensive income of the period as follows:

| <i>Amounts in €</i> | ON CONSOLIDATED BASIS |                      | ON STAND ALONE BASIS |                      |
|---------------------|-----------------------|----------------------|----------------------|----------------------|
|                     | 30.6.2010             | 30.6.2009            | 30.6.2010            | 30.6.2009            |
| Income Tax          | 21.734.801,05         | 28.992.686,46        | 20.239.821,75        | 27.845.091,52        |
| Deferred Tax        | (10.743.969,68)       | (333.458,03)         | (10.672.116,61)      | (309.565,29)         |
| <b>Total</b>        | <b>10.990.831,37</b>  | <b>28.659.228,43</b> | <b>9.567.705,14</b>  | <b>27.535.526,23</b> |

Current income tax for the Bank has been calculated using a tax rate of 24% for the period 1/1/2010-30/6/2010 and of 25% for the period 1/1/2009-30/6/2009. Current income tax is recognized as expense for the period and calculated based on the current tax rate.

According to Law 3697/08 starting from 2010, the tax rate will be reduced one percent annually until the rate reaches 20% in 2014 and thereafter. Also, according to article 13 of Law 3842/2010 which replaces par. 1 of article 109 of Law 2238/1994, profits shall be segregated to taxable under 40%

percentage and to non-distributable, bearing 24% percentage taxation.

It is also noted that, in accordance with article 26 of Law 3634/2008 starting from the fiscal year 2007, income tax is imposed on bank profits which previously were not subject to tax until distributed or capitalized (gains from the sale of listed shares, interest on Greek government bonds etc.).

## 13. Extraordinary tax contribution

According to article 5 of Law 3845/2010 "Actions for the implementation of the Greek Economy Support mechanism by other E.U. member States and International Monetary FUND", an extraordinary bounty social contribution tax was imposed on net income of corporations for the

year 2009, for income over € 100.000. Due to the aforementioned legislation, for the current period, the Bank's and the Group's results were aggravated with an extraordinary tax contribution amounting to € 3.874.448,86 and € 4.376.210,86 respectively.

## 14. Earnings / (losses) per share

The calculation of basic and diluted earnings / (losses) per share on both consolidated and stand alone basis is based on net profit / (loss) of the period and weighted average number of

shares outstanding minus the weighted average number of treasury shares.

According to par 26 and 27b of I.A.S.33, weighted average number of common shares for the comparative period from 1/1/2009 to 30/6/2009 has been readjusted in implementation of share capital increase by cash contribution in favor of the existing common shareholders, by ratio of 1 new common share to 1 old share, following the decision of the Bank's Extraordinary

General Meeting of shareholders on April 22<sup>nd</sup>, 2009. The adjustment ratio applied to all published comparative periods equals 1,09090.

The basic and diluted earnings / (losses) per share for the periods 1/1-30/6/2010 and 1/1-30/6/2009 are calculated as follows:

| <i>Amounts in €</i>  | On consolidated basis |               | On stand alone basis |               |
|--|-----------------------|---------------|----------------------|---------------|
|  | 1.1-30.6.2010         | 1.1-30.6.2009 | 1.1-30.6.2010        | 1.1-30.6.2009 |
| Net profit / (loss) attributable to the owners of the Bank                   | (54.691.259,82)       | 91.520.165,59 | (46.255.809,80)      | 89.110.933,95 |
| <b>Minus</b> : Preference shares dividends                                   | 8.478.218,52          | 1.848.986,30  | 8.478.218,52         | 1.848.986,30  |
| Net profit / (loss) attributable to the parent company's common shareholders | (63.169.478,34)       | 89.671.179,29 | (54.734.028,32)      | 87.261.947,65 |
| Weighted average number of shares outstanding                                | 281.000.944           | 151.458.099   | 281.032.944          | 151.470.099   |
| Basic and diluted earnings per share   | <b>(0,2248)</b>       | <b>0,5921</b> | <b>(0,1948)</b>      | <b>0,5761</b> |

| <i>Amounts in €</i>  | On consolidated basis |                 | On stand alone basis |                 |
|--|-----------------------|-----------------|----------------------|-----------------|
|  | 1.4.-31.12.2010       | 1.4.-31.12.2009 | 1.4.-31.12.2010      | 1.4.-31.12.2009 |
| Net profit / (loss) attributable to the owners of the Bank                   | (34.264.032,42)       | 49.044.519,77   | (26.646.783,53)      | 47.705.436,62   |
| <b>Minus</b> : Preference shares dividends                                   | 4.262.529,76          | 1.848.986,30    | 4.262.529,76         | 1.848.986,30    |
| Net profit / (loss) attributable to the parent company's common shareholders | (38.526.562,18)       | 47.195.533,47   | (30.909.313,29)      | 45.856.450,32   |
| Weighted average number of shares outstanding                                | 281.000.944           | 151.406.140     | 281.032.944          | 151.418.140     |
| Basic and diluted earnings per share   | <b>(0,1371)</b>       | <b>0,3117</b>   | <b>(0,1100)</b>      | <b>0,3028</b>   |

According to I.A.S.33 par. 14, for the calculation of earnings per share, the after-tax amount of preference dividends for the period 1/1 – 30/06/2010 must be deducted from profits attributable to the parent company's shareholders. The aforementioned dividend is deducted from the calculation of earnings per share, whether or not the dividends have been

declared. As presented above, dividends are the after tax amount for the respective period, which corresponds to 10% of € 224.960.000,00 preference shares' value.

It is noted that there were no potential shares to be included in the calculation of the diluted earnings per share on June 30<sup>th</sup>, 2010.

## 15. Cash and balances with Central Bank

Cash and Balances with Central Bank are analyzed as follows:

| <i>Amounts in €</i>         | ON CONSOLIDATED BASIS |                       | ON STAND ALONE BASIS  |                       |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                             | 30.6.2010             | 31.12.2009            | 30.6.2010             | 31.12.2009            |
| Cash                        | 34.018.104,15         | 34.745.556,39         | 34.014.869,26         | 34.741.189,07         |
| Balances w ith Central Bank | 253.464.636,72        | 74.942.596,12         | 253.464.636,72        | 74.942.596,12         |
| <b>Total</b>                | <b>287.482.740,87</b> | <b>109.688.152,51</b> | <b>287.479.505,98</b> | <b>109.683.785,19</b> |

From cash and balances to Central Bank on 30/6/2010 the amount of € 247.915.760,00 and € 74.942.596,12 on 31/12/2009 refers to mandatory deposits to Bank of Greece.

## 16. Due from Banks

Amounts due from banks are analyzed as follows:

| <i>Amounts in €</i>       | ON CONSOLIDATED BASIS   |                         | ON STAND ALONE BASIS    |                         |
|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                           | 30.6.2010               | 31.12.2009              | 30.6.2010               | 31.12.2009              |
| Time deposits w ith banks | 2.303.090.687,58        | 1.955.959.477,17        | 2.298.590.687,58        | 1.952.959.477,17        |
| Correspondent Banks       | 9.088.345,85            | 1.555.126,21            | 9.088.345,85            | 1.555.126,21            |
| Sight deposits            | 7.285.803,40            | 8.404.994,37            | 3.512.512,27            | 6.855.300,63            |
| Margin accounts           | 27.227.688,31           | 44.965.672,34           | 27.227.688,31           | 44.965.672,34           |
| Reverse repos             | -                       | 222.000.000,00          | -                       | 222.000.000,00          |
| Collaterals & others      | 222.515.851,00          | 106.482.633,74          | 222.515.851,00          | 106.482.633,74          |
| <b>Total</b>              | <b>2.569.208.376,14</b> | <b>2.339.367.903,83</b> | <b>2.560.935.085,01</b> | <b>2.334.818.210,09</b> |

## 17. Loans and advances due from customers

Amounts due from customers are analyzed as follows:

| <i>Amounts in €</i>  | ON CONSOLIDATED BASIS   |                         | ON STAND ALONE BASIS    |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | 30.6.2010               | 31.12.2009              | 30.6.2010               | 31.12.2009              |
| Public sector (loans & debt securities)                                    | 538.563.790,56          | 596.362.277,54          | 538.563.790,56          | 596.362.277,54          |
| Consumer loans   | 1.836.100.939,23        | 1.880.491.710,63        | 1.836.100.939,23        | 1.880.491.710,63        |
| Mortgage loans   | 4.702.680.203,17        | 4.615.486.040,99        | 4.702.680.203,17        | 4.615.486.040,99        |
| Credit cards   | 243.725.684,03          | 242.854.344,76          | 17.022.174,60           | 26.625.770,03           |
| Corporate debt securities  | 765.269.436,36          | 707.574.544,12          | 765.269.436,36          | 707.574.544,12          |
| Loans to affiliates  | 500.000,00              | -                       | 204.208.747,62          | 208.278.517,45          |
| <b>Total</b>   | <b>8.086.840.053,35</b> | <b>8.042.768.918,04</b> | <b>8.063.845.291,54</b> | <b>8.034.818.860,76</b> |
| Less: Allow ances for impairment of loans and advances, due from customers | (184.452.046,95)        | (162.874.705,50)        | (161.080.794,00)        | (146.731.495,83)        |
| <b>Net Total</b>   | <b>7.902.388.006,40</b> | <b>7.879.894.212,54</b> | <b>7.902.764.497,54</b> | <b>7.888.087.364,93</b> |

The movement of allowance for impairment of loans and advances, due from customers is analyzed as follows :

**ON CONSOLIDATED BASIS**

|   | Consumer loans       | Mortgages            | Credit Cards         | Debt securities and other loans | Total                 |
|---|----------------------|----------------------|----------------------|---------------------------------|-----------------------|
| <b>Balance at January 1<sup>st</sup> 2010</b> | <b>64.402.256,84</b> | <b>58.816.736,00</b> | <b>32.559.491,67</b> | <b>7.096.220,99</b>             | <b>162.874.705,50</b> |
| Allow ance for impairment of loans            | 5.793.943,16         | 9.074.618,00         | 6.134.324,69         | 577.062,01                      | 21.579.947,86         |
| Loans w ritten off                            | -                    | -                    | (5.841,89)           | -                               | (5.841,89)            |
| Returns from w ritten off loans of the period | -                    | -                    | 3.235,48             | -                               | 3.235,48              |
| <b>Balance at June 30<sup>th</sup>, 2010</b>  | <b>70.196.200,00</b> | <b>67.891.354,00</b> | <b>38.691.209,95</b> | <b>7.673.283,00</b>             | <b>184.452.046,95</b> |

|  | Consumer loans       | Mortgages            | Credit Cards         | Debt securities and other loans | Total                 |
|--|----------------------|----------------------|----------------------|---------------------------------|-----------------------|
| <b>Balance at January 1<sup>st</sup> 2009</b>    | <b>54.194.551,00</b> | <b>45.380.700,00</b> | <b>22.523.045,00</b> | -                               | <b>122.098.296,00</b> |
| Allow ance for impairment of loans               | 10.632.066,22        | 13.453.214,71        | 9.430.133,93         | 7.096.220,99                    | 40.611.635,85         |
| Loans w ritten off                               | (424.360,38)         | (17.178,71)          | -                    | -                               | (441.539,09)          |
| Transfers  | -                    | -                    | 600.000,00           | -                               | 600.000,00            |
| Returns from w ritten off loans of the year      | -                    | -                    | 6.312,74             | -                               | 6.312,74              |
| <b>Balance at December 31<sup>st</sup>, 2009</b> | <b>64.402.256,84</b> | <b>58.816.736,00</b> | <b>32.559.491,67</b> | <b>7.096.220,99</b>             | <b>162.874.705,50</b> |

**ON STAND ALONE BASIS**

|  | Consumer loans       | Mortgages            | Credit Cards         | Debt securities and other loans | Total                 |
|--|----------------------|----------------------|----------------------|---------------------------------|-----------------------|
| <b>Balance at January 1<sup>st</sup> 2010</b>              | <b>64.402.256,84</b> | <b>58.816.736,00</b> | <b>16.416.282,00</b> | <b>7.096.220,99</b>             | <b>146.731.495,83</b> |
| Allow ance for impairment of loans                         | 5.793.943,16         | 9.074.618,00         | (369.507,59)         | 577.062,01                      | 15.076.115,58         |
| Loans w ritten off / transfers of provisions of the period | -                    | -                    | (730.052,89)         | -                               | (730.052,89)          |
| Returns from w ritten off loans of the period              | -                    | -                    | 3.235,48             | -                               | 3.235,48              |
| <b>Balance at June 30<sup>th</sup>, 2010</b>               | <b>70.196.200,00</b> | <b>67.891.354,00</b> | <b>15.319.957,00</b> | <b>7.673.283,00</b>             | <b>161.080.794,00</b> |

|  | Consumer loans       | Mortgages            | Credit Cards         | Debt securities and other loans | Total                 |
|--|----------------------|----------------------|----------------------|---------------------------------|-----------------------|
| <b>Balance at January 1<sup>st</sup> 2009</b>            | <b>54.194.551,00</b> | <b>45.380.700,00</b> | <b>22.523.045,00</b> | -                               | <b>122.098.296,00</b> |
| Allow ance for impairment of loans                       | 10.632.066,22        | 13.453.214,71        | 4.505.216,25         | 7.096.220,99                    | 35.686.718,17         |
| Loans w ritten off / transfers of provisions of the year | (424.360,38)         | (17.178,71)          | (10.618.291,99)      | -                               | (11.059.831,08)       |
| Returns from w ritten off loans of the year              | -                    | -                    | 6.312,74             | -                               | 6.312,74              |
| <b>Balance at December 31<sup>st</sup>, 2009</b>         | <b>64.402.256,84</b> | <b>58.816.736,00</b> | <b>16.416.282,00</b> | <b>7.096.220,99</b>             | <b>146.731.495,83</b> |

### 18. Financial assets designated at fair value through profit and loss

| <i>Amounts in €</i>  | ON CONSOLIDATED BASIS |                       | ON STAND ALONE BASIS |                       |
|--|-----------------------|-----------------------|----------------------|-----------------------|
|  | 30.6.2010             | 31.12.2009            | 30.6.2010            | 31.12.2009            |
| <b>Financial assets designated at fair value through profit and loss</b>       |                       |                       |                      |                       |
| <u>Bonds issued by financial institutions</u>                                  | 23.063.771,00         | 35.747.388,45         | 23.063.771,00        | 35.747.388,45         |
| <u>Mutual fund units</u>   | 25.746.625,95         | 29.023.288,29         | 25.646.153,50        | 28.523.266,61         |
| <u>Alternative investments</u>   | 14.572.600,00         | 24.003.500,00         | 14.572.600,00        | 24.003.500,00         |
| <b>Total financial assets designated at fair value through profit and loss</b> | <b>63.382.996,95</b>  | <b>88.774.176,74</b>  | <b>63.282.524,50</b> | <b>88.274.155,06</b>  |
| <b>Trading securities</b>  |                       |                       |                      |                       |
| <u>Bonds and other debt securities</u>   |                       |                       |                      |                       |
| Greek government bonds   | 25.572,02             | 146.496.472,19        | 25.572,02            | 146.496.472,19        |
| Foreign government bonds   | -                     | 6.891.000,00          | -                    | 6.891.000,00          |
| Bonds issued by financial institutions   | 9.289.500,00          | 188.024.571,99        | 9.289.500,00         | 188.024.571,99        |
| Corporate bonds  | 2.591.594,34          | 15.892.322,38         | 2.332.124,34         | 15.892.322,38         |
|  | <b>11.906.666,36</b>  | <b>357.304.366,56</b> | <b>11.647.196,36</b> | <b>357.304.366,56</b> |
| <u>Shares</u>  |                       |                       |                      |                       |
| Shares listed on the ATHEX   | 10.365,15             | 10.365,16             | 10.365,15            | 10.365,16             |
|  | <b>10.365,15</b>      | <b>10.365,16</b>      | <b>10.365,15</b>     | <b>10.365,16</b>      |
| <b>Total trading securities</b>  | <b>11.917.031,51</b>  | <b>357.314.731,72</b> | <b>11.657.561,51</b> | <b>357.314.731,72</b> |
| <b>Total</b>   | <b>75.300.028,46</b>  | <b>446.088.908,46</b> | <b>74.940.086,01</b> | <b>445.588.886,78</b> |

The pledged bonds in trade portfolio as at 30/6/2010 are analyzed as follows :

#### Pledged bonds included in trading portfolio

| Type of engagement                                  | Fair Value 30.6.2010 |
|---|----------------------|
| Pledged assets for daily liquidity (Bank of Greece) | 7.975.000,00         |
| <b>Total</b>  | <b>7.975.000,00</b>  |

### 19. Derivative financial instruments – assets - liabilities

Derivative financial instruments analysis as at June 30<sup>th</sup>, 2010 and December 31<sup>st</sup>, 2009 is analyzed as follows:

| <i>Amounts in €</i>   | ON CONSOLIDATED & STAND ALONE BASIS |                     |                       |                                  |                     |                       |
|-----------------------|-------------------------------------|---------------------|-----------------------|----------------------------------|---------------------|-----------------------|
|                       | June 30 <sup>th</sup> , 2010        |                     |                       | December 31 <sup>st</sup> , 2009 |                     |                       |
|                       | Face Value                          | Fair Value          |                       | Face Value                       | Fair Value          |                       |
|                       |                                     | Assets              | Liabilities           |                                  | Assets              | Liabilities           |
| Interest rate sw aps  | 2.694.116.898,38                    | 4.380,24            | 145.997.017,92        | 3.422.744.381,51                 | 500.924,04          | 70.471.151,88         |
| Credit default sw aps | 161.108.222,64                      | 162.939,00          | 8.539.534,81          | 500.388.518,67                   | 532.832,70          | 24.422.051,01         |
| Currency sw aps       | 38.014.662,98                       | -                   | 7.347.312,08          | 32.857.756,09                    | 542.789,13          | 1.548.141,51          |
| Futures               | 2.698.931.040,00                    | 534.835,00          | 8.267.525,00          | 4.397.615.542,76                 | 3.163.969,15        | 6.083.323,21          |
| Fx forw ards          | 77.699.114,73                       | 248.404,17          | 131.500,04            | 354.116,82                       | 3.219,35            | 3.122,68              |
| Embedded derivatives  | 164.104.342,30                      | 515.626,00          | 60.525.759,46         | 301.290.221,45                   | 199.585,62          | 53.208.759,03         |
| Options               | 38.775.880,00                       | -                   | 2.029.950,00          | 136.303.199,63                   | 1.161.575,80        | 2.567.575,00          |
| <b>Total</b>          | <b>5.872.750.161,03</b>             | <b>1.466.184,41</b> | <b>232.838.599,31</b> | <b>8.791.553.736,93</b>          | <b>6.104.895,79</b> | <b>158.304.124,32</b> |

From the aforementioned derivative financial instruments the Bank, at 30/6/2010, holds for hedge accounting purposes : a) interest rate swaps to hedge loans of nominal value € 320.234.000,00 for which the net fair value results to an obligation of € 16.772.286,66 b) currency and interest rate swaps to hedge debt securities portfolio and “Available for sale

portfolio” of nominal value € 1.235.236.984,42 for which the net fair value results to an obligation of € 93.289.511,45 and c) futures to hedge “Available for Sale” portfolio of nominal amount € 2.577.500.000,00 for which the net fair value results to an obligation of € 7.789.640,00.

## 20. Investment securities available for sale and held to maturity

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

| Amounts in €   | ON CONSOLIDATED & STAND ALONE BASIS |                         |
|--|-------------------------------------|-------------------------|
|  | 30.6.2010                           | 31.12.2009              |
| <b>Available for sale securities</b>                                       |                                     |                         |
| <b>Debt securities</b>   |                                     |                         |
| Greek government bonds   | 654.979.750,00                      | 4.817.884.842,82        |
| Foreign government bonds   | 64.018.000,00                       | 63.725.789,22           |
| Corporate bonds  | 174.480.136,92                      | 197.960.991,35          |
| Bonds issued by financial institutions                                     | 439.785.881,59                      | 528.760.678,23          |
| <b>Total of debt securities</b>  | <b>1.333.263.768,51</b>             | <b>5.608.332.301,62</b> |
| <b>Available for sale equity securities</b>                                |                                     |                         |
| Share listed on ATHEX  | 101.350.649,16                      | 137.915.742,96          |
| Unlisted shares  | 27.315.883,68                       | 27.304.318,46           |
| Venture capital  | 225.774,61                          | 212.078,32              |
| <b>Total equity securities</b>   | <b>128.892.307,45</b>               | <b>165.432.139,74</b>   |
| <b>Total available for sale securities</b>                                 | <b>1.462.156.075,96</b>             | <b>5.773.764.441,36</b> |
| <b>Securities held to maturity</b>   |                                     |                         |
| <b>Debt securities</b>   |                                     |                         |
| Greek government bonds   | 1.485.797.061,80                    | 261.276.192,34          |
| Bonds issued by financial institutions                                     | 83.368.432,22                       | 184.917.686,68          |
| Corporate bonds  | 4.659.693,29                        | 4.542.724,01            |
| <b>Total held to maturity securities</b>                                   | <b>1.573.825.187,31</b>             | <b>450.736.603,03</b>   |
| <b>Total available for sale securities and held to maturity securities</b> | <b>3.035.981.263,27</b>             | <b>6.224.501.044,39</b> |

The Management of the Bank, justifying the rare circumstances of financial market in the second semester of 2008 and the second quarter of 2010, applied the amendments of I.A.S.39 and I.F.R.S.7, issued in October 2008 and applied from 1/7/2008.

Securities that were transferred at 1/7/2008 from “Trading securities” portfolio either to “Held to maturity” or “Loans and receivables” (line “Debt securities” in Statement of Financial Position) with a fair value of € 60,58 million at 30/6/2010 have been measured at amortized cost. Consequently, a fair value profit amounting to €

1,29 million for the period from January 1<sup>st</sup> to June 30<sup>th</sup>, if they had been measured at fair value, has had no effect on the comprehensive income statement of the period. Moreover, securities and stocks that were transferred from “Trading securities” portfolio to “Available for sale securities” portfolio have been evaluated at 30/6/2010 at € 59,43 million and the fair value loss is amounting to 8,48 million for the period 1/1/2010 – 30/6/2010, including in “Available for sale reserve” portfolio. First semester results include € 645 thousand realized profit from the sale of the reclassified securities. A Greek Government Bond that on 1/7/2008 was originally transferred from “Trading portfolio” to “Available for sale” portfolio, on 1/4/2010 was reclassified to “Loans and receivables” (line “Debt securities” in Statement of Financial Position), and its fair value gains amounting to € 0,36 million were transferred directly to “Available for sale reserve”.

Also, Greek Government Bonds with fair value amounting to € 364,11 million at the beginning of April 2010, were originally transferred on 1/10/2008 from “Trading portfolio” to “Available for sale” portfolio. In early April 2010 there were reclassified again to “Held to maturity” portfolio and “Loans and receivables” (line “Debt securities” in Statement of Financial Position). Fair value losses of the aforementioned

securities for the period 1/1/2010 to April 2010 amounting to € 34,22 million were directly recognized to “Available for sale reserve” portfolio.

Finally in April 2010, Greek Government Bonds were reclassified as follows: a) securities from “Available for sale” portfolio either to “Held to maturity” portfolio or “Loans and receivables” (line “Debt securities” in Statement of Financial Position) with fair value amounting to € 3.140 million, that have been evaluated to amortized cost. As a result, the negative evaluation amounting to € 733,19 million for the period from reclassification date during April 2010 to 30/6/2010, that would have been accounted if they were evaluated at fair value, has not been accounted to “Available for sale reserve” in Equity. B) Securities from “Trading portfolio” either to “Held to maturity” or “Loans and receivables” (line “Debt securities” in Statement of Financial Position) with fair value amounting to € 130,97 that have been evaluated in amortized cost. As a result the negative evaluation amounting to € 12,23 million for the period from their reclassification date during April 2010 until 30/6/2010 that would have been accounted if they were evaluated in fair value, has not been recognized to the results of the period.

The fair values of pledged bonds at 30/6/2010 are included in investment portfolio as follows:

**Pledged debt securities included in investment portfolio**

| <b>Type of engagement</b>                           | <b>Fair Value 30.6.2010</b> |
|---|-----------------------------|
| Interbank repos                                     | 8.648.231,17                |
| Pledged assets for daily liquidity (Bank of Greece) | 2.728.282.116,08            |
| <b>Total</b>  | <b>2.736.930.347,25</b>     |

The movement of available for sale and held to maturity securities for the period 1/1/2010 – 30/6/2010 is analyzed as follows:

|  | Investments<br>available for sale | Investments held to<br>maturity | Total                   |
|--|-----------------------------------|---------------------------------|-------------------------|
| <b>Opening balance as at 1.1.2010</b>                    | <b>5.773.764.441,36</b>           | <b>450.736.603,03</b>           | <b>6.224.501.044,39</b> |
| Additions  | 1.281.773.627,67                  | 340.933.261,29                  | 1.622.706.888,96        |
| Transfers to debt securities                             | (3.103.698.151,80)                | -                               | (3.103.698.151,80)      |
| Transfers to "Held to maturity" portfolio                | (769.920.899,65)                  | 769.920.899,65                  | -                       |
| Transfers from "Trading securities" portfolio            | -                                 | 132.891.960,20                  | 132.891.960,20          |
| Disposals, w rite offs and maturities                    | (1.394.521.492,08)                | (124.000.000,00)                | (1.518.521.492,08)      |
| Foreign exchange differences                             | 17.904.924,43                     | 2.355.098,76                    | 20.260.023,19           |
| Premium / discount amortization                          | (5.426.754,98)                    | 987.364,38                      | (4.439.390,60)          |
| Adjustment to fair value recognized directly in reserves | (337.719.618,99)                  | -                               | (337.719.618,99)        |
| <b>Closing balance as at 30.6.2010</b>                   | <b>1.462.156.075,96</b>           | <b>1.573.825.187,31</b>         | <b>3.035.981.263,27</b> |

The movement of investment securities available for sale for the fiscal year 1/1-31/12/2009 is analyzed as follows:

|  | Investments<br>available for sale | Investments held to<br>maturity | Total                   |
|--|-----------------------------------|---------------------------------|-------------------------|
| <b>Opening balance as at 1.1.2009</b>                    | <b>2.439.197.833,49</b>           | <b>1.143.282.566,59</b>         | <b>3.582.480.400,08</b> |
| Additions  | 5.467.669.027,82                  | -                               | 5.467.669.027,82        |
| Disposals & w rite offs                                  | (2.049.246.926,16)                | (687.702.555,62)                | (2.736.949.481,78)      |
| Foreign exchange differences                             | (3.215.408,40)                    | (640.859,09)                    | (3.856.267,49)          |
| Premium / discount amortization                          | (19.359.502,80)                   | (4.202.548,85)                  | (23.562.051,65)         |
| Adjustment to fair value recognized directly in reserves | (61.280.582,59)                   | -                               | (61.280.582,59)         |
| <b>Closing balance as at 31.12.2009</b>                  | <b>5.773.764.441,36</b>           | <b>450.736.603,03</b>           | <b>6.224.501.044,39</b> |

## 21. Debt securities

The movement of debt securities is analyzed as follows:

| Amounts in €           | ON CONSOLIDATED BASIS & STAND<br>ALONE BASIS |                      |
|------------------------|--|----------------------|
|                        | 30.6.2010                                    | 31.12.2009           |
| Greek Government bonds | 3.196.507.042,76                             | -                    |
| Corporate bonds        | 26.098.321,76                                | 22.701.717,71        |
| <b>Σύνολο</b>          | <b>3.222.605.364,52</b>                      | <b>22.701.717,71</b> |

Pledged debt securities of loan portfolio as at 30/6/2010 are as follows:

**Pledged debt securities**

| Type of engagement                                  | Fair Value 30.6.2010    |
|---|-------------------------|
| Interbank repos                                     | 80.949.128,88           |
| Pledged assets for daily liquidity (Bank of Greece) | 2.574.620.024,58        |
| <b>Total</b>  | <b>2.655.569.153,46</b> |

During the second quarter of 2010 there was a reclassification of Greek Government Bonds from "Available for Sale" portfolio and Trading portfolio to "Loans and Receivables" (line "Debt securities" of the Statement of Financial Position). Comprehensive information about the above

reclassification is given in paragraph 20. Moreover, the relevant amount of € 22.701.717,71 of debt securities as at 31/12/2009 has been reclassified in order to be comparable to the amount of the current year.

**22. Property, plant and equipment**

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

**On consolidated basis**

| Amounts in €  | Land                 | Buildings & Building installations | Mechanical Equipment & vehicles | Furniture and other equipment | Assets under Construction | Total                  |
|---|----------------------|------------------------------------|---------------------------------|-------------------------------|---------------------------|------------------------|
| <b>Cost</b>   |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2009                          | 65.606.461,77        | 48.426.953,68                      | 3.667.632,88                    | 44.819.530,87                 | 5.322,58                  | 162.525.901,78         |
| Additions   | -                    | 12.076.185,82                      | -                               | 2.015.638,80                  | -                         | 14.091.824,62          |
| Disposals & write offs                                  | -                    | -                                  | (59.449,99)                     | -                             | -                         | (59.449,99)            |
| <b>June 30<sup>th</sup>, 2009</b>                       | <b>65.606.461,77</b> | <b>60.503.139,50</b>               | <b>3.608.182,89</b>             | <b>46.835.169,67</b>          | <b>5.322,58</b>           | <b>176.558.276,41</b>  |
| <b>Accumulated depreciation</b>                         |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2009                          | -                    | (8.285.281,17)                     | (3.332.305,23)                  | (35.660.286,77)               | -                         | (47.277.873,17)        |
| Depreciation  | -                    | (1.396.224,75)                     | (44.602,72)                     | (2.276.987,46)                | -                         | (3.717.814,93)         |
| <b>June 30<sup>th</sup>, 2009</b>                       | <b>0,00</b>          | <b>(9.681.505,92)</b>              | <b>(3.376.907,95)</b>           | <b>(37.937.274,23)</b>        | <b>0,00</b>               | <b>(50.995.688,10)</b> |
| <b>Net book value at June 30<sup>th</sup>, 2009</b>     | <b>65.606.461,77</b> | <b>50.821.633,58</b>               | <b>231.274,94</b>               | <b>8.897.895,44</b>           | <b>5.322,58</b>           | <b>125.562.588,31</b>  |
| <b>Cost</b>   |                      |                                    |                                 |                               |                           |                        |
| July 1 <sup>st</sup> , 2009                             | 65.606.461,77        | 60.503.139,50                      | 3.608.182,89                    | 46.835.169,67                 | 5.322,58                  | 176.558.276,41         |
| Additions   | -                    | 4.514.885,60                       | 7.322,78                        | 4.093.388,74                  | -                         | 8.615.597,12           |
| <b>December 31<sup>st</sup>, 2009</b>                   | <b>65.606.461,77</b> | <b>65.018.025,10</b>               | <b>3.615.505,67</b>             | <b>50.928.558,41</b>          | <b>5.322,58</b>           | <b>185.173.873,53</b>  |
| <b>Accumulated depreciation</b>                         |                      |                                    |                                 |                               |                           |                        |
| July 1 <sup>st</sup> , 2009                             | -                    | (9.681.505,92)                     | (3.376.907,95)                  | (37.937.274,23)               | -                         | (50.995.688,10)        |
| Depreciation  | -                    | (1.223.774,17)                     | (47.463,45)                     | (2.456.984,93)                | -                         | (3.728.222,55)         |
| <b>December 31<sup>st</sup>, 2009</b>                   | <b>0,00</b>          | <b>(10.905.280,09)</b>             | <b>(3.424.371,40)</b>           | <b>(40.394.259,16)</b>        | <b>0,00</b>               | <b>(54.723.910,65)</b> |
| <b>Net book value at December 31<sup>st</sup>, 2009</b> | <b>65.606.461,77</b> | <b>54.112.745,01</b>               | <b>191.134,27</b>               | <b>10.534.299,25</b>          | <b>5.322,58</b>           | <b>130.449.962,88</b>  |

| Amounts in €  | Land                 | Buildings & Building installations | Mechanical Equipment & vehicles | Furniture and other equipment | Assets under Construction | Total                  |
|---|----------------------|------------------------------------|---------------------------------|-------------------------------|---------------------------|------------------------|
| <b>Cost</b>   |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2010                      | 65.606.461,77        | 65.018.025,10                      | 3.615.505,67                    | 50.928.558,41                 | 5.322,58                  | 185.173.873,53         |
| Additions   | -                    | 4.031.983,27                       | 19.750,00                       | 2.674.021,89                  | 1.076.618,46              | 7.802.373,62           |
| Disposals / w rite offs / transfers                 | 3.151.752,36         | (3.151.752,36)                     | -                               | (64.667,53)                   | -                         | (64.667,53)            |
| <b>June 30<sup>th</sup>, 2010</b>                   | <b>68.758.214,13</b> | <b>65.898.256,01</b>               | <b>3.635.255,67</b>             | <b>53.537.912,77</b>          | <b>1.081.941,04</b>       | <b>192.911.579,62</b>  |
| <b>Accumulated depreciation</b>                     |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2010                      | -                    | (10.905.280,09)                    | (3.424.371,40)                  | (40.394.259,16)               | -                         | (54.723.910,65)        |
| Disposals & w rite offs                             | -                    | -                                  | -                               | 64.666,41                     | -                         | 64.666,41              |
| Depreciation  | -                    | (1.472.025,99)                     | (45.458,26)                     | (2.223.246,62)                | -                         | (3.740.730,87)         |
| <b>June 30<sup>th</sup>, 2010</b>                   | <b>0,00</b>          | <b>(12.377.306,08)</b>             | <b>(3.469.829,66)</b>           | <b>(42.552.839,37)</b>        | <b>0,00</b>               | <b>(58.399.975,11)</b> |
| <b>Net book value at June 30<sup>th</sup>, 2010</b> | <b>68.758.214,13</b> | <b>53.520.949,93</b>               | <b>165.426,01</b>               | <b>10.985.073,40</b>          | <b>1.081.941,04</b>       | <b>134.511.604,51</b>  |

**On stand alone basis**

| Amounts in €  | Land                 | Buildings & Building installations | Mechanical Equipment & vehicles | Furniture and other equipment | Assets under Construction | Total                  |
|---|----------------------|------------------------------------|---------------------------------|-------------------------------|---------------------------|------------------------|
| <b>Cost</b>   |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2009                          | 65.606.461,77        | 48.312.650,09                      | 3.662.333,81                    | 44.168.403,17                 | 5.322,58                  | 161.755.171,42         |
| Additions   | -                    | 12.076.185,82                      | -                               | 2.010.756,87                  | -                         | 14.086.942,69          |
| Disposals & w rite offs                                 | -                    | -                                  | (59.449,99)                     | -                             | -                         | (59.449,99)            |
| <b>June 30<sup>th</sup>, 2009</b>                       | <b>65.606.461,77</b> | <b>60.388.835,91</b>               | <b>3.602.883,82</b>             | <b>46.179.160,04</b>          | <b>5.322,58</b>           | <b>175.782.664,12</b>  |
| <b>Accumulated depreciation</b>                         |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2009                          | -                    | (8.236.889,85)                     | (3.329.482,93)                  | (35.057.191,70)               | -                         | (46.623.564,48)        |
| Depreciation  | -                    | (1.391.295,52)                     | (44.205,29)                     | (2.257.534,12)                | -                         | (3.693.034,93)         |
| <b>June 30<sup>th</sup>, 2009</b>                       | <b>0,00</b>          | <b>(9.628.185,37)</b>              | <b>(3.373.688,22)</b>           | <b>(37.314.725,82)</b>        | <b>0,00</b>               | <b>(50.316.599,41)</b> |
| <b>Net book value at June 30<sup>th</sup>, 2009</b>     | <b>65.606.461,77</b> | <b>50.760.650,54</b>               | <b>229.195,60</b>               | <b>8.864.434,22</b>           | <b>5.322,58</b>           | <b>125.466.064,71</b>  |
| <b>Cost</b>   |                      |                                    |                                 |                               |                           |                        |
| July 1 <sup>st</sup> , 2009                             | 65.606.461,77        | 60.388.835,91                      | 3.602.883,82                    | 46.179.160,04                 | 5.322,58                  | 175.782.664,12         |
| Additions   | -                    | 4.514.885,61                       | 7.322,78                        | 3.989.878,19                  | -                         | 8.512.086,58           |
| <b>December 31<sup>st</sup>, 2009</b>                   | <b>65.606.461,77</b> | <b>64.903.721,52</b>               | <b>3.610.206,60</b>             | <b>50.169.038,23</b>          | <b>5.322,58</b>           | <b>184.294.750,70</b>  |
| <b>Accumulated depreciation</b>                         |                      |                                    |                                 |                               |                           |                        |
| July 1 <sup>st</sup> , 2009                             | -                    | (9.628.185,37)                     | (3.373.688,22)                  | (37.314.725,82)               | -                         | (50.316.599,41)        |
| Depreciation  | -                    | (1.218.844,95)                     | (47.066,03)                     | (2.395.406,54)                | -                         | (3.661.317,52)         |
| <b>December 31<sup>st</sup>, 2009</b>                   | <b>0,00</b>          | <b>(10.847.030,32)</b>             | <b>(3.420.754,25)</b>           | <b>(39.710.132,36)</b>        | <b>0,00</b>               | <b>(53.977.916,93)</b> |
| <b>Net book value at December 31<sup>st</sup>, 2009</b> | <b>65.606.461,77</b> | <b>54.056.691,20</b>               | <b>189.452,35</b>               | <b>10.458.905,87</b>          | <b>5.322,58</b>           | <b>130.316.833,77</b>  |

| Amounts in €  | Land                 | Buildings & Building installations | Mechanical Equipment & vehicles | Furniture and other equipment | Assets under Construction | Total                  |
|---|----------------------|------------------------------------|---------------------------------|-------------------------------|---------------------------|------------------------|
| <b>Cost</b>   |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2010                      | 65.606.461,77        | 64.903.721,52                      | 3.610.206,60                    | 50.169.038,23                 | 5.322,58                  | 184.294.750,70         |
| Additions   | -                    | 4.018.831,00                       | 19.750,00                       | 2.658.008,50                  | 1.076.618,46              | 7.773.207,96           |
| Disposals / w rite offs / transfers                 | 3.151.752,36         | (3.151.752,36)                     | -                               | -                             | -                         | -                      |
| <b>June 30<sup>th</sup>, 2010</b>                   | <b>68.758.214,13</b> | <b>65.770.800,16</b>               | <b>3.629.956,60</b>             | <b>52.827.046,73</b>          | <b>1.081.941,04</b>       | <b>192.067.958,66</b>  |
| <b>Accumulated depreciation</b>                     |                      |                                    |                                 |                               |                           |                        |
| January 1 <sup>st</sup> , 2010                      | -                    | (10.847.030,32)                    | (3.420.754,25)                  | (39.710.132,36)               | -                         | (53.977.916,93)        |
| Depreciation  | -                    | (1.466.066,64)                     | (45.060,84)                     | (2.201.679,73)                | -                         | (3.712.807,21)         |
| <b>June 30<sup>th</sup>, 2010</b>                   | <b>0,00</b>          | <b>(12.313.096,96)</b>             | <b>(3.465.815,09)</b>           | <b>(41.911.812,09)</b>        | <b>0,00</b>               | <b>(57.690.724,14)</b> |
| <b>Net book value at June 30<sup>th</sup>, 2010</b> | <b>68.758.214,13</b> | <b>53.457.703,20</b>               | <b>164.141,51</b>               | <b>10.915.234,64</b>          | <b>1.081.941,04</b>       | <b>134.377.234,52</b>  |

### 23. Goodwill and intangible assets

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

| <i>Amounts in €</i>  | ON CONSOLIDATED BASIS  | ON CONSOLIDATED BASIS | ON CONSOLIDATED BASIS  | ON STAND ALONE BASIS   |
|--|------------------------|-----------------------|------------------------|------------------------|
|  | CUSTOMER RELATIONSHIPS | GOODWILL              | SOFTWARE               | SOFTWARE               |
| <b>Cost</b>  |                        |                       |                        |                        |
| January 1 <sup>st</sup> , 2009                                 | -                      | 7.704.298,57          | 22.033.034,67          | 21.105.031,70          |
| Additions  | -                      | -                     | 797.737,97             | 796.801,47             |
| <b>June 30<sup>th</sup>, 2009</b>                              | -                      | <b>7.704.298,57</b>   | <b>22.830.772,64</b>   | <b>21.901.833,17</b>   |
| <b>Accumulated amortisation</b>                                |                        |                       |                        |                        |
| January 1 <sup>st</sup> , 2009                                 | -                      | -                     | (9.923.531,37)         | (9.200.291,30)         |
| Amortization charge  | -                      | -                     | (1.584.031,39)         | (1.545.622,91)         |
| <b>June 30<sup>th</sup>, 2009</b>                              | -                      | -                     | <b>(11.507.562,76)</b> | <b>(10.745.914,21)</b> |
| <b>Net book value at June 30<sup>th</sup>, 2009</b>            | -                      | <b>7.704.298,57</b>   | <b>11.323.209,88</b>   | <b>11.155.918,96</b>   |
| <b>Cost</b>  |                        |                       |                        |                        |
| July 1 <sup>st</sup> , 2009                                    | -                      | 7.704.298,57          | 22.830.772,64          | 21.901.833,17          |
| Recognition of intangible asset from acquisition of subsidiary | 9.492.000,00           | (3.796.800,00)        | -                      | -                      |
| Additions  | -                      | -                     | 3.056.287,19           | 2.905.150,23           |
| <b>December 31<sup>st</sup>, 2009</b>                          | <b>9.492.000,00</b>    | <b>3.907.498,57</b>   | <b>25.887.059,83</b>   | <b>24.806.983,40</b>   |
| <b>Accumulated amortisation</b>                                |                        |                       |                        |                        |
| July 1 <sup>st</sup> , 2009                                    | -                      | -                     | (11.507.562,76)        | (10.745.914,21)        |
| Amortization charge  | (632.800,00)           | -                     | (1.695.522,68)         | (1.652.176,07)         |
| <b>December 31<sup>st</sup>, 2009</b>                          | <b>(632.800,00)</b>    | -                     | <b>(13.203.085,44)</b> | <b>(12.398.090,28)</b> |
| <b>Net book value at December 31<sup>st</sup>, 2009</b>        | <b>8.859.200,00</b>    | <b>3.907.498,57</b>   | <b>12.683.974,39</b>   | <b>12.408.893,12</b>   |
| <b>Cost</b>  |                        |                       |                        |                        |
| January 1 <sup>st</sup> , 2010                                 | 9.492.000,00           | 3.907.498,57          | 25.887.059,83          | 24.806.983,40          |
| Additions  | -                      | -                     | 1.098.854,82           | 1.075.215,45           |
| <b>June 30<sup>th</sup>, 2010</b>                              | <b>9.492.000,00</b>    | <b>3.907.498,57</b>   | <b>26.985.914,65</b>   | <b>25.882.198,85</b>   |
| <b>Accumulated amortisation</b>                                |                        |                       |                        |                        |
| January 1 <sup>st</sup> , 2010                                 | (632.800,00)           | -                     | (13.203.085,44)        | (12.398.090,28)        |
| Amortization charge  | (316.400,00)           | -                     | (1.801.982,59)         | (1.749.787,16)         |
| <b>June 30<sup>th</sup>, 2010</b>                              | <b>(949.200,00)</b>    | <b>0,00</b>           | <b>(15.005.068,02)</b> | <b>(14.147.877,44)</b> |
| <b>Net book value at June 30<sup>th</sup>, 2010</b>            | <b>8.542.800,00</b>    | <b>3.907.498,57</b>   | <b>11.980.846,63</b>   | <b>11.734.321,41</b>   |

The above amount of goodwill that was created in October 2008, derived from the difference between acquisition price and assets consolidated in the Group's financial statements from the acquisition of 50% of the subsidiary "HELLENIC POST CREDIT S.A." The purchase price

allocation process (P.P.A.) based on estimation of fair value of identifiable intangible assets, fixed assets and other assets and liabilities has been concluded at the end of the previous fiscal year 2009.

## 24. Investment in subsidiaries

The Bank's investment percentages in its subsidiaries at 30/6/2010 and 31/12/2009 respectively, are analyzed as follows:

| Name  | Country of incorporation | Participation Type | Bank's ownership interest % 30.6.2010 | Bank's ownership interest % 31.12.2009 | Participation Cost 30.6.2010 | Participation Cost 31.12.2009 |
|---|--------------------------|--------------------|---------------------------------------|--|------------------------------|-------------------------------|
| HELLENIC POSTBANK-ELTA MUTUAL FUNDS MANAGEMENT S.A. | Greece                   | Direct             | 51,00%                                | 51,00%                                 | 1.322.628,00                 | 1.322.628,00                  |
| HELLENIC POST CREDIT S.A                            | Greece                   | Direct             | 50,00%                                | 50,00%                                 | 18.900.200,00                | 18.900.200,00                 |
| POST INSURANCE BROKERAGE S.A.                       | Greece                   | Direct             | 50,01%                                | 50,01%                                 | 500.100,00                   | 500.100,00                    |
| <b>TOTAL</b>  |                          |                    |                                       |  | <b>20.722.928,00</b>         | <b>20.722.928,00</b>          |

The abovementioned companies are consolidated with the full consolidation method.

## 25. Investment in associates

The Bank's investment percentages in its associates at 30/6/2010 and 31/12/2009 respectively, are analyzed as follows:

| Name                      | Country of incorporation | Participation Type | Bank's ownership interest % 30.6.2010 | Bank's ownership interest % 31.12.2009 | Participation Cost 30.6.2010 | Participation Cost 31.12.2009 |
|---------------------------|--------------------------|--------------------|---------------------------------------|--|------------------------------|-------------------------------|
| ATTICA BANK S.A.          | Greece                   | Direct             | 22,43%                                | 22,43%                                 | 125.460.000,11               | 125.460.000,00                |
| POST BANK GREEN INSTITUTE | Greece                   | Direct             | 50,00%                                | 50,00%                                 | 250.000,00                   | 250.000,00                    |
| T-BANK S.A.               | Greece                   | Direct             | 32,90%                                | 0,00%                                  | 28.561.422,00                | 0,00                          |
| <b>TOTAL</b>              |                          |                    |                                       |  | <b>154.271.422,11</b>        | <b>125.710.000,00</b>         |

ATTICA BANK S.A. was recognized for the first time as an associate on December 23<sup>rd</sup> 2008 when the participation rate in its share capital and voting rights surpassed 20% and was transferred from "Available for sale" portfolio to "Investment in associate".

The associate "Post Bank Green Institute" was incorporated in 2009.

The Bank's participation in its share capital and voting rights of the associate "T BANK S.A." (former "ASPIS BANK S.A."), amounts to 32,90% and took place on the end of 22<sup>nd</sup> April 2010 after the Bank's participation in the share capital

increase of the aforementioned Bank via the "Book of Demand" for the distribution of outstanding shares. After the capital increase completion, the Bank directly acquired 47.602.370 new, common registered, with voting rights, shares for the price of 0,60 euro per share. It is noted that negative goodwill generated from the acquisition of the aforementioned percentage, was calculated to approximately €1,5 million. This negative goodwill was not recognized directly to the period results and will be tested again during the Purchase Price Allocation process (P.P.A), based on fair value estimation of identifiable tangible assets, fixed assets and other assets and liabilities, that is expected to be completed

by the end of the current year. The Bank's participation (32,90%) is consolidated for the first time in the current period, under the equity method.

The aforementioned companies are consolidated with the equity method. For the period 1/1/2010 – 30/6/2010, the proportion of profit and loss of the associates has been recognized in the Group's Income Statement.

The movement of investment in associates for the fiscal year 2009 and for the period 1/1/2010 – 30/06/2010 is analyzed as follows:

| Amounts in €   | ON CONSOLIDATED BASIS |                       | ON STAND ALONE BASIS  |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 30.6.2010             | 31.12.2009            | 30.6.2010             | 31.12.2009            |
| <b>Balance at January 1<sup>st</sup></b>                           | <b>125.683.029,22</b> | <b>0,00</b>           | <b>125.710.000,00</b> | <b>0,00</b>           |
| Transfer from Available for sale portfolio                         | -                     | 94.585.030,36         | -                     | 94.585.030,36         |
| Additions of the period  | 28.561.422,11         | 39.241.821,26         | 28.561.422,11         | 39.241.821,26         |
| Share in profit / (loss) after taxes                               | (6.754.188,91)        | 697.354,85            | -                     | -                     |
| Share in profit / (loss) of other comprehensive income (after tax) | (8.776.840,50)        | 461.621,42            | -                     | -                     |
| Preference shares dividends  | (1.053.030,65)        | -                     | -                     | -                     |
| Impairment of associate Attica Bank                                | -                     | (9.302.798,67)        | -                     | (8.116.851,62)        |
| <b>Balance at the end of period</b>                                | <b>137.660.391,27</b> | <b>125.683.029,22</b> | <b>154.271.422,11</b> | <b>125.710.000,00</b> |

The consolidated information of the associates for the periods ended as at 30/6/2010 and 31/12/2009 is presented as follows:

|                           | Country of incorporation | Total assets 30.6.2010 | Total equity & Non-controlling interest 30.6.2010 | Total liabilities 30.6.2010 | Profit/ loss after 30.6.2010 | Other comprehensive income after taxes 30.6.2010 |
|---------------------------|--------------------------|------------------------|---|-----------------------------|------------------------------|--|
| ATTICA BANK S.A.          | Greece                   | 4.910.499.834,31       | 536.102.279,62                                    | 4.374.397.554,69            | (3.651.507,29)               | (38.374.879,90)                                  |
| POST BANK GREEN INSTITUTE | Greece                   | 660.279,46             | 107.699,76  | 552.579,70                  | (338.358,68)                 | -  |
| T-BANK A.T.E              | Greece                   | 2.187.572.535,27       | 74.672.471,72                                     | 2.112.900.063,55            | (34.443.422,64)              | (3.803.000,00)                                   |

|                           | Country of incorporation | Total assets 31.12.2009 | Total equity & Non-controlling interest 31.12.2009 | Total liabilities 31.12.2009 | Profit/ loss after taxes 31.12.2009 | Other comprehensive income after taxes 31.12.2009 |
|---------------------------|--------------------------|-------------------------|--|------------------------------|-------------------------------------|---|
| ATTICA BANK A.T.E         | Greece                   | 5.257.509.909,97        | 582.802.731,32                                     | 4.674.707.178,65             | 5.667.795,10                        | 2.057.860,36                                      |
| POST BANK GREEN INSTITUTE | Greece                   | 458.360,00              | 446.058,44   | 12.301,56                    | (53.941,56)                         | 0,00  |

Goodwill amounting to € 19.725.346,14, generated from the acquisition of the associate company Attica Bank S.A., is included in the line "Investment in associates" on the consolidated Interim Financial Position of 30/06/2010. Purchase Price Allocation process (P.P.A.) based on the fair value estimation of identifiable intangible assets, fixed assets and other assets and liabilities, that

generated the aforementioned goodwill, was conducted and concluded by the end of the previous year 2009. According to the provisions of I.A.S. 36, on 31/12/2009 the Bank proceeded to impairment test of goodwill previously recognized in its assets.

From this impairment test performed in the previous year 2009 (using the value in use

method), a recoverable amount of € 125.460.000,00 arose. As a result, an impairment loss of the investment (which is the difference between the recoverable amount and the carrying value as at 31.12.2009) was recognized at the annual results in the amount of € 9.302.798,67 on

consolidated and of € 8.116.851,62 on stand alone basis. The carrying amount of goodwill on a consolidated level, after impairment, was decreased from the initial amount of € 19.725.346,14 to € 10.422.547,47.

## 26. Deferred tax assets and liabilities

According to Law 3697/2008 concerning the gradual reduction of tax rates between the years 2010 to 2014, the Bank and its subsidiaries performed a recalculation of deferred taxes based on the new tax rates. The effect was recorded in the interim financial information on consolidated and stand alone basis.

Deferred tax assets and liabilities have been calculated based on the nominal tax rate at which temporary taxable and deductible differences are expected to reverse. Deferred tax assets and liabilities are analyzed as follows:

| Amounts in €  | ON CONSOLIDATED BASIS |                      |                       |                      |
|---|-----------------------|----------------------|-----------------------|----------------------|
|   | 30.6.2010             |                      | 31.12.2009            |                      |
|   | Assets                | Liabilities          | Assets                | Liabilities          |
| Property plant and equipment                                      | -                     | 2.868.508,47         | -                     | 2.833.846,90         |
| Intangible assets   | 1.257.796,46          | 1.732.971,58         | 1.761.986,43          | 1.799.320,78         |
| Share capital increase expenses                                   | 1.822.906,44          | -                    | 1.822.906,44          | -                    |
| Investment in associates  | 1.866.875,87          | -                    | 1.948.044,39          | -                    |
| Financial assets designated at fair value through profit and loss | 21.579.367,85         | 1.592,58             | 28.369.753,44         | 397.350,79           |
| Available for sale and held to maturity financial assets          | 61.675.963,48         | 21.328.223,17        | 65.381.901,91         | 7.242.734,98         |
| Loans and advances due from customers & debt securities           | 89.802.179,11         | 30.351.693,92        | 7.664.976,82          | 20.071.402,91        |
| Retirement benefits obligations                                   | 4.230.366,63          | -                    | 4.019.282,97          | -                    |
| Derivative financial instruments                                  | 52.890.998,38         | -                    | 36.322.176,10         | -                    |
| Other assets  | 2.474.126,40          | -                    | 1.816.831,32          | -                    |
| Accrued personnel expenses  | 2.436.654,50          | -                    | 1.629.447,96          | -                    |
| Accrued income and expenses                                       | 3.695.284,71          | 2.509.998,90         | 6.654.708,26          | 3.466.849,32         |
| Tax losses  | 25.446.151,49         | -                    | -                     | -                    |
| <b>Total</b>  | <b>269.178.671,32</b> | <b>58.792.988,62</b> | <b>157.392.016,04</b> | <b>35.811.505,68</b> |

| Amounts in €  | ON STAND ALONE BASIS  |                      |                       |                      |
|---|-----------------------|----------------------|-----------------------|----------------------|
|   | 30.6.2010             |                      | 31.12.2009            |                      |
|   | Assets                | Liabilities          | Assets                | Liabilities          |
| Property plant and equipment                                      | -                     | 2.868.508,47         | -                     | 2.833.846,90         |
| Intangible assets   | 1.257.796,46          | -                    | 1.761.986,43          | -                    |
| Share capital increase expenses                                   | 1.822.906,44          | -                    | 1.822.906,44          | -                    |
| Investment in associates  | 1.866.875,87          | -                    | 1.948.044,39          | -                    |
| Financial assets designated at fair value through profit and loss | 21.575.777,45         | 1.592,58             | 28.369.753,44         | 397.216,39           |
| Available for sale and held to maturity financial assets          | 61.675.963,48         | 21.328.223,17        | 65.381.901,91         | 7.242.734,98         |
| Loans and advances due from customers & debt securities           | 89.802.179,11         | 30.351.693,92        | 7.664.976,82          | 20.071.402,91        |
| Retirement benefits obligations                                   | 4.138.144,45          | -                    | 3.928.839,85          | -                    |
| Derivative financial instruments                                  | 52.890.998,38         | -                    | 36.322.176,10         | -                    |
| Other assets  | 2.474.126,40          | -                    | 1.816.831,32          | -                    |
| Accrued personnel expenses  | 2.436.654,50          | -                    | 1.629.447,96          | -                    |
| Accrued income and expenses                                       | 3.695.284,71          | 2.509.998,90         | 6.654.708,26          | 3.466.849,32         |
| Tax losses  | 25.446.151,49         | -                    | -                     | -                    |
| <b>Total</b>  | <b>269.082.858,74</b> | <b>57.060.017,04</b> | <b>157.301.572,92</b> | <b>34.012.050,50</b> |

Deferred tax assets are only recognized to the extent that it is expected to be counterbalanced with future taxable income.

## 27. Current income tax assets and liabilities

Current tax assets are analyzed as follows:

| Amounts in €  | ON STAND ALONE AND CONSOLIDATED BASIS |                      |
|---|---------------------------------------|----------------------|
|   | 30.6.2010                             | 31.12.2009           |
| Advance payment regarding income tax and other income tax assets to be offset | 24.618.737,96                         | 34.470.314,10        |
| Income tax liabilities  | (1.501.446,19)                        | (8.715.939,68)       |
| <b>Net income tax assets</b>  | <b>23.117.291,77</b>                  | <b>25.754.374,42</b> |

Current tax liabilities are analyzed as follows:

| Amounts in €   | ON CONSOLIDATED BASIS |                      | ON STAND ALONE BASIS |                     |
|--|-----------------------|----------------------|----------------------|---------------------|
|  | 30.6.2010             | 31.12.2009           | 30.6.2010            | 31.12.2009          |
| Income tax liabilities                                   | 2.904.080,10          | 2.773.880,39         | -                    | -                   |
| Extraordinary tax contribution L.3808/2009 & L.3845/2010 | 4.376.210,86          | 7.285.323,26         | 3.874.448,86         | 7.285.323,26        |
| <b>Total</b>   | <b>7.280.290,96</b>   | <b>10.059.203,65</b> | <b>3.874.448,86</b>  | <b>7.285.323,26</b> |

## 28. Other assets

Other assets are analyzed as follows:

| Amounts in €  | ON CONSOLIDATED BASIS |                       | ON STAND ALONE BASIS  |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 30.6.2010             | 31.12.2009            | 30.6.2010             | 31.12.2009            |
| Foreclosed assets   | 2.007.240,13          | 3.074.250,00          | 2.007.240,13          | 3.074.250,00          |
| Commissions receivable  | 143.775,57            | 76.034,58             | -                     | -                     |
| Due from Greek Government   | 381.139,99            | 320.405,54            | 297.369,60            | 245.760,00            |
| Accrued interest on loans   | 54.950.492,32         | 66.614.735,96         | 54.950.492,32         | 66.614.735,96         |
| Accrued interest on Interbank deposits                                    | 2.434.472,39          | 6.796.588,18          | 2.434.472,39          | 6.796.588,18          |
| Portfolio accrued interest  | 191.752.230,63        | 190.272.153,06        | 191.752.230,63        | 190.272.153,06        |
| Additional contribution to Hellenic Deposit and Investment Guarantee Fund | 121.025.506,79        | 95.271.476,16         | 121.025.506,79        | 95.271.476,16         |
| Guarantees  | 40.345.632,00         | 40.345.632,00         | 40.345.632,00         | 40.345.632,00         |
| Other assets  | 116.041.653,72        | 106.026.420,19        | 111.602.046,24        | 100.057.223,47        |
| Provision for impairment of other assets                                  | (46.357.927,07)       | (46.357.927,07)       | (46.357.927,07)       | (46.357.927,07)       |
| <b>Total</b>  | <b>482.724.216,47</b> | <b>462.439.768,60</b> | <b>478.057.063,03</b> | <b>456.319.891,76</b> |

In accordance with article 6 of Law 3714/7.11.2008 the amount of deposits guaranteed by the deposit guarantee fund, increased from € 20.000,00 to € 100.000,00 per depositor. The contribution paid by banks to the deposit guarantee fund was also increased. Thus, banks have made additional contributions for 2008. Law 3746/16.2.2009 concerning the

“Hellenic Deposit and Investment Guarantee Fund” provides that the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008 will be included in a special asset group whose elements are jointly included in the proportion of each participant in credit institutions.

Provision for impairment of other assets is analyzed as follows:

| Amounts in €                            | ON CONSOLIDATED & STAND ALONE BASIS |                        |
|---|-------------------------------------|------------------------|
|   | 30.6.2010                           | 31.12.2009             |
| Balance at the beginning of the period  | (46.357.927,07)                     | (39.483.737,29)        |
| Expense for the period                  | -                                   | (6.874.189,78)         |
| <b>Balance at the end of the period</b> | <b>(46.357.927,07)</b>              | <b>(46.357.927,07)</b> |

## 29. Due to Banks

| Amounts in €  | ON CONSOLIDATED & STAND ALONE BASIS |                         |
|---|-------------------------------------|-------------------------|
|   | 30.6.2010                           | 31.12.2009              |
| Deposits from other banks                             | 4.036.488.640,17                    | 3.118.700.541,44        |
| Securities sold under agreement to repurchase (Repos) | 73.503.435,61                       | 248.585.000,00          |
| Trading liabilities for securities                    | -                                   | 299.685.000,00          |
| <b>Total</b>  | <b>4.109.992.075,78</b>             | <b>3.666.970.541,44</b> |

### 30. Due to customers

Deposits and other customer accounts are analyzed as follows:

| Amounts in €   | ON CONSOLIDATED BASIS    |                          | ON STAND ALONE BASIS     |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 30.6.2010                | 31.12.2009               | 30.6.2010                | 31.12.2009               |
| Sight deposits   | 79.777.499,38            | 68.643.679,43            | 96.358.237,55            | 94.149.704,81            |
| Savings deposits                                       | 6.406.726.503,28         | 6.512.221.883,18         | 6.406.726.503,28         | 6.512.221.883,18         |
| Time deposits  | 6.186.200.957,37         | 6.036.402.340,89         | 6.186.310.957,37         | 6.036.402.340,89         |
| Securities sold under agreements to repurchase (Repos) | -                        | 5.676.107,34             | -                        | 5.676.107,34             |
| Other liabilities                                      | 17.658.849,36            | 9.271.326,36             | 17.658.849,36            | 9.271.326,36             |
| <b>Total</b>   | <b>12.690.363.809,39</b> | <b>12.632.215.337,20</b> | <b>12.707.054.547,56</b> | <b>12.657.721.362,58</b> |

### 31. Retirement benefit obligations

| Amounts in €   | ON STAND ALONE BASIS |                      |
|--|----------------------|----------------------|
|  | 30.6.2010            | 31.12.2009           |
| <b>Liabilities in statement of financial position:</b> |                      |                      |
| Lump sum retirement benefits                           |                      |                      |
| - Unfunded   | <b>20.690.722,23</b> | <b>19.644.199,23</b> |

The amounts included in the statement of financial position are:

| Amounts in €                                 | 30.6.2010            | 31.12.2009           |
|--|----------------------|----------------------|
| Present value of unfunded benefits payable   | 28.344.819,00        | 28.402.955,43        |
| Unrecognised actuarial profits / (losses)    | (7.654.096,77)       | (8.758.756,20)       |
| Liability in statement of financial position | <b>20.690.722,23</b> | <b>19.644.199,23</b> |

The amounts recognised in profit or loss are:

| Amounts in €                                | 30.6.2010           | 31.12.2009           |
|---|---------------------|----------------------|
| Current service cost                        | 752.829,00          | 1.350.680,43         |
| Financial cost                              | 792.636,00          | 1.404.237,80         |
| Recognition of actuarial loss / (gain)      | 135.341,00          | 112.854,00           |
| Recognised cost of previous employment      | 91.565,00           | 7.903.140,00         |
| <b>Total included in personnel expenses</b> | <b>1.772.371,00</b> | <b>10.770.912,23</b> |

The movement in the retirement benefit obligations is as follow s:

| Amounts in €                                 | 30.6.2010            | 31.12.2009           |
|--|----------------------|----------------------|
| Opening balance                              | 19.644.199,23        | 20.085.320,00        |
| Total expense recognised in income statement | 1.772.371,00         | 10.770.912,23        |
| Benefits paid by the employer                | (725.848,00)         | (11.212.033,00)      |
| <b>Closing balance</b>                       | <b>20.690.722,23</b> | <b>19.644.199,23</b> |

The main actuarial assumptions used for accounting purposes are:

|                                 | 30.6.2010 | 31.12.2009 |
|---------------------------------|-----------|------------|
| Discount rate                   | 5,60%     | 5,60%      |
| Rate of compensation increase   | 4,00%     | 4,00%      |
| Expected remaining service life | 22,00     | 22,11      |
| Inflation                       | 2,50%     | 2,50%      |

Retirement benefit obligations are not analyzed on consolidated basis because the amount of subsidiaries is not significant.

### 32. Other liabilities

Other liabilities are analyzed as follows:

| Amounts in €  | ON CONSOLIDATED BASIS |                       | ON STAND ALONE BASIS  |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 30.6.2010             | 31.12.2009            | 30.6.2010             | 31.12.2009            |
| Other taxes payable                                   | 4.640.992,57          | 9.697.036,00          | 4.296.865,93          | 9.476.098,79          |
| Accrued interest on deposits                          | 29.769.605,73         | 44.700.752,92         | 29.769.605,73         | 44.700.752,92         |
| Accrued interbank interest                            | 34.732.056,61         | 22.842.239,32         | 34.732.056,61         | 22.842.239,32         |
| Accrued interest on financial securities              | 40.967.494,93         | 25.691.379,65         | 40.967.494,93         | 25.691.379,65         |
| Insurance premiums payable                            | 1.582.955,73          | 3.121.072,40          | 1.476.640,58          | 2.935.697,59          |
| Dividends payable                                     | 1.132.560,00          | -                     | -                     | -                     |
| Suppliers   | 12.585.540,87         | 19.753.850,63         | 11.909.090,38         | 19.148.515,96         |
| Other liabilities                                     | 19.577.455,69         | 32.493.139,47         | 19.866.696,56         | 35.108.287,88         |
| Due to Hellenic Deposit and Investment Guarantee Fund | 31.513.160,31         | 31.909.081,12         | 31.513.160,31         | 31.909.081,12         |
| <b>Total</b>  | <b>176.501.822,44</b> | <b>190.208.551,51</b> | <b>174.531.611,03</b> | <b>191.812.053,23</b> |

### 33. Share capital

The common shares of share capital are analyzed as follows :

|  | Number of<br>common shares | Par Value  | Share Capital of<br>common shares |
|--|----------------------------|------------|-----------------------------------|
| <b>Balance at January 1<sup>st</sup>, 2009</b>   | 142.232.982                | 3,7        | 526.262.033,40                    |
| Issue of new common shares                       | 142.232.982                | 3,7        | 526.262.033,40                    |
| <b>Balance at December 31<sup>st</sup>, 2009</b> | <b>284.465.964</b>         | <b>3,7</b> | <b>1.052.524.066,80</b>           |
| Issue of new common shares                       | -                          | -          | -                                 |
| <b>Balance at June 30<sup>th</sup>, 2010</b>     | <b>284.465.964</b>         | <b>3,7</b> | <b>1.052.524.066,80</b>           |

The preference shares of share capital are analyzed as follows :

|  | Number of<br>preference shares | Par Value  | Share Capital of<br>preference shares |
|--|--------------------------------|------------|---------------------------------------|
| <b>Balance at January 1<sup>st</sup>, 2009</b>   |                                |            |                                       |
| Issue of new preference shares                   | 60.800.000                     | 3,7        | 224.960.000,00                        |
| <b>Balance at December 31<sup>st</sup>, 2009</b> | <b>60.800.000</b>              | <b>3,7</b> | <b>224.960.000,00</b>                 |
| Issue of new preference shares                   | -                              | -          | -                                     |
| <b>Balance at June 30<sup>th</sup>, 2010</b>     | <b>60.800.000</b>              | <b>3,7</b> | <b>224.960.000,00</b>                 |

The Bank's Board of Directors Meeting N. 136/25/5/2009, in accordance with article 11 of Law 2190/1920, proceeded with the subscription of the full payment of € 224.960.000,00 of share capital increase by issuing 60.800.000 preferred shares, as the Extraordinary General Meeting of the shareholders (owners of common shares) decided on January 28<sup>th</sup>, 2009, according to article 1 of Law 3723/2008 "The enhancement of liquidity of the economy in response to the impact of the international financial crisis". The share capital increase was undertaken by the Hellenic Republic, after the relevant signed contract at May 14<sup>th</sup> 2009 between the Bank and the Hellenic Republic, by contributing 224.960 bonds of total face value € 224.960.000,00 within the deadline defined by article 11 of Law 2190/1920.

The preference shares pay a non-cumulative coupon of 10%, subject to the following conditions: (a) meeting Bank of Greece minimum capital adequacy requirements at Bank and Group level, following such coupon payment, (b) availability of distributable reserves in accordance to article 44a of C.L. 2190/1920, and (c) the approval of the General Assembly of the Bank's Common Shareholders. In case of Bank's liquidation, preference shares are in priority in comparison to common shares. In case the Bank does not satisfy the minimum capital adequacy ratios set by the Bank of Greece, five years after the issue of the preference shares, then the shares are converted to common shares, subject to the approval of the Minister of Economy and Finance. If however, the Bank has sufficient capital adequacy, then the preference shares

must be redeemed after five years or optionally before that, but not before July 1<sup>st</sup> 2009.

The above recapitalisation scheme was approved by the European Union (“EU”) on November 2008. In January 2009, the EU issued relevant application guidelines, clarifying that although the recapitalisation measures aim to enhance the capital adequacy of the banking sector and should not have the characteristics of debt, they should also contain appropriate incentives for State capital to be redeemed when the market and the regulator allows so.

In the context of the above EU guidelines and the practices adopted by other EU member states and in order for the State funds to be considered as equity for both regulatory and accounting purposes, the Greek State expressed, through a letter addressed to Bank of Greece (decision

39389/B2038/07.08.2009), its intention to proceed to the necessary amendments of the legal framework and introduce “coupon step-up” features to the preference shares of those banks which, at the end of the five year period, do not proceed in their redemption, or the preference shares have not been converted into common shares according to the Minister of Economy and Finance’s decision.

Taking into consideration the aforementioned information and the announcement by the Ministry of Finance and Economics, the contributed preference shares were recognised directly to equity, considering the relevant regulation up to the end of the previous fiscal year 2009. In the case that the amount of preference shares was recognized as a financial liability, the effect to the Group and the stand alone income statement would be the following:

| Amounts in €   | ON CONSOLIDATED BASIS<br>From January 1 <sup>st</sup> to<br>30.6.2010 | ON STAND ALONE BASIS<br>From January 1 <sup>st</sup> to<br>30.6.2010 |
|--|---|--|
| <b>Net interest income</b>   | <b>180.628.312,84</b>   | <b>170.169.938,27</b>  |
| <b>Profit / (loss) before tax for the period</b>   | <b>(39.747.407,35)</b>  | <b>(32.813.655,80)</b>   |
| Finance cost of preference dividend and effective rate for the preference share recognised as financial liability. | (11.364.941,19)   | (11.364.941,19)  |
| <b>Adjusted net interest income</b>  | <b>169.263.371,65</b>   | <b>158.804.997,08</b>  |
| Adjusted profit / (loss) before tax for the period   | (51.112.348,54)   | (44.178.596,99)  |
| <b>Income tax for the period</b>   | <b>(15.367.042,23)</b>  | <b>(13.442.154,00)</b>   |
| Profit from deferred tax asset generated from preference shares recognised as financial liability                  | 2.727.585,89  | 2.727.585,89   |
| <b>Adjusted income tax for the period</b>  | <b>(12.639.456,34)</b>  | <b>(10.714.568,11)</b>   |
| <b>Profit / (loss) after tax for the period</b>  | <b>(55.114.449,58)</b>  | <b>(46.255.809,80)</b>   |
| <b>Adjusted profit / (loss) after tax for the period</b>   | <b>(63.751.804,88)</b>  | <b>(54.893.165,10)</b>   |
| <b>Total effect on profit / (loss) for the period</b>  | <b>(8.637.355,30)</b>   | <b>(8.637.355,30)</b>  |

**34. Other reserves, retained earnings, available-for-sale reserves and treasury shares**

| Amounts in €                 | ON CONSOLIDATED BASIS |                       | ON STAND ALONE BASIS  |                       |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                              | 30.6.2010             | 31.12.2009            | 30.6.2010             | 31.12.2009            |
| Legal reserve for the period | 69.848.062,87         | 69.848.062,87         | 69.662.309,84         | 69.662.309,84         |
| Special reserves             | 17.000.000,00         | 17.000.000,00         | 17.000.000,00         | 17.000.000,00         |
| Retained earnings            | 28.468.433,08         | 94.613.271,49         | 38.108.962,41         | 94.765.320,15         |
| <b>Total</b>                 | <b>115.316.495,95</b> | <b>181.461.334,36</b> | <b>124.771.272,25</b> | <b>181.427.629,99</b> |

According to article 44 of Codified Law 2190/1920, an annual 5% retention of Bank's net profits are held for statutory reserve until this reserve equals 1/3 of Share Capital. The tax free reserves are included in the Retain Earnings and are generated from the disposal of securities as well as share of profits from taxable and non taxable income (with decreased factors) such as income from interest on Greek government bonds and treasury bills that have not been distributed. The non taxable reserves as at 30/6/2010 amount to € 59.694.422,91 on stand alone basis and to € 59.704.265,89 on consolidated basis.

According to par.3 article 1 of Law 3723/2008, the distribution of dividends to shareholders of credit institutions that participate to the economic enhancement program, cannot exceed 35% of profits as stated in Law 148/1967. The

20708/B.1175/23.4.2009 decision of Minister of Economy and Finance clarified that in case of existence of distributable profits, their distribution by way of dividends is limited from zero up to a maximum of 35% of the profits. Moreover, according to the combination of article 28 of Law 3756/2009 and article 39 of Law 3844/2010, the credit institutions that participate in the economic enhancement program, are allowed to distribute dividend to their shareholders of common shares, only in the form of stock dividend. Taking into consideration the aforementioned restrictions and the necessity of further enhancement of Bank's capital adequacy, under the current financial conditions, the 7<sup>th</sup> General Assembly, in June of 2010, resolved not to distribute dividends for the fiscal year of 2009, in accordance with the recommendation of the Board of Directors.

The movement of the Available for sale reserve is analyzed as follows:

| <i>Amount in €</i>  | ON CONSOLIDATED BASIS   |                         | ON STAND ALONE BASIS    |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | 30.6.2010               | 31.12.2009              | 30.6.2010               | 31.12.2009              |
| Balance at start of the period  | (292.980.183,30)        | (192.534.862,46)        | (293.572.005,63)        | (192.534.862,46)        |
| Less: Deferred tax  | 65.125.371,42           | 37.475.756,06           | 65.255.572,33           | 37.475.756,06           |
| <b>Net opening balance</b>  | <b>(227.854.811,88)</b> | <b>(155.059.106,40)</b> | <b>(228.316.433,30)</b> | <b>(155.059.106,40)</b> |
| Net profits / (losses) transferred to income statement                            | (230.198,62)            | (31.621.824,23)         | (230.198,62)            | (31.621.824,23)         |
| Net profits / (losses) transferred to income statement due to Greek Bonds reclass | 14.353.432,34           | -                       | 14.353.432,34           | -                       |
| Net profits / (losses) transferred to income statement due to hedging             | (47.119.270,15)         | (8.134.736,36)          | (47.119.270,15)         | (8.134.736,36)          |
| Net profits / (losses) from changes in fair value                                 | (348.648.532,91)        | (60.688.760,25)         | (337.719.618,99)        | (61.280.582,58)         |
| Deferred tax movement   | 76.746.426,78           | 27.649.615,36           | 74.594.353,36           | 27.779.816,27           |
| <b>Balance at the end of the period</b>   | <b>(532.752.954,44)</b> | <b>(227.854.811,88)</b> | <b>(524.437.735,36)</b> | <b>(228.316.433,30)</b> |

### Treasury shares

The General Assembly (G.A.) of May 2<sup>nd</sup>, 2008 decided the implementation of a Share Buyback Plan, pursuant to article 16 of Law 2190/1920 “re: Sociétés Anonymes”, as is in force. In particular, the G.A. approved the purchase of treasury shares via Athens Stock Exchange up to 10 million (Bank’s) shares, with purchase values in the range of € 3,70 (minimum) and € 19,00 (maximum) within twenty four months from May 2<sup>nd</sup>, 2008 up to May 2<sup>nd</sup>, 2010 .

Within the frame of realization of the abovementioned General Assembly’s decision, the Board of Directors, under the plan implementation procedures, decided at its May 30<sup>th</sup>, 2008 meeting on the acquisition of equity shares within the period approved by the General Assembly, as in compliance with the procedures prescribed by the effective legislation. The number of treasury shares on consolidated basis for the period ended as at 30/06/2010 is

3.465.020 shares at a value of € 23.507.018,24 while on stand alone basis the number of treasury shares is 3.433.020 shares at a value of € 23.228.778,24.

It is noted that according to Law 3756/2009, “Amendments to Law on Dematerialized Securities System, on the Capital Market, taxation issues and other provisions” (Government Gazette 53A/31.03.2009), the purchase of treasury shares is not allowed, during participation of credit institutions in the programs on the enhancement of liquidity of the economy of Law 3723/2008. Following the decision of the Extraordinary General Assembly of the shareholders on 28/1/2009, to participate in the aforementioned programs, the Bank did not proceed with the acquisition of treasury shares after 19/02/2009.

### 35. Commitments, contingent liabilities and assets

#### a) Contingent tax liabilities

The tax liabilities of the Bank and of its related parties are not final, as there are periods that have not been subjected to tax audits. Such years are:

| GROUP  | OPEN TAX YEARS |
|--|----------------|
| T.T. HELLENIC POSTBANK SA                                  | 2009           |
| HELLENIC POSTBANK – EL.TA. MUTUAL FUND<br>MANAGEMENT S.A.F | 2006 - 2009    |
| HELLENIC POST CREDIT S.A.                                  | 2006 - 2009    |
| ATTICA BANK S.A.   | 2009           |
| T-BANK S.A.  | 2008 - 2009    |

Due to the fact that the tax audit may not recognize the business objective of certain expenses or assess other differences, it is possible that additional tax will be imposed for fiscal years that have not been audited by the tax authorities.

Income tax returns have not been submitted yet by the subsidiary “Post Insurance Brokerage” and the associate “Post Bank Green Institute”, due to

the fact that their first over twelve-month fiscal year ends at 31/12/2010.

The accumulated provision that has been raised until June 30<sup>th</sup> 2010, for the unaudited tax periods, amounts to € 1.500.000,00 for the Bank, € 21.143,30 for “Hellenic Postbank - EL.TA Mutual Fund Management S.A.F”, € 112.500,00 for “Hellenic Post Credit S.A” and € 3.763.694,32 for the Group of “Attica Bank S.A”.

#### b) Operating leases

The Bank’s commitments (as lessee) mainly arise from buildings which are used as branches and vehicles used by Management. Its

receivables (as lessor) mainly relate to rentals of buildings leased to Bank’s subsidiaries.

The minimum future lease payments for the Bank are:

|                                   | ON CONSOLIDATED BASIS |                      | ON STAND ALONE BASIS |                      |
|-----------------------------------|-----------------------|----------------------|----------------------|----------------------|
|                                   | 30.6.2010             | 31.12.2009           | 30.6.2010            | 31.12.2009           |
| - within one year                 | 5.725.635,59          | 5.958.563,99         | 5.712.275,15         | 5.955.963,99         |
| - over one year and up to 5 years | 18.164.636,31         | 16.250.787,54        | 18.111.176,55        | 16.250.787,54        |
| - over 5 years                    | 20.613.455,58         | 16.856.262,40        | 20.613.455,58        | 16.856.262,40        |
| <b>Total</b>                      | <b>44.503.727,48</b>  | <b>39.065.613,93</b> | <b>44.436.907,28</b> | <b>39.063.013,93</b> |

**Note:** Concerns rent expense from leased Buildings-Offices and Vehicles

The minimum future lease receipts for the Bank are:

|                                   | ON STAND ALONE BASIS |                   |
|-----------------------------------|----------------------|-------------------|
|                                   | 30.6.2010            | 31.12.2009        |
| - within one year                 | 67.116,50            | 80.468,30         |
| - over one year and up to 5 years | 271.140,00           | 259.800,00        |
| - over 5 years                    | 522.595,56           | 547.923,13        |
| <b>Total</b>                      | <b>860.852,06</b>    | <b>888.191,43</b> |

**Note** : Concerns rental income from leased buildings to Bank's subsidiaries thus there is no analysis on consolidated basis

### c) Other contingent liabilities

| Amounts in €                 | ON CONSOLIDATED BASIS |                | ON STAND ALONE BASIS |                |
|------------------------------|-----------------------|----------------|----------------------|----------------|
|                              | 30.6.2010             | 31.12.2009     | 30.6.2010            | 31.12.2009     |
| Commitments to extend credit | 124.210.145,70        | 104.807.622,02 | 220.501.398,08       | 196.724.025,18 |

### d) Legal issues

There are certain claims and lawsuits against the Bank in the ordinary course of business. The total amount claimed by third parties in lawsuits filed against the Bank based on the opinion of Bank's legal department stands at € 8,33 million. In addition, the total amount claimed by the Bank

stands at € 1,04 million. The accumulated provision raised for the unsettled legal claims amounts to € 1,44 million and according to the Management and the Legal Advisor is considered to be adequate. This provision is included in the line «Other liabilities».

### 36. Transactions and balances of related parties

Related parties are considered to be the members of the Board of Directors, the Bank's managers that participate in Committees, as well

as their close relatives (spouses, children etc) and also the key management personnel of the subsidiaries and the associates of the Group.

#### a) Transactions with the Board of Directors' members and Bank's Management

The Group's transactions with related parties are analyzed as follows :

| Amounts in €  | ON CONSOLIDATED BASIS |                     | ON STAND ALONE BASIS |                     |
|---|-----------------------|---------------------|----------------------|---------------------|
|   | 30.6.2010             | 31.12.2009          | 30.6.2010            | 31.12.2009          |
| <b>Assets</b>   |                       |                     |                      |                     |
| Loans   | 2.762.042,21          | 6.590.763,97        | 2.642.724,85         | 6.349.937,76        |
| <b>Total</b>  | <b>2.762.042,21</b>   | <b>6.590.763,97</b> | <b>2.642.724,85</b>  | <b>6.349.937,76</b> |
| <b>Liabilities</b>  |                       |                     |                      |                     |
| Deposits  | 1.172.088,19          | 3.840.410,81        | 1.072.426,55         | 3.122.132,07        |
| <b>Total</b>  | <b>1.172.088,19</b>   | <b>3.840.410,81</b> | <b>1.072.426,55</b>  | <b>3.122.132,07</b> |
| <b>Amounts in €</b>                                       | <b>30.6.2010</b>      | <b>30.6.2009</b>    | <b>30.6.2010</b>     | <b>30.6.2009</b>    |
| <b>Expenses</b>   |                       |                     |                      |                     |
| Board of Directors and Management fees and other benefits | 4.754.275,23          | 3.310.826,87        | 3.197.672,96         | 2.503.298,75        |
| Interests from deposits                                   | 22.419,26             | 43.979,05           | 18.265,33            | 43.979,05           |
| <b>Total</b>  | <b>4.776.694,49</b>   | <b>3.354.805,92</b> | <b>3.215.938,29</b>  | <b>2.547.277,80</b> |
| <b>Income</b>   |                       |                     |                      |                     |
| Interest income   | 42.739,76             | 74.989,97           | 40.449,48            | 68.876,74           |
| <b>Total</b>  | <b>42.739,76</b>      | <b>74.989,97</b>    | <b>40.449,48</b>     | <b>68.876,74</b>    |

## b) Transactions with subsidiaries and associates

Transactions and balances between the Bank, its subsidiaries and associates are set out in the table below. On stand alone basis, are included transactions and balances between the Bank, its subsidiaries and its associates. On consolidated

basis, only transactions with associates are included, as transactions and balances with subsidiaries are eliminated on consolidation.

| Amounts in €                                       | ON CONSOLIDATED BASIS |                       | ON STAND ALONE BASIS  |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 30.6.2010             | 31.12.2009            | 30.6.2010             | 31.12.2009            |
| <b>Assets</b>                                      |                       |                       |                       |                       |
| Interbank loans and advances                       | 100.000.000,00        | 100.000.000,00        | 100.000.000,00        | 100.000.000,00        |
| Loans to subsidiaries and associates               | 500.000,00            | -                     | 204.208.747,62        | 208.278.517,45        |
| Other assets                                       | -                     | -                     | 1.295.179,22          | 209.711,04            |
| <b>Total</b>                                       | <b>100.500.000,00</b> | <b>100.000.000,00</b> | <b>305.503.926,84</b> | <b>308.488.228,49</b> |
| <b>Liabilities</b>                                 |                       |                       |                       |                       |
| Interbank deposits and liabilities                 | 1.914.957,95          | -                     | 18.605.696,12         | 25.506.025,38         |
| Other liabilities                                  | -                     | -                     | 382.990,48            | 2.992.790,48          |
| <b>Total</b>                                       | <b>1.914.957,95</b>   | <b>0,00</b>           | <b>18.988.686,60</b>  | <b>28.498.815,86</b>  |
| <b>Amounts in €</b>                                | <b>30.6.2010</b>      | <b>30.6.2009</b>      | <b>30.6.2010</b>      | <b>30.6.2009</b>      |
| <b>Expenses</b>                                    |                       |                       |                       |                       |
| Interest expense from interbank deposits and loans | 37.202,13             | 191.255,46            | 52.773,67             | 204.078,38            |
| Other expenses                                     | -                     | -                     | 63.301,53             | 7.277.958,62          |
| <b>Total</b>                                       | <b>37.202,13</b>      | <b>191.255,46</b>     | <b>116.075,20</b>     | <b>7.482.037,00</b>   |
| <b>Income</b>                                      |                       |                       |                       |                       |
| Interest income from interbank loans and advances  | 738.657,00            | 14.247,94             | 738.657,00            | 14.247,94             |
| Interest income of subsidiaries and associates     | 213,89                | -                     | 1.816.720,55          | -                     |
| Other income                                       | -                     | -                     | 1.461.191,02          | 170.428,23            |
| <b>Total</b>                                       | <b>738.870,89</b>     | <b>14.247,94</b>      | <b>4.016.568,57</b>   | <b>184.676,17</b>     |

### 37. Cash and cash equivalent analysis

For the purpose of preparing the statement of cash flow, account balances whose maturity is shorter than 3 months by the acquiring date as well as Greek Government Bonds from trading portfolio are considered as cash and cash equivalents.

| <i>Amounts in €</i>                     | ON CONSOLIDATED BASIS   |                         | ON STAND ALONE BASIS    |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | 30.6.2010               | 30.6.2009               | 30.6.2010               | 30.6.2009               |
| Cash and balances with Central Bank     | 39.566.980,87           | 28.336.246,11           | 39.563.745,98           | 28.333.214,15           |
| Due from banks                          | 2.348.382.555,94        | 1.559.517.420,96        | 2.340.109.264,81        | 1.553.905.104,81        |
| Greek Government Bonds held for trading | 25.572,02               | 1.661.506.352,96        | 25.572,02               | 1.661.506.352,96        |
| <b>Cash and cash equivalents</b>        | <b>2.387.975.108,83</b> | <b>3.249.360.020,03</b> | <b>2.379.698.582,81</b> | <b>3.243.744.671,92</b> |

### 38. Post balance sheet events

According to the provisions of I.F.R.S., there are no significant post balance sheet events after the date of Interim Financial Information.

*These financial statements have been translated from the original which were prepared in the Greek language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original Greek language version of the financial statements takes precedence over this translation.*



# TT HELLENIC POSTBANK S.A.

Company's registration number 54777/06/B/03/7

Head office: 2-6, Pasmazoglou St, 101 75, Athens, Greece

## FINANCIAL DATA AND INFORMATION FOR THE PERIOD from January 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2010

(According to the Decision 4/507/28.04.2009 of the Hellenic Capital Market Commission)

The Financial Information presented below derives from the interim financial information on consolidated and stand alone basis and provides an overview of the financial position and results of TT Hellenic Postbank S.A. and TT Hellenic Postbank S.A. Group. Therefore, we recommend to the reader, prior to making any investment decision or other transaction concerning the Bank to visit the web site www.ttbank.gr, where the set of the interim financial information is posted as well as the certified auditors' opinion when necessary.

### COMPANY'S PROFILE

|  |  |
|--|--|
| Web Site:  | www.ttbank.gr  |
| Date of approval by the Board of Directors of the interim financial information for the period ended as at June 30 <sup>th</sup> , 2010: | August 30 <sup>th</sup> , 2010   |
| Certified Auditors:  | Sourbis Dimitrios (R.N. SOEL 16891)<br>Michalatos Constantinos (R.N. SOEL 17701) |
| Auditing Company:  | PricewaterhouseCoopers S.A. (R.N. SOEL 113)                                      |
| Type of audit report:  | Unqualified Opinion  |

### STATEMENT OF CASH FLOWS

|   | Amounts in thousand euros |               |               |               |
|---|---------------------------|---------------|---------------|---------------|
|   | Consolidated              |               | Stand alone   |               |
|   | 1/1-30/6/2010             | 1/1-30/6/2009 | 1/1-30/6/2010 | 1/1-30/6/2009 |
| Net cash flow from operating activities ( a )                           | 353.178,08                | 2.045.329,16  | 348.144,41    | 2.042.648,38  |
| Net cash flow from investing activities ( b )                           | (141.648,05)              | (222.062,07)  | (141.595,25)  | (222.056,25)  |
| Net cash flow from financing activities ( c )                           | (15.125,80)               | (4.287,34)    | (13.867,40)   | (4.281,54)    |
| Net increase / (decrease) of cash and equivalents ( a ) + ( b ) + ( c ) | 196.404,23                | 1.818.979,75  | 192.681,76    | 1.816.310,59  |
| Cash and cash equivalents at the beginning of the period                | 2.191.570,88              | 1.430.380,27  | 2.187.016,82  | 1.427.434,09  |
| Cash and cash equivalents at the end of the period                      | 2.387.975,11              | 3.249.360,02  | 2.379.698,58  | 3.243.744,68  |

### STATEMENT OF FINANCIAL POSITION

|   | Amounts in thousand euros |                      |                      |                      |
|---|---------------------------|----------------------|----------------------|----------------------|
|   | Consolidated              |                      | Stand alone          |                      |
|   | 30/6/2010                 | 31/12/2009           | 30/6/2010            | 31/12/2009           |
| <b>ASSETS</b>   |                           |                      |                      |                      |
| Cash and balances with central bank                               | 287.482,74                | 109.688,15           | 287.479,51           | 109.683,79           |
| Due from banks  | 2.569.208,38              | 2.339.367,90         | 2.560.935,09         | 2.334.818,21         |
| Financial assets designated at fair value through profit and loss | 75.300,03                 | 446.088,91           | 74.940,09            | 445.588,89           |
| Derivative financial instruments                                  | 1.466,18                  | 6.104,90             | 1.466,18             | 6.104,90             |
| Loans and advances to customers                                   | 8.086.840,05              | 8.042.768,92         | 8.063.845,29         | 8.034.818,86         |
| Less: Allowance for impairment on loans & advances                | (184.452,05)              | (162.874,71)         | (161.080,79)         | (146.731,50)         |
| Investment securities available for sale                          | 1.462.156,08              | 5.773.764,44         | 1.462.156,08         | 5.773.764,44         |
| Investment securities held to maturity                            | 1.573.825,19              | 450.736,60           | 1.573.825,19         | 450.736,60           |
| Debt securities   | 3.222.605,36              | 22.701,72            | 3.222.605,36         | 22.701,72            |
| Investment in subsidiaries  | -                         | -                    | 20.722,93            | 20.722,93            |
| Investment in associates  | 137.660,39                | 125.683,03           | 154.271,42           | 125.710,00           |
| Property, plant and equipment                                     | 134.511,60                | 130.449,96           | 134.377,23           | 130.316,83           |
| Intangible assets   | 24.431,15                 | 25.450,67            | 11.734,32            | 12.408,89            |
| Deferred tax assets   | 269.178,67                | 157.392,02           | 269.082,86           | 157.301,57           |
| Current tax assets  | 23.117,29                 | 25.754,38            | 23.117,29            | 25.754,37            |
| Other assets  | 482.724,22                | 462.439,77           | 478.057,06           | 456.319,90           |
| <b>TOTAL ASSETS</b>   | <b>18.166.055,28</b>      | <b>17.955.516,66</b> | <b>18.177.535,11</b> | <b>17.960.020,40</b> |
| <b>LIABILITIES</b>  |                           |                      |                      |                      |
| Due to banks  | 4.109.992,08              | 3.666.970,54         | 4.109.992,08         | 3.666.970,54         |
| Due to customers  | 12.690.363,81             | 12.632.215,34        | 12.707.054,55        | 12.657.721,36        |
| Derivative financial instruments                                  | 232.838,60                | 158.304,12           | 232.838,60           | 158.304,12           |
| Deferred tax liabilities  | 58.792,99                 | 35.811,51            | 57.060,02            | 34.012,05            |
| Current tax liabilities   | 7.280,29                  | 10.059,20            | 3.874,45             | 7.285,32             |
| Retirement benefit obligations                                    | 21.209,06                 | 20.146,19            | 20.690,72            | 19.644,21            |
| Other liabilities   | 176.501,81                | 190.208,55           | 174.531,61           | 191.812,06           |
| <b>Total Liabilities (a)</b>                                      | <b>17.296.978,64</b>      | <b>16.713.715,45</b> | <b>17.306.042,03</b> | <b>16.735.749,66</b> |

### STATEMENT OF COMPREHENSIVE INCOME

|   | Amounts in thousand euros |                   |                     |                   |
|---|---------------------------|-------------------|---------------------|-------------------|
|   | Consolidated              |                   | Stand alone         |                   |
|   | 1/1-30/6/2010             | 1/1-30/6/2009     | 1/4-30/6/2010       | 1/4-30/6/2009     |
| Net Interest Income   | 180.628,31                | 129.859,13        | 101.826,98          | 55.591,09         |
| Net fee and commission income   | 7.924,82                  | 9.154,12          | 4.367,06            | 3.157,81          |
| Dividend income   | 3.545,35                  | 4.146,21          | 2.363,49            | 2.866,37          |
| Net income / (loss) from financial instruments designated at fair value through Profit and Loss | (86.058,30)               | 104.655,54        | (55.619,93)         | 74.673,77         |
| Net income / (loss) from investment securities  | 230,20                    | 10.609,40         | 942,19              | 6.458,37          |
| Other operating income  | 600,99                    | 501,17            | 320,36              | 258,76            |
| <b>Total Operating Income</b>   | <b>106.871,37</b>         | <b>258.925,57</b> | <b>54.200,15</b>    | <b>143.006,17</b> |
| Personnel expenses  | (65.044,39)               | (51.829,58)       | (31.771,09)         | (27.746,05)       |
| Other operating expenses  | (43.470,57)               | (55.447,92)       | (24.229,19)         | (32.581,23)       |
| Depreciation and amortization charges   | (5.859,11)                | (5.301,85)        | (2.969,28)          | (2.989,56)        |
| Other expenses  | (3.910,57)                | (6.950,30)        | (985,17)            | (3.624,39)        |
| Allowance for the impairment of loans   | (21.579,95)               | (16.982,37)       | (10.757,00)         | (10.438,92)       |
| Allowance for the impairment of other assets and investments                                    | -                         | -                 | 32,96               | -                 |
| Share of Profit / (Loss) of Associates  | (6.754,19)                | 523,31            | (6.562,28)          | 1.160,93          |
| <b>Profit / (Loss) before tax</b>   | <b>(39.747,41)</b>        | <b>122.936,86</b> | <b>(23.040,90)</b>  | <b>66.786,95</b>  |
| Income tax  | (10.990,83)               | (28.659,23)       | (6.643,61)          | (16.693,46)       |
| Extraordinary tax contribution  | (4.376,21)                | -                 | (4.376,21)          | -                 |
| <b>Profit / (Loss) after tax</b>  | <b>(55.114,45)</b>        | <b>94.277,63</b>  | <b>(34.060,72)</b>  | <b>50.093,49</b>  |
| <b>Attributable to:</b>   |                           |                   |                     |                   |
| Owners of the parent  | (54.691,26)               | 91.520,17         | (34.264,04)         | 49.044,52         |
| Non-controlling Interest  | (423,19)                  | 2.757,46          | 203,32              | 1.048,97          |
| <b>Other comprehensive income / (expenses) after tax</b>  | <b>(304.898,14)</b>       | <b>59.455,31</b>  | <b>(146.799,88)</b> | <b>69.413,96</b>  |
| <b>Total comprehensive income / (expenses) after tax</b>  | <b>(360.012,59)</b>       | <b>153.732,94</b> | <b>(180.860,60)</b> | <b>119.507,45</b> |
| <b>Attributable to:</b>   |                           |                   |                     |                   |
| Owners of the parent  | (359.589,40)              | 150.975,48        | (181.063,92)        | 118.458,48        |
| Non-controlling Interest  | (423,19)                  | 2.757,46          | 203,32              | 1.048,97          |
| Earnings / (Losses) per share   |                           |                   |                     |                   |
| -Basic and diluted (in euros)   | (0,2248)                  | 0,5921            | (0,1371)            | 0,3117            |

### STATEMENT OF CHANGES IN EQUITY

|   | Amounts in thousand euros |                |               |                |
|---|---------------------------|----------------|---------------|----------------|
|   | Consolidated              |                | Stand alone   |                |
|   | 1/1-30/6/2010             | 1/7-31/12/2009 | 1/1-30/6/2009 | 1/7-31/12/2009 |
| Balance at the beginning of the period (1/1/2010 and 1/1/2009 respectively) | 1.241.801,21              | 919.679,77     | 543.950,97    | 1.224.270,74   |
| Total comprehensive income after tax  | (360.012,59)              | (203.881,73)   | 153.732,94    | (342.377,11)   |
| Increase of share capital (common shares)                                   | -                         | 526.845,23     | -             | 526.262,03     |
| Increase of share capital (preference shares)                               | -                         | -              | 224.960,00    | -              |
| Expenses of share capital (common and preference shares) after tax          | -                         | (4.561,16)     | (2.497,06)    | (4.561,16)     |
| Deferred tax on subsidiaries' intangible assets                             | -                         | (949,20)       | -             | -              |
| Purchases of Treasury Shares  | -                         | (77,70)        | (1.790,27)    | -              |
| Gains from treasury share's pre-emptive rights                              | -                         | -              | 2.194,39      | -              |
| Dividend distribution   | (1.258,40)                | -              | (871,20)      | -              |
| Dividend issue on preference shares (after tax)                             | (11.453,58)               | -              | -             | (10.400,55)    |
| Non-controlling interest after acquisition of subsidiaries                  | -                         | 4.746,00       | -             | -              |
| Balance at the end of the period (30/6/2010 and 30/6/2009 respectively)     | 869.076,64                | 1.241.801,21   | 919.679,77    | 871.493,08     |

### Additional data and information:

- The accounting policies, applied by the Group, based on International Financial Reporting Standards (I.F.R.S.) for the preparation of the interim financial information as at June 30<sup>th</sup>, 2010 are consistent with those stated in the respective financial statements of the previous comparative period. The Bank adopted the amendments of International Accounting Standard (I.A.S.) 39 and International Financial Reporting Standard (I.F.R.S.) 7, which were issued in October 2008 and have been effective since July 1<sup>st</sup>, 2008. The effects of applying the aforementioned amendments are set out in Note 10 below.
- The Interim Financial Information on Consolidated basis at June 30<sup>th</sup>, 2010 include: a) the following subsidiaries under the full consolidation method: i) "Hellenic Postbank-EL.TA Mutual Fund Management S.A." with participation of 51% on its share capital and voting rights, ii) "Hellenic Post Credit S.A." with participation of 50% on its share capital and voting rights and iii) "Post Insurance Brokerage S.A" with participation of 50,01% on its share capital and voting rights, as it is presented in note 2.2 of the Interim Financial Information as at June 30<sup>th</sup>, 2010. b) the following associates under the equity method: i) "Attica Bank S.A." with the participation on its share capital and voting rights up to 24,43% at June 30<sup>th</sup>, 2010, ii) "Post Bank Green Institute" with the participation on its share capital and voting rights up to 50% at June 30<sup>th</sup>, 2010 and iii) "T-BANK S.A." (former ASPIS BANK), based in Athens. The participation percentage, as at 30<sup>th</sup> June 2010, of TT Hellenic Postbank S.A. on the share capital and voting rights of the aforementioned financial institution, arises to 32,90%. This holding was acquired on the 22<sup>nd</sup> of April 2010, through the participation in unsubscribed share rights, in the "Book-Building" process of the share capital increase of T-BANK S.A. As a result, TT Hellenic Postbank S.A. acquired 47.602.370 new, common, registered shares. The Bank's participation (32,90%) is consolidated for the first time in the current period under the equity method. Detailed information is provided in note 2.2 of the Interim Financial Information as at June 30<sup>th</sup>, 2010.
- The Bank has been audited by the tax authorities until the fiscal year of 2008. The consolidated subsidiaries "Hellenic Postbank - EL.TA Mutual Fund Management S.A." and "Hellenic Post Credit S.A." have been audited until the year 2005, the associate "Attica Bank S.A." has been audited until the year 2008 and associate T-BANK S.A. has been audited until the year 2007. Relative information is presented in detail in note 35 of the Interim Financial Information as at June 30<sup>th</sup>, 2010. Accumulated provision for unaudited tax years of the Group and the Bank amounts to 5,4 million Euros and 1,5 million Euros respectively.
- There are no unsettled legal claims or lawsuits in arbitration, which may have significant effect on the Bank's financial statements. The accumulated provision raised for unsettled legal claims or lawsuits in arbitration amounts to 1,44 million Euros, whereas provisions for other assets raised for the Bank amount to 46,36 million Euros, approximately.
- The number of the Group and the Bank employees as at June 30<sup>th</sup>, 2010 amounted to 2.527 and 2.398 respectively, whereas during the previous period (June 30<sup>th</sup>, 2009) amounted to 2.206 and 2.094 respectively.
- Property, plant and equipment are free of any liens and encumbrances.
- The Group's and Bank's transactions with related parties, for the period from January 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2010 were as follows: a) Group's with Board of Directors and members of management: assets 2.762,04 thousand Euros, liabilities 1.172,09 thousand Euros, remuneration 4.754,28 thousand Euros, income 42,74 thousand Euros and expense 22,42 thousand Euros, b) Bank's with Board of Directors and members of management: assets 2.642,72 thousand Euros, liabilities 1.072,43 thousand Euros, remuneration 3.197,67 thousand Euros, income 40,45 thousand Euros and expense 18,27 thousand Euros, c) Group's with related companies: assets 100.500,00 thousand Euros, liabilities 1.914,96 thousand Euros, interest expense 37,20 thousand Euros, interbank interest income 738,66 thousand Euros, interest income of subsidiaries and associates 0,21 thousand Euros, d) Bank's with related companies: assets 305.503,93 thousand Euros, liabilities 18.988,69 thousand Euros, interbank interest income 738,66 thousand Euros, interest income of subsidiaries and associates 1.816,72 thousand Euros, interbank interest expense from interbank deposits and loans 52,77 thousand Euros and other expenses and income 63,30 thousand Euros and 1.461,19 thousand Euros respectively.
- "Other comprehensive income after tax" in the Statement of Comprehensive Income on consolidated and stand alone basis, concerns fair value differences attributed to the available for sale portfolio, for current and previous comparative period.
- Reclassifications of accounts in the previous comparative period (1/1/2009-30/6/2009) and the previous comparative fiscal year (1/1/2009-31/12/2009), in order to be comparable with those of the current period, are comprehensively presented in note 2.3 of the Interim Financial Information. It is mentioned that these reclassifications have no effect on the total profit/loss on the previous comparative period and on total equity at 31/12/2009.
- The effect of the implementation of I.A.S.39 and I.F.R.S.7 amendments, which were issued on October 2008 and are effective from July 1<sup>st</sup>, 2008, due to reclassified securities at 1/7/2008, 1/10/2008 and at the beginning of April of 2010, measured at fair value, is as follows: revaluation losses for the period from January 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2010 amounting to 42,34 million Euros have been recognized in Available for sale reserve. Moreover, gains from disposal of reclassified securities for the period from January 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2010 amounting to 0,64 million Euros have been recognized in the income statement. For reclassified securities measured at amortized cost, losses for the period from January 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2010, amounting to 744,13 million Euros have not been recognized in the Income Statement and in Available for sale reserve. There is a detailed reference in note 20 of the Interim Financial Information.
- The number of Treasury Shares held by the Group for the period ended as at June 30<sup>th</sup>, 2010 was 3.465.020 common shares at cost of 23.507,02 thousand Euros, while those held by the Bank were 3.433.020 common shares at cost of 23.228,78 thousand Euros.
- It must be noted that according to the provisions of article 39 which are regulated in the Bill for "adaptation of the Greek Legislation in the Directive 2006/123 of the European Parliament and Council with regard to the Services in the internal market and other provisions" that replaced the first section of paragraph 1, article 28 of Law 3756/2009, in the case of distribution of dividend for the financial years of 2008 and 2009, under the provisions of paragraph 3, article 1, of Law 3723/2008, concerning the credit institutions that participate in the liquidity plan. Any distribution must be exclusively in the form of equity shares. Under, this perspective, the 7<sup>th</sup> General Assembly of the Bank's Board of Directors approved the proposal, regarding the non-distribution of dividends to the owners of common shares, from profits earned in the fiscal year 2009.
- An amount of 224,96 million Euros was recognized as equity in the line of "Share Capital", which is referred to the issuance of 60,8 million preference shares contributed by the Hellenic Republic under the article 1 of Law 3723/2008 "The enhancement of liquidity of the economy in response to the impact of the international financial crisis". If the aforementioned preference shares were recognized as a financial liability, the consolidated and own loss after tax, for the period January 1<sup>st</sup>, 2010 to June 30<sup>th</sup>, 2010 would be increased by 8.637,36 thousand Euros. There is a comprehensive reference in note 33 of the Interim Financial Information.

Athens, August 30<sup>th</sup> 2010

BOARD OF DIRECTORS  
CHAIRMAN  
KLEANTHIS PAPADOPOULOS  
I.D. NUM. AH582918

BOARD OF DIRECTORS  
VICE-CHAIRMAN  
SPYROS PANTELIS  
I.D. NUM. AB578796

CHIEF FINANCIAL  
OFFICER  
GEORGE XIFARAS  
I.D. NUM T125995 - P.E.R.N. 26575

DIRECTOR OF  
FINANCIAL SERVICES  
ATHANASIOS DIONAS  
I.D. NUM M584387 - P.E.R.N. 41345

