



Aspis Bank

Annual Financial Report
(For the year ended 31 December 2009)

According to the article 4, Law 3556/2007
The attached annual report
is available on the web site of ASPIS Bank at www.aspisbank.gr



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

To the best of our knowledge, the attached consolidated and stand-alone financial statements that have been prepared in accordance with applicable accounting standards, present fairly the assets, liabilities, equity and the results for the year ended 31.12.2009 of ASPIS BANK SA and the Group of companies included in the consolidated accounts, as provided in article 4, § 3 of Law 3556/2007.

Furthermore, to the best of our knowledge, the Board of Directors annual report present fairly the information required by article 4, § 2 and § 6 of Law 3556/2007.

Athens, 19 March 2010

Chairman
of the Board of Directors

Vice Chairman of the Board of Directors
and Chief Executive Officer

Member
of the Board of Directors

.....
D. Stavropoulos

.....
C. Sorotos

.....
N. Mallouchos



II. Board of Directors Annual Report

Overview of the period from January 1st, 2009 to December 31st, 2009

The year 2009 turned out to be rather crucial for the Greek economy, since, following the peak of the financial crisis in late 2008 and the resulting interest rate surge, economic conditions in Greece deteriorated leading to the downgrade of the country's credit rating, which caused rippled effects in regard to the fund-raising ability of both the Greek State and the Greek Banks.

This year was also rather crucial for the Bank, given that, apart from the repercussions of the crisis on its operation, it also had to deal with a series of challenges and negative externalities, the most important being the revocation of the operating licenses of its principal shareholders, i.e. the companies ASPIS PRONIA GENERAL INSURANCE S.A. and ASPIS PRONIA PROPERTY CASUALTY S.A, by decision of the Private Insurance Supervisory Committee (PISC) on 21.09.2009, and Commercial Value SA, by decision of the PISC on 25.02.2010. These developments had a negative effect on the financial position, results, good name and clientele of the Bank. Nonetheless, the Bank's Management and staff acted with complete transparency, and the Bank's results, assets and equity were adjusted accordingly. At the same time, the procedure regarding the change of Bank's corporate name and identity, which will be submitted to the Annual General Meeting for approval, was also initiated. Moreover, in order to maintain sufficient liquidity and restore the Bank's profitability, we continued the uninterrupted implementation of targeted actions, i.e. conservative management and cautious lending policy, by containing the Bank's lending operations' growth and ceaselessly cutting down on expenses.

The Bank is now in the process of a share capital increase, whose completion will provide a major boost to its capital structure and will enable it to return to positive growth rates.

Apart from the effects of the aforementioned extraordinary events, the deterioration of economic conditions in Greece and the consequent increase of credit risk for the entire banking system, necessitated the formation of additional loan impairment allowances, and as a result loss after tax amounted to €62.02 million, while the loss attributable to the Bank's equity holders rose to €61.86 million.

Review of the Group's Results and Financial Figures

Total assets fell by 7% and stood at €2.43 billion, as compared to €2.62 billion in December 2008, mainly owing to the formation of increased loan impairment allowances, the Bank's policy of containing lending operations' growth and the effects from the revocation of the insurance companies' operating licenses. More specifically, given the deterioration of the economic climate, the Bank continues to pursue a conservative lending policy and to form increased loan impairment allowances, which reflect the increased credit risk faced by the Bank and the entire Greek banking system. Therefore, the loan impairment allowance rose to €103.70 million from €55.88 million in 2008, while loans (net of impairment) decreased by 12%, as compared to December 2008, to €1.87 billion. Despite the significant deceleration of credit growth in Greece, consumer loans and credit cards, which comprise 7% of the Group's lending portfolio, outgrew the market (7.7%, as compared to December 2008), owing to the implementation of targeted actions aimed at facilitating the growth of this specific sector.

Deposits decreased by 11% year-on-year, and fell to €1.77 billion from €1.99 billion in 31.12.2008, mainly due to the aggravation of the financial crisis following the downgrade of the Greek economy's credit rating and the negative effects on the Bank's good name and clientele from the revocation of the operation licenses of the ASPIS PRONIA GENERAL INSURANCE S.A. and ASPIS PRONIA PROPERTY CASUALTY S.A. insurance companies. In order to deal with these adverse effects immediately and always focused on sustaining its liquidity, the Bank raised a further €319 million through the use of alternative sources. It should be noted that the outflow of deposits caused by the revocation of the insurance companies' operating licenses in the first two months of the year, has been partly reversed. Moreover, the impeding



change of the Bank's corporate identity, as well as the change in its shareholder structure, is expected to provide a major boost to its deposit base.

Given the losses incurred, the Group's total equity fell to €107 million, leading to a consolidated total capital adequacy ratio of 7.57%. The capital adequacy ratio will be significantly enhanced after the completion of the rights issue, which is in progress, and, if proved successful, is expected to restore capital adequacy at satisfactory levels.

The ASPIS BANK Group sustained a loss of €61.86 million, attributable to the Bank's equity holders, mainly as a result of the containment of operations' growth and the formation of increased provisions during 2009, a fact that was not offset by the year-on-year decrease of interest expense and operating expenses by 23% and 13% respectively and the incurrence of extraordinary non-recurring trading income of €27.64 million.

The net interest margin, which shrank in 2009, is increasing as compared with early 2009, owing to the gradual decrease in deposit rates and the normalization of interbank lending rates. The drop in the spread between time deposit rates and the EURIBOR lending rate led to a reversal in the growth of interest expense during the last quarters. More specifically, interest expense decreased by 23% as compared to 2008, with interest expense on customer deposits reduced by 18% and interest expense on bond loans reduced by 56%. Nevertheless, this decrease was not enough to offset the drop in interest income, and as a result net interest income fell to €27.50 million from €40.31 million in 2008. At the same time, the containment of the Bank's lending operations growth led to a 27% reduction in net commission income, which fell to €17.27 million from €23.74 million in 2008.

Trading income stood at €19 million, as compared to a €2.6 million loss in 2008, due to the recording of extraordinary non-recurring gains of €27.64 million from the repurchase of the subordinate (Lower Tier II) bond at a price below par. The gains from the repurchase of the bond offset a €13 million charge on trading results, which resulted from the impairment of ASPIS PRONIA GENERAL INSURANCE S.A. shares held in the Bank's portfolio.

The uninterrupted implementation of the operating costs containment programme led to a 12.6% decrease in operating expenses, to €95.34 million. Out of the Bank's total operating expenses, administrative expenses decreased by 12%, to €35.7 million from €40.48 million in 2008, mainly due to the reduction of marketing expenses and the drop in property expenses. Moreover, personnel expenses, excluding non-recurring indemnification of approximately €9.5 million that was recorded in 2008, remained unchanged.

Loan impairment allowances rose to €48.04 million from €17.36 million in 2008, owing to the adjustment of the provisioning policy in response to the adverse economic environment and the formation of additional provisions for loans extended by the Bank to ASPIS PRONIA GENERAL INSURANCE S.A. and other related parties.

Prospects

Taking into account the adverse economic conditions and the negative effects on the Bank's good name and clientele from the revocation of the operating licenses of the insurance companies-shareholders ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and Commercial Value, ASPIS BANK adjusted its strategic planning urgently and proportionately, with the aim of safeguarding itself against any further market deterioration, boosting growth rates in regard to revenues and key financial figures, restoring its good name and improving relations with its customers. In this context, ASPIS BANK has already given priority to sustaining adequate liquidity, enhancing capital adequacy ratios, cutting down on operating expenses, and creating the appropriate infrastructures that will enable the Bank's transformation to a new business model, focused on consumer credit and professional and SME financing. Moreover, the immediate response of the Bank's Management to the negative effects from the revocation of the insurance companies' operating licenses, through their full recognition in the Bank's results, assets and equity, establishes a sound foundation and improves its prospects for the years to come. The change in corporate name and identity, in conjunction with the change in the Bank's shareholder structure through the possible participation of Hellenic Postbank in the Bank's share capital with a 30%-32.9% stake, provides new momentum, and signals its entry in a new growth phase.



In order to achieve the above targets, the most important actions that have been, and/or are still being, implemented, are the following:

Change of business model

The new business model adopted by the Bank is based on the development of Retail and SME Banking, providing for the explicit segregation of the responsibilities and operations between these two sectors, with the Branches are focusing on Retail Banking activities, while Business Centres are focusing on Small and Medium-sized enterprises. In order to achieve retail banking operations growth, the Bank is creating and marketing consumer loans and new credit cards with competitive features and benefits.

The first results of the aforementioned actions are already evident in the growth of consumer loan and credit card balances, which outperformed the market and stood at 7.7% in 2009, as compared to 2008, Lending growth resulted in a corresponding increase in interest income from consumer loans and credit card, despite the drop in total loan interest income.

Operating Cost Management

ASPIS BANK attaches special importance to the drastic reduction of operating expenses. The Bank has launched a plan for the containment and rationalization of its operating expenses, which includes the complete revision of the its agreements with third parties (lessors, associates and others) In this context, the Bank is in the process of relocating its branches to low-cost properties. The aforementioned actions resulted in a year-on-year reduction of operating expenses by 12.6% in 2009

Portfolio Quality

Given the still volatile and deteriorating financial environment, the Bank has been pursuing a more conservative lending policy, and places great emphasis on the optimum management and mitigation of credit risk. In this context, the Bank has centralized and upgraded lending procedures, formed a dedicated cheque control department and a special bad-debt-monitoring committee, and reinforced overdue claim collection mechanisms by means of a new IT application for the management of delinquencies and permanent arrears, which will come fully on stream during 2010.

Aiming at consolidating its assets, the Bank adjusted its provisioning policy; as a result, the cumulative allowance for loan impairment rose to €103.70 million from €55.88 million in 2008.

The percentage of non-performing loans, including stock exchange transactions in arrears for more than a year, stood at 7.85% of total loans as per 31.12.2009, owing to the financial hardship experienced by households and enterprises, in conjunction with the Bank's lending growth containment policy. However, a possible deterioration of economic conditions in Greece during 2010 may aggravate the financial problems of both households and enterprises, having a negative effect on non-performing loans.

Liquidity

Moreover, the Bank continues to focus on enhancing its deposit base, with emphasis on attracting deposits of up to €200 thousand, in order to ensure higher deposit dispersion and reduce its exposure to high-cost term deposits, especially from institutional clients. Emphasis is placed on approaching professionals and small enterprises, as well as existing business loan customers and persons who receive their salaries through ASPIS BANK. In addition, given that the Bank run that occurred in the 4th quarter of 2009 following the revocation of the operating licenses of ASPIS PRONIA GENERAL INSURANCE S.A. and ASPIS PRONIA PROPERTY CASUALTY S.A., in conjunction with the aggravation of the financial crisis as a result of the Greek economy's downgrade by international credit rating agencies, and led to a drop in deposits of almost €637 million during the period 22.09-17.03.2010, the Bank has made the reversal of this phenomenon a primary target. This target is mainly expected to be achieved through the oncoming change in the Bank's corporate identity and shareholder structure.

Direct action for dealing with the repercussions from the revocation of the operating licenses of ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and COMMERCIAL VALUE



SA. These negative repercussions are recorded in detail in important events during 2009 (a part of this annual report).

The Bank's management responded immediately to the adverse developments caused by the revocation of the operating licenses of the insurance companies-principal shareholders of the Bank:

- by accordingly adjusting the Bank's results, assets and equity;
- by making every possible effort to ensure the immediate and full transfer of insurance coverage to other appropriate insurance companies;
- by looking for new associates, in order to continue pursuing its bancassurance activities; and
- by launching the procedure regarding the change of Bank's corporate name and identity, which will be submitted to the Annual General Meeting for approval.

The immediate response of the Bank's Management establishes a sound foundation and improves its prospects for the years to come. The change in the Bank's shareholder structure through the possible participation of Hellenic Postbank in its share capital with a 30%-32.9% stake, along with the new corporate identity, will enable the Bank to enter a new growth phase thanks to the dynamism obtained as a result of being a member in one of the strongest banking groups.

Important events during the year from January 1st to December 31st, 2009, and up to the date of this annual financial report

- The Extraordinary General Meeting of the shareholders of ASPIS BANK that was held on July 23rd, 2009, approved:
 - the revocation of the resolution of the Extraordinary General Meeting of 23.01.2009, which involved the increase of the Bank's share capital by almost €90 million, through the issuance of preferred shares that would be purchased by the Greek State, as part of the Bank's participation in the plan for the enhancement of the economy in response to the impact of the financial crisis. At the same time, the Bank verified its intentions to be subjected to the provisions of Law 3723/2008 and to proceed in the future to a share capital increase through the issuance of preferred shares in accordance with the legal framework applicable at that time.
 - the reduction of the nominal value of common shares from €2.71 to €0.60 in accordance with the new provisions of Law 2190/20, with the purpose of forming a special reserve; and
 - the increase of the Bank's share capital by €76,876,864.80, through payment in cash and by way of pre-emptive rights for existing shareholders, at a subscription rate of for 2 new shares for each 1 existing share.
- Following a resolution of the Extraordinary General Meeting held on July 23rd, 2009, the reduction of the nominal value of the Bank's common shares from €2.71 to €0.60, in accordance with the new provisions of Law 2190/20, was completed on September 30th, 2009, and a special reserve of the same amount was formed. After the aforementioned reduction, the share capital amounted to €38,438,432.40, divided into 64,064,054 common registered shares, while Total Equity remained unchanged. The trading of the Bank's shares under the new nominal value has started since October 6, 2009.
- Following a resolution of the Extraordinary General Meeting of ASPIS Bank shareholders, held on July 23rd, 2009, and the resolution of the Board of Directors as per March 1st, 2010, the increase of the Bank's share capital through payment in cash and by way of pre-emptive rights for existing shareholders, at a subscription rate of for 2 new shares for each 1 existing share, has already begun. The offer price of the new shares has been set at 0.60 per share, bringing the total funds to be raised to €76,876,864.80 in case the rights issue is fully subscribed. The terms of the rights issue provide for the issuance of 128,128,108 new common registered shares, at a nominal value of €0.60 each. All shareholders registered with the Dematerialized Securities System (DSS) as per March 12, 2010, are eligible to participate in the issue. The pre-emptive rights exercise period started on March 16 and will be completed on March 30th, 2010. The pre-emptive right will be traded from March 16 to March 23rd, 2010.

Hellenic Postbank expressed its intention to participate in the Bank's share capital increase subject to the following conditions:

- The acquisition, following the completion of the issue, of a holding of 30% and up to a maximum of 32.9% of any eventually unsubscribed shares.
- The non-exercise of pre-emptive or subscription rights on behalf of the Bank's principal shareholders, whether natural persons or legal entities.
- The receipt of all necessary approvals from the competent authorities.



Moreover, according to his letters sent to the Bank on 05.03.2010, the insurance liquidator who oversees the cases of ASPIS PRONIA GENERAL INSURANCE SA, ASPIS PRONIA PROPERTY CASUALTY S.A. and Commercial Value SA, Mr. Constantine Vlahogiannis, disclosed the following:

A) ASPIS PRONIA GENERAL INSURANCE SA, which holds a total of 5,824,551 shares and 3,629,325 shares through the ASPIS BOND Unit Linked Fund, shall not participate in the rights issue of ASPIS BANK, and has ordered the sale of its pre-emptive rights

B) ASPIS PRONIA PROPERTY CASUALTY S.A., which holds 3,173,154 shares, shall not participate in the rights issue of ASPIS BANK, and has ordered the sale of its pre-emptive rights.

C) Commercial Value CASUALTY S.A., which holds a total of 22,216,763 shares, shall not participate in the rights issue of ASPIS BANK, and has ordered the sale of its pre-emptive rights.

- In February 2010, the Bank did not exercise its right to recall in regard to the €50 million subordinate (Lower Tier II) bond (maturing in February 2015) issued by Aspis Finance Plc, and as a result the new interest rate equals the three-month Euribor plus a 2.65% spread (as compared to an interest rate of three-month Euribor plus a 1.35% spread till February 2010).
- In October 2009, ASPIS BANK entered a contractual loan agreement with the Greek State, duly represented by the Public Debt Management Agency, which concerns 86 special Government Bonds of a total nominal value of €86,000,000, acceptable for refinancing operations by the European Central Bank.
- By means of a decision, dated 21.09.2009, the PISC revoked the operating licenses of ASPIS PRONIA GENERAL INSURANCE S.A. and ASPIS PRONIA PROPERTY CASUALTY S.A., and by means of a decision, dated 25.02.2010, the PISC revoked the operating license of Commercial Value SA. The impact of the participation of the aforementioned insurance companies on the assets, results and equity of the ASPIS BANK Group during 2009 can be summarized as follows:
 - The Bank held 9.97% of the share capital of ASPIS PRONIA GENERAL INSURANCE S.A. The charge on the Bank's results due to the impairment of ASPIS PRONIA shares that are classified as Available-for-Sale Securities amounted at €13,070 thousand. €4,830 thousand of the aforementioned loss concern asset impairment, while the balance concerns amounts recognized in equity.
 - On 31.12.2009, the Group's receivables from loans and letters of guarantee, as well as its receivables other than loans from ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and COMMERCIAL VALUE SA totalled €7.7 million, and were partly secured by liquid assets. The cumulative provisions and write-offs concerning the non-secured part of these receivables amounted at €4.5 million. Similarly, the results for 2009 have been charged by €4.4 million. In addition, on 31.12.2009 the Group's total receivables from associated natural persons stood at €3.2 million, against total cumulative provisions of €3.2 million. Similarly, the results for 2009 have been charged by €3.2 million. Finally, on 31.12.2009 the Group's receivables from other companies associated with the insurance companies and the individuals stood at €16.2 million, adequately secured by real property and other liquid assets. The cumulative provisions concerning the non-secured part of these receivables amounted at €3 million. Similarly, the results for 2009 have been charged by €2.9 million.
 - The revocation of the operating licenses of ASPIS PRONIA GENERAL INSURANCE S.A. and ASPIS PRONIA PROPERTY CASUALTY S.A., combined with the aggravation of the financial crisis as a result of the Greek economy's downgrade by international credit rating agencies, had a detrimental effect on the Bank's good name and clientele, which from September 22nd, 2009 (the day after the revocation of the operating licenses of the insurance companies of the ASPIS PRONIA GENERAL INSURANCE S.A. Group) till 17.03.2010 led to the decrease of the Bank's deposits by a total of €637,313 thousand.
 - The Bank is making every possible effort to ensure the immediate and full transfer of the insurance policies kept with these companies to other appropriate insurance companies.
 - The Bank terminated its cooperation with the insurance advisors network for the promotion of banking products; nonetheless, the contribution of this network was small (2.4% of new mortgage and consumer loans disbursed by the Bank in 2009).
 - The marketing of insurance products was temporarily suspended; nonetheless, this activity represented a minor source of income (2.2% of fee and commission income, or 0.5% of total consolidated net income for 2009).
- On August 2009, the ASPIS BANK Group completed reducing its long-term debt, through the repurchase of Subordinated Lower Tier II Guaranteed Floating Rate Notes with a par value of €50.25 million by the issuer, Aspis



Jersey Limited, (a wholly-owned subsidiary of the bank) at a price below par. The FRNs were subsequently cancelled. The total gain from this transaction amounts to €27.6 million and is included in the Group's trading income.

- In July 2009, Fitch Ratings, the international ratings agency, downgraded the long-term credit rating of ASPIS BANK to B from B+, keeping its short-term rating unchanged, i.e. at B. At the same time, the agency downgraded the bank's individual credit rating to E from D/E.
- In February 2009 the Bank concluded its second mortgage loan securitization, with the Royal Bank of Scotland as advisor. ASPIS BANK sold mortgage loans of €424 million to Byzantium II Finance plc, a special purpose vehicle, which issued securities amounting to €410.25 million. 89% of the loans that were sold, i.e. €377 million, received an AAA rating by Fitch, the international credit ratings agency. The AAA-rated securities were accepted for refinancing operations by the European Central Bank
- In 2009, and until this date, ASPIS BANK continued to expand its network, through the opening of two new branches in Ilion, Attica, (February 2009), and in Athinas Street, Athens (September 2009) and the opening of its fifth business centre, which will further support its efforts to expand in the field of SME Banking (January 2010).
- In 2009, and until this date, the following changes have occurred in the makeup of the Bank's Board of Directors:
 - By means of a BOD resolution, dated 03.04.2009, non-executive, independent Director, Mr. Spyros Desyllas, resigned and was replaced by Mr. Nikolaos Moustakis.
 - By means of a resolution of the Annual General Meeting of 29.04.2009 and a resolution of the Board, Messrs. Phedon Tamvakakis and Vassilios Apostolopoulos were elected as non-executive, independent Directors.
 - By means of Board resolution, dated 22.09.2009, non-executive, independent Director, Mr. Nikolaos Moustakis resigned, and by means of Board resolution dated 19.10.2009, Mr. Stavros Androutsopoulos was elected as a new member, replacing N. Moustakis.
 - By means of Board resolution dated 01.03.2010 non-executive, independent Director, Mr. Vasilios Apostolopoulos resigned from the Board.

Following the aforementioned changes, the current makeup of the Board of Directors of ASPIS BANK is the following:

| The Board of Directors of ASPIS BANK | |
|---|-------------------------------------|
| Ioannis-Dionysios Stavropoulos – Chairman | Non-Executive Director |
| Christos Sorotos –Vice Chairman & Managing Director | Executive Director |
| Nikolaos Mallouchos - Director | Executive Director |
| Vassilios Dalakidis- Director | Non-Executive, Independent Director |
| Dimitrios Goumas - Director | Non-Executive, Independent Director |
| Phedon Tamvakakis-Director | Non-Executive, Independent Director |
| Stavros Androutsopoulos - Director | Non-Executive, Independent Director |

Risks and uncertainties for 2010

The ongoing global crisis has caused ripple effects in the Greek economy and the Greek banking system, leading to an increase the cost of raising liquidity through interbank lending and deposits, and a reversal in credit growth, thus adversely affecting the Bank's business environment. There has been a slowdown in the annual growth rates of total household and business lending (January 2010: 3.8% as compared to 15.9% in December 2008 – *Source*: Bank of Greece, Bulletin of Conjunctural Indicators). Following the peak of the crisis in late 2008, and the resulting surge of interest rates, the market has been seeing a gradual reduction in the cost of money. However, global financial conditions have not yet been fully stabilized. In addition, economic conditions in Greece have deteriorated, leading to the



downgrade of the country's credit rating, the increase of the risk of a possible downgrade of Greek bonds, and limitations on the capability to raise funds from the European Central Bank (ECB) and the international markets. The deterioration of economic conditions had a direct effect on Greek Banks, whose majority has already been downgraded by international rating agencies. Any further limitation of the Greek State's fund-raising capabilities will have a negative effect on Greek Banks.

Given the adverse conditions prevailing in the economy, the capital markets and the financial system—which are briefly described above—the whole Greek banking system and, consequently, ASPIS BANK, is exposed to increased liquidity, market and credit risk.

The impact from the increase in the cost of raising liquidity has been adversely affecting the Bank's net interest income since late 2008 and throughout the entire 2009. However, the de-escalation of interest rates that has occurred till this date has reduced the cost of raising liquidity. For example, there has been an improvement in the spread between the average lending and the average deposit rate, mainly during the 2nd half of 2009. As far as interest expense is concerned, the drop of time deposit rates as compared to late 2008, and the resulting drop in the spread between the Bank's time deposit rates and the Euribor lending rate, led to the gradual reduction of interest expense in 2009. However, given the uncertainty still prevailing in the economy, a possible interest rate hike and/or a simultaneous drop in interest rate spreads may have a negative effect on the Bank's results.

The negative consequences on the Greek Banks' ability to raise funds from the market, and the outflow of deposits caused by the revocation of the operating licenses of ASPIS PRONIA GENERAL INSURANCE SA, ASPIS PRONIA PROPERTY CASUALTY S.A. and Commercial Value SA, affected the Bank's liquidity in 2009. In order to enhance its liquidity, the Bank securitized mortgage loans and entered a contractual loan agreement with the Greek State (Public Debt Management Agency), borrowing special securities of a total nominal value of €86,000,000, acceptable for refinancing operations by the European Central Bank. However, the growth of the Bank's operations depends on the overall course of the economy, since lending is its most important activity. The drop in demand for the Bank's lending products due to the reduction of consumer demand has a direct effect on its business. The Management of the Bank represents that, based on current data, and in regard to a series of external and internal factors, such as the revocation of the operating licenses of ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and COMMERCIAL VALUE SA, the requirement of the Bank of Greece concerning the Bank's capital injection, the reduction of the Bank's financing through the interbank market, as well as the current financial crisis, the Group's working capital is not sufficient to cover its current activities for the next 12 months. Therefore, it is estimated that it is necessary to proceed to the change of the Bank's corporate identity and the increase of its share capital. In case the Bank's working capital requirements are not covered, the Management plans the selective sale of liquid assets and the containment of lending operations. Moreover, the Management of the Bank can consider further options for finding new resources for enhancing the Group's liquidity, for example the issuance of bonds or other medium term debt instruments. Moreover, if the Bank of Greece deems that there is good reason, it can take other measures for securing the interests of the Bank's creditors and depositors.

A possible deterioration of economic conditions in Greece during 2010 may aggravate the financial problems of both households and enterprises, having a negative effect on non-performing loans, and, consequently, leading to an increase of the respective loan impairment allowances, which may have adverse consequences on the Bank's results. In order to control credit risk, the Bank will continue to pursue a conservative lending policy and to implement the comprehensive plan for the strict control and collection of overdue claims that it has already prepared.

Given the occurrence of losses, the total capital adequacy ratio as per 31.12.2009 stood at 7.57% on a consolidated and at 5.94% on a non-consolidated basis, while the Tier I ratio stood at 4.31% on a consolidated basis, and 2.97% on a non-consolidated basis — below the general consolidated and non-consolidated limits, and below the special limits set by the BOG. If the share capital increase by €76.9 million is fully subscribed, it is expected to enhance the Bank's regulatory capital and restore capital adequacy ratios at satisfactory levels. In case of partial subscription, and if the Bank fails to comply with the minimum regulatory requirements regarding capital adequacy ratios, may lead to regulatory action or



sanctions by the BoG, which may have adverse effects on the Bank's smooth operation, results, financial position and prospects. Any capital inadequacy will also affect the Bank's ability to sustain its organic growth.

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

Presently, there are pending extrajudicial summons of individuals against Aspis Capital SA, ASPIS PRONIA GENERAL INSURANCE S.A., and ASPIS BANK in regard to bonds issued and sold to investors by Aspis Capital SA and ASPIS PRONIA GENERAL INSURANCE S.A., with the Bank acting as Manager and payments administrator. The Bank's Management represents that it has never been involved in any way in the sale of the securities of the aforementioned companies, and that it acts exclusively as the payments administrator, without providing any guarantee in regard to the fulfilment of the corresponding issuers' obligations. If the aforementioned persons take legal action against the Bank, the possibility of the corresponding lawsuits being successful will depend on the Court's assessment of the evidence. More specifically, since (a) in accordance with the applicable contracts, the Bank acts exclusively as the payments administrator, without providing any guarantee in regard to the fulfilment of the obligations of Aspis Capital and (b) it is demonstrated that the Bank has not been involved in any way in the sale of the aforementioned securities, the Management of the Bank estimates that the possibility of success is limited.

Moreover, by the end of 2008 the Group had promoted, through the Bank's branch network and through contracts with ASPIS INSURANCE BROKERAGE SA, a UNIT-LINKED insurance policy offered by Commercial Value under the brand name ASPIS VALUE. There are pending extrajudicial summons and lawsuits from natural persons against Commercial Value SA, according to which these persons had required, or are requiring, Commercial Value to redeem the aforementioned policies, albeit this redemption was never realized. Certain of the extrajudicial summons claim that the natural persons concluded the investment-type insurance policies following a recommendation and individuals of the Bank's employees.

Due to the revocation of the operating value of COMMERCIAL VALUE we can not rule out the possibility that, in case the beneficiaries of the ASPIS VALUE insurance product are not compensated by COMMERCIAL VALUE, or are not offered any state or other guarantee, they will take legal action against the Bank. However, the possibility of the corresponding lawsuits being successful will depend on the Court's assessment of the evidence. In any case, taking into account that: (a) the counterparties in insurance products are only the insurance company and the recipient of the insurance, whereas, as a non-contracting party, the Bank does not undertake any contractual obligation (for payment or other) against the insureds; (b) in accordance with the relevant contracts, the insurance company is solely liable for any default, including the obligation to pay the product of the redemption, the interest and, in general, and amount payable in accordance with the contract, thus excluding any obligation of the Bank as guarantor; (c) the Bank's brokerage activity was strictly limited to the forwarding of the customers' applications for participating in these products and was addressed to the insurance company, without any customer monies related to the said insurance products ever coming into the Bank's possession or management; and (d) at the time of their sale, the said insurance products incorporated the obligations of a regulated and legally operating insurance company, which was legitimately conducting its business, including the sale of products to new customers, and, if the above are also accepted by the court, the possibility of the lawsuits being successful is considered to be limited.

Risk Management

The Group is methodically monitoring credit risk, operational risk, as well as the liquidity and market risks. Given market conditions, ASPIS BANK adjusted its strategic planning urgently and proportionately, with the aim of safeguarding the Bank against any further market deterioration, and boosting productivity and efficiency. Provisioning policy has been adjusted on the basis of new conditions, in order to safeguard the Bank against increased future risks. Credit policy has been revised and strict lending criteria are being implemented. Aiming at the optimum management and mitigation of credit risk, the Bank has centralized and upgraded lending procedures, through the centralization of approval levels, the formation of a dedicated cheque control department, and the formation of a special bad-debt-monitoring committee. Moreover, the Bank reinforces overdue claim collection mechanisms by means of a new IT application for the management of delinquencies and permanent arrears, which will come on stream in 2009.



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

Credit Risk ¹

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

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

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

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

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

Finally, the delinquencies and permanent arrears committee was established during the current year, in order to monitor, and make decisions for dealing with, the delinquencies and permanent arrears of the Group's lending portfolios.

¹ For detailed information see Note 4 to the Financial Statements of the Bank and the Group, respectively, as per 31.12.2009.



Liquidity risk

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

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

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

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

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

Market risk ²

The Group's market risk is the risk arising from changes in market parameters such as changes in interest rates, equity prices and foreign exchange rates. For market risk, the Risk Management Division elaborates, develops and carries out risk methods that are based on Value-at-Risk (VaR) models. More specifically, VaR measures the worst expected loss over a given horizon, under normal market conditions, and at a given confidence level. Since this statistical model cannot cover any financial loss that may occur as a result of extreme events, the Risk Management Division applies stress tests on its financial assets portfolio. More specifically, it employs the extreme value theory, in order to reach conclusions concerning changes in the Bank's financial asset portfolio value under extreme economic conditions.

The VaR model implemented by the Risk Management Division is based upon a 99 percent confidence level and assumes a 10-day holding period. As at 31 December 2009, VaR for the securities' portfolio was €677 thousand for the securities' portfolio, and €52 thousands for the Group's foreign exchange position. For the purpose of VaR calculation the securities portfolio of the Group includes the shares, mutual funds and bonds classified either as available for sale or trading. Moreover, as at 31 December 2009 the Group held a long position of Euro 1.8 million, against several currencies.

² For detailed information see Note 4 to the Financial Statements of the Bank and the Group, respectively, as per 31.12.2009.



Operational Risk

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

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

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

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

Treasury Shares (paragraph 5, article 103, L. 2190/20)

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

Supplementary Report of the Board of Directors, article 4 para. 7 & 8 Law 3556/2007

This supplementary report of the Board of Directors to the Annual General Meeting of the Shareholders contains analytical information about the following issues and up to 31.12.2009, as stipulated by paragraphs 7 & 8, article 4, Law 3556/2007.

1) Share capital structure of the Bank

The share capital of ASPIS BANK SA (the "Bank") amounts to thirty eight million four hundred and thirty eight thousand four hundred and thirty two euros and forty cents (€38,438,432.40) divided in sixty four million sixty four thousand fifty four (64,064,054) common registered voting shares, at a par value of sixty cents (€0.60) each. The Bank's shares are listed in the Athens Stock Exchange.

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

- Each share has one vote at the General Meeting of the Shareholders
- No shareholder may participate or vote in the General Meeting of the Bank if he/she has not previously submitted a certification from the Central Securities Depository demonstrating that he/she is a shareholder in accordance with paragraph 1 article 51 of Law 2396/1996. This certification, as well as all proxies must be submitted to the Bank at least five (5) days prior to the date of the General Meeting. Those shareholders who do not abide to this rule may only participate if the Meeting allows them to.
- A right to earn dividend from the Bank's annual net profit; this dividend amounts to at least 35% of after tax profit, excluding charges for the formation of the legal reserve, is distributed as minimum dividend and any additional amount is decided by the General Meeting. All shareholders are entitled to a dividend, provided that they have been registered with the Shareholders' Register kept by the Bank, on the date the decision for the distribution of the dividend is made.
- The dividend for each share is paid to the Bank's shareholders within two (2) months from the date of the Annual General Meeting that approved the annual financial statements. The method and place of payment is announced at the daily Press. The right to collect the dividend is written off in favour of the Greek State within 5 years after the end of the year in which the General Meeting approved its distribution.



- A pre-emptive right in any share capital increase through payment in cash and the acquisition of new shares
- Right to obtain a copy of the financial statements, along with the auditors' report and the report of the Bank's Board of Directors
- The General Meeting of the Shareholders of the Bank maintains all its rights during the liquidation of the company (in accordance with paragraph 3 article 44 of its Statute) and convenes after an invitation from the liquidators, whenever they deem necessary, or from the shareholders, as provided for by article 38.1 of the Bank's Articles of Association.

The liability of the Bank's shareholders is limited to the par value of the shares they own.

2) Restrictions in transferring the shares of the Bank

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

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

Up to 31.12.2009

The most important direct holdings as per articles 9-11, Law 3556/2007 on **31.12.2009** were the following:

| Shareholder | Number of Shares | Percentage (%) of Share Capital |
|---|------------------|---------------------------------|
| Commercial Value Asset Value Unit Linked Fund | 9.371.348 | 14,628% |
| Commercial Value S.A. | 9.490.317 | 14,814% |
| Commercial Value Anaptyxiako | 912.080 | 1,424% |
| Commercial Value Investment Bond Plus | 651.666 | 1,017% |
| Commercial Value Greek Equity Fund | 632.500 | 0,987% |
| Commercial Value Bond Fund | 550.000 | 0,859% |
| Commercial Value Investment Plus Regular | 413.916 | 0,646% |
| Commercial Value Investment Bond | 194.936 | 0,304% |
| ASPIS PRONIA GENERAL INSURANCE S.A.* | 5.824.551 | 9,092% |
| ASPIS PRONIA GENERAL INSURANCE S.A. Unit Linked Fund* | 3.629.325 | 5,665% |
| ASPIS PRONIA LIFE INSURANCE S.A. | 3.173.154 | 4,953% |

* Based on its relevant representation to the Bank, dated 10.12.2009, ASPIS PRONIA GENERAL INSURANCE S.A. directly held, following a transaction dated 06.03.2008, 9,453,876 voting shares of ASPIS BANK SA (including the shares held as investments of the ASPIS PRONIA GENERAL INSURANCE S.A. Unit Linked Fund. Therefore, the total percentage of voting rights held by ASPIS PRONIA GENERAL INSURANCE S.A. stands at 14.757% of the total.

In regard to the most important indirect holdings as per articles 9-11, Law 3556/2007 on **31.12.2009** the following should be noted:

1. Pursuant to decision No. 156, dated 16/09/2009 & 21/09/2009, of the Board of the PISC, concerning the revocation of the operating licenses of the Group's insurance companies, ASPIS PRONIA GENERAL INSURANCE S.A. and ASPIS PRONIA PROPERTY CASUALTY S.A., and their placement under liquidation, the voting rights (directly and indirectly) held by the aforementioned companies, which account for 19.71% of the Bank's total voting rights, are now exercised by the appointed liquidators.



2. From data published till 31.12.2009 it follows that ADVANTAGE CAPITAL HOLDINGS PLC indirectly held 34.679% of the Bank's voting rights through its 50.09% stake in COMMERCIAL VALUE SA (including the Unit Linked Funds managed by the latter), without, at the same time, the Bank being aware whether any third natural person and/or legal entity exercises any direct and/or indirect control on ADVANTAGE CAPITAL HOLDINGS PLC.

After 31.12.2009

The most important direct holdings as per articles 9-11, Law 3556/2007 on the basis of shareholder register data as per **15.03.2010** were the following:

| Shareholder | Number of Shares | Percentage (%) of Share Capital |
|---|------------------|---------------------------------|
| Commercial Value Asset Value Unit Linked Fund* | 9.371.348 | 14,628% |
| Commercial Value S.A.* | 9.490.317 | 14,814% |
| Commercial Value Anaptyxiako* | 912.080 | 1,424% |
| Commercial Value Investment Bond Plus* | 651.666 | 1,017% |
| Commercial Value Greek Equity Fund* | 632.500 | 0,987% |
| Commercial Value Bond Fund* | 550.000 | 0,859% |
| Commercial Value Investment Plus Regular* | 413.916 | 0,646% |
| Commercial Value Investment Bond* | 194.936 | 0,304% |
| ASPIS PRONIA GENERAL INSURANCE S.A.* | 5.824.551 | 9,092% |
| ASPIS PRONIA GENERAL INSURANCE S.A. Unit Linked Fund* | 3.629.325 | 5,665% |
| ASPIS PRONIA LIFE INSURANCE S.A.* | 3.173.154 | 4,953% |

* According to a letter sent on 05.03.2010 by the insurance liquidator appointed by the PISC, Mr. Constantine Vlahogiannis, on the basis of article 9 Law 3356/2007, the voting rights of ASPIS PRONIA GENERAL INSURANCE S.A., ASPIS PRONIA PROPERTY CASUALTY S.A. and COMMERCIAL VALUE SA, i.e. a total of 34,843,793 shares and an equal number of voting rights that account for 54.389% of the Bank's total voting rights are controlled by the aforementioned liquidator.

In regard to the most important indirect holdings as per articles 9-11, Law 3556/2007 on **15.03.2010** the following should be noted:

1. Taking into consideration the above, it follows that the voting rights, amounting to a total of 54.389%, directly and indirectly controlled by the aforementioned three insurance companies are now exercised by the respective appointed insurance liquidators and supervisors in accordance with the provisions of articles 10 and 12a of LD 400/1970 and not by the Boards of the insurance companies or the principal shareholders of the companies under liquidation.

4) Shares conferring special control rights

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

5) Limitations on voting rights

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

6) Agreements among the Bank's shareholders.

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



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

The rules set out in the Bank's Articles of Association on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those provided for by CA 2190/1920. The term of the Board's members is three years. The members of the Board of Directors can be re-elected.

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

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

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

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

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

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

Significant Events after the balance sheet date

a) In February 2010, the PISC revoked the operating license of COMMERCIAL VALUE SA, which holds 34.679% of the Bank's voting rights. To this end, additional provisions were formed and write-offs of loans, letters of guarantee, and receivables other than loans were made in regard to the non-secured part of the receivables of the Bank and the Group from Commercial Value SA, while the results and assets of the Bank and the Group were accordingly adjusted.

b) Following the revocation of the operating licenses of insurance companies ASPIS PRONIA GENERAL INSURANCE S.A. and ASPIS PRONIA PROPERTY CASUALTY S.A., ASPIS BANK faced a total outflow of deposits of €637,313 thousand till March 17th, 2010. From 1.1.2010 and till the preparation of this report the outflow of deposits amounted to €207,622 thousand.

c) Following the resolution of the Extraordinary General Meeting of ASPIS Bank shareholders, held on July 23rd, 2009, and the resolution of the Board of Directors as per March 1st, 2010, the increase of the Bank's share capital through payment in cash and by way of pre-emptive rights for existing shareholders, at a subscription rate of for 2 new shares for each 1 existing share, has already began. The offer price of the new shares has been set at 0.60 per share, bringing the total funds to be raised to 76,876,864.80 euros in case the rights issue is fully subscribed. The terms of the rights issue provide for the issuance of 128,128,108 new common registered shares, at a nominal value of €0.60 each. All



shareholders registered with the Dematerialized Securities System (DSS) as per March 12, 2010, are eligible to participate in the issue. The pre-emptive rights exercise period started on March 16 and will be completed on March 30th, 2010. The pre-emptive right will be traded from March 16 to March 23rd, 2010. Hellenic Postbank expressed its intention to participate in the Bank's rights issue under the following conditions:

- o The acquisition, following the completion of the issue, of a holding of 30% and up to a maximum of 32.9% of any eventually unsubscribed shares.
- o The non-exercise of pre-emptive or subscription rights on behalf of the Bank's principal shareholders, whether natural persons or legal entities.
- o The receipt of all necessary approvals from the competent authorities.

d) In February 2010, the Bank did not exercise its right to recall in regard to the €50,000 thousand subordinate (Lower Tier II) bond (maturing in February 2015) issued by Aspis Finance Plc, and as a result the new interest rate equals the three-month Euribor plus a 2.65% spread (as compared to an interest rate of three-month Euribor plus a 1.35% spread till February 2010).

e) According to his letters sent to the Bank on 05.03.2010, the insurance liquidator who oversees the cases of ASPIS PRONIA GENERAL INSURANCE SA, ASPIS PRONIA PROPERTY CASUALTY S.A. and Commercial Value SA, Mr. Constantine Vlahogiannis, disclosed the following:

A) ASPIS PRONIA GENERAL INSURANCE SA, which holds a total of 5,824,551 shares and 3,629,325 shares through the ASPIS BOND Unit Linked Fund, shall not participate in the rights issue of ASPIS BANK, and has ordered the sale of its pre-emptive rights

B) ASPIS PRONIA PROPERTY CASUALTY S.A., which holds 3,173,154 shares, shall not participate in the rights issue of ASPIS BANK, and has ordered the sale of its pre-emptive rights.

C) Commercial Value CASUALTY S.A., which holds a total of 22,216,763 shares, shall not participate in the rights issue of ASPIS BANK, and has ordered the sale of its pre-emptive rights. Related party transactions



Related party transactions

The transactions of the Bank and the Group with related parties (members of Board of Directors, management and other related parties), their balances as at 31 December 2009, as well as income and expenses items resulting from these transactions during the year, are disclosed in Notes 32 and 34 of the attached annual consolidated and stand-alone financial statements respectively.

All transactions with related parties are on an arm's length basis in the course of the normal operations of the Group.

(Amounts in thousand of Euro)

| | Company name | Loans | Deposits | Interest income | Interest expense | Other income | Other expenses | CCS | Stock brokerage | Other assets | Other liabilities |
|---|-------------------------------------|---------------|---------------|-----------------|------------------|--------------|----------------|--------------|-----------------|--------------|-------------------|
| Board of Directors & Senior management | | 493 | 765 | 13 | 71 | 1 | 2,636 | - | 900 | - | 128 |
| | ASPIS PRONOIA S.A. | 2,197 | 8,272 | 641 | 116 | 513 | 2,116 | 300 | - | 71 | 41 |
| | ASPIS PRONOIA GEN.SECURITY LIFE S.A | 116 | 9,211 | 14 | 244 | 216 | 349 | 77 | - | 432 | 11 |
| | PROVISION S.A. | - | - | - | - | - | - | - | (12) | - | - |
| | ASPIS ESTIA S.A. | 2,500 | - | 88 | - | - | - | - | - | - | - |
| | ASPIS FUNDS | - | 91 | - | 2 | - | - | - | - | - | - |
| | COMMERCIAL VALUE S.A. | 907 | 29,394 | 144 | 1,222 | 45 | 176 | 984 | - | 65 | 19 |
| | E-VALLEY S.A. | - | 39 | - | - | - | - | - | - | - | - |
| | D.ATHENEOS INSURANCE GROUP | - | 2 | - | - | - | - | - | - | - | - |
| Parent Company Group | | 5,720 | 47,010 | 887 | 1,584 | 774 | 2,641 | 1,361 | (12) | 568 | 71 |
| Other related parties | | 11,739 | 463 | 1,617 | 14 | 1 | 472 | - | 4,334 | - | - |
| Total | | 17,952 | 48,238 | 2,517 | 1,669 | 776 | 5,749 | 1,361 | 5,222 | 568 | 199 |



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

During 2009 the following corporate announcements have been made (all announcements are available on the web site <http://www.aspisbank.gr/category/greek/507/index.html>)

Corporate announcements for the year 2009

| Date | Announcement |
|--------------|---|
| - 11/12/2009 | Αγγλικό κείμενο δεν έσταλη στην Ε.Κ. |
| - 07/12/2009 | Reply to Hellenic Capital Markets Committee's regarding with Due Diligence of Apollo Management International |
| - 25/11/2009 | Αγγλικό κείμενο δεν έσταλη στην Ε.Κ. |
| - 17/11/2009 | Reply to Hellenic Capital Markets Committee's regarding with Mr. V. Restis participation in the Bank's capital increase |
| - 16/11/2009 | Aspis Bank announces that the Bank's shareholder Commercial Value AAE has reached a preliminary agreement with Mr. V. Restis in relation to the Bank's upcoming capital increase. |
| - 13/11/2009 | Αγγλικό κείμενο δεν έσταλη στην Ε.Κ. |
| - 13/11/2009 | Αγγλικό κείμενο δεν έσταλη στην Ε.Κ. |
| - 10/11/2009 | Reply to Hellenic Capital Markets Committee's - comments on published information about Mr V. Restis interest to buy rump shares |
| - 04/11/2009 | Earnings release Q3 2009 |
| - 29/10/2009 | Amendment of financial calendar of year 2009 |
| - 20/10/2009 | Choice of Mr Stayros Androytsopoylos as a new independent and non-executive member of the BoD in replacement of the resigned member Mr. N. Moystakis |
| - 02/10/2009 | The tax audit for financial years 2005, 2006 & 2007 has been completed. |
| - 01/10/2009 | Announcement for the reduction of the par value of Aspis Bank's share |
| - 22/09/2009 | Clarifications on publications regarding the revocation of Aspis Pronia AEGA and Aspis Pronia AEAZ |
| - 21/09/2009 | Clarifications on publications regarding the capital increase |
| - 27/08/2009 | The Buy-Back of subordinated Lower Tier 2 notes issued by Its subsidiary Aspis Jersey Ltd |
| - 10/08/2009 | Earnings as at Hi 2009 |
| - 27/07/2009 | Amendment of financial calendar of year 2009 |
| - 23/07/2009 | Resolutions of the extraordinary General Meeting of the shareholders of Aspis Bank S.A. |
| - 22/07/2009 | Αγγλικό κείμενο δεν έσταλη στην Ε.Κ. |
| - 22/07/2009 | Percentage of Mr Sorotos' rights of vote in the extraordinary General Meeting of shareholders |
| - 01/07/2009 | Report of the BoD of Aspis Bank S.A. to the extraordinary General Meeting of shareholders of the Bank on July 23rd 2009 |
| - 30/06/2009 | Invitation to the extraordinary General Meeting of Shareholders on July 23rd 2009 |
| - 27/05/2009 | Earnings for Q1 2009 |
| - 08/05/2009 | Amendment of financial calendar of year 2009 |
| - 29/04/2009 | Resolutions of the ordinary General Meeting of the shareholders of Aspis Bank S.A. of the 29th April 2009 |
| - 29/04/2009 | Incorporation of the Board of Directors into a body |
| - 28/04/2009 | Percentage of Mr Sorotos' rights of vote in the ordinary General Meeting of Shareholders |
| - 07/04/2009 | Invitation to the annual General Meeting of shareholders on April 29th 2009 |
| - 06/04/2009 | Choice of Mr Nikolaos Moystakis as a new independent and non-executive member of the BoD in replacement of the resigned member Mr. Spyridonas Desyllas |
| - 03/04/2009 | Aspis Bank's corporate presentation to analysts & institutional investors |
| - 27/03/2009 | Reply to letter of the Hellenic Capital Markets Committee regarding the Bank's earnings release of 2008 |
| - 24/03/2009 | Year-End 2008 financial results |
| - 06/03/2009 | Aspis Bank is corporate actions schedule 2009 |
| - 16/02/2009 | Launch of the 2nd residential mortgage backed securitization transaction of Aspis Bank in cooperation with Royal Bank of Scotland |
| - 23/01/2009 | Resolutions of the extraordinary General Meeting of the shareholders of Aspis Bank S.A. of 23 January 2009 (Press release) |
| - 23/01/2009 | Resolutions of the extraordinary General Meeting of the shareholders of Aspis Bank S.A. of 23 January 2009 |
| - 23/01/2009 | Percentage of Mr Sorotos' rights of vote in the extraordinary General Meeting of shareholders |
| - 22/01/2009 | Amendment of Articles 5, 6 & 7 of the Banks Articles of association for the purpose of the share Capital's increase |
| - 15/01/2009 | Report of Aspis Bank's BoD to the extraordinary General Meeting of shareholders of the Bank on January 23rd 2009 |
| - 09/01/2009 | As of 31/12/2008 the share period expired for the stock option plan without options being exercised by the members of Bank's BoD |



IV. Availability of Financial Statements and Board of Directors report

The annual financial report consisting of:

- Declaration of Board of Directors members (according to article 4, par. 2, Law 3556/2007)
- Board of Directors annual and supplementary report
- Information according to article 10 Law 3401/2005
- Consolidated and stand alone financial statements for the year ended 31 December 2009 and Auditor's reports
- Financial data and information for the period from 1 January 2009 to 31 December 2009
- Condensed financial data and information for interim periods

is available at: <http://www.aspisbank.gr/article/greek/103/124/index.htm>



V. Consolidated financial statements for the year ended 31 December 2009 and Auditor's report



Aspis Bank

Consolidated Financial Statements
for the year ended 31 December 2009

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

These consolidated financial statements have been approved by the Board of Directors of Aspis Bank SA,
on 19 March 2010 and are available at the following web page: www.aspisbank.gr



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|--|----------|
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**Consolidated Statement of Comprehensive Income***(Amounts in Euro thousand)*

| | Note | From 1 st January to 31.12.2009 | 31.12.2008 |
|--|--------------|---|------------------|
| Interest and similar income | | 124,462 | 166,074 |
| Interest expense and similar charges | | (96,961) | (125,763) |
| Net interest income | 7 | 27,501 | 40,311 |
| Fee and commission income | 8 | 17,855 | 24,376 |
| Commission expense | | (580) | (634) |
| Net fee and commission income | | 17,275 | 23,742 |
| Net trading income / (expense) | 9 | 18,939 | (2,562) |
| Other operating income | 10 | 8,110 | 11,497 |
| Total operating income | | 71,825 | 72,988 |
| Staff expenses | 11 | (47,241) | (56,417) |
| Depreciation and amortization | 21.22 | (12,377) | (12,211) |
| Other operating expenses | 12 | (35,722) | (40,478) |
| Impairment on loans and advances | 17 | (48,040) | (17,363) |
| Provisions | 27 | (5,638) | (5,758) |
| Total operating expenses | | (149,018) | (132,227) |
| Loss before income tax | | (77,193) | (59,239) |
| Income tax | 13 | 15,177 | 10,963 |
| Loss for the period | | (62,016) | (48,276) |
| Transfer of impairment losses of available for sale securities to profit or loss | | 8,629 | 194 |
| Changes in fair value of available for sale securities | | 498 | (8,000) |
| Other comprehensive income after tax | | 9,127 | (7,806) |
| Total comprehensive income after tax | | (52,889) | (56,082) |
| Loss for the period attributable to: | | | |
| <i>Shareholders of the Bank</i> | | (61,859) | (48,068) |
| <i>Minority interest</i> | | (157) | (208) |
| Loss for the period | | (62,016) | (48,276) |
| Total comprehensive income attributable to: | | | |
| <i>Shareholders of the Bank</i> | | (52,732) | (55,874) |
| <i>Minority interest</i> | | (157) | (208) |
| Total comprehensive income | | (52,889) | (56,082) |
| Basic and diluted earnings/(loss) per share (in Euro) | 14 | (0.9680) | (0.7536) |

Athens, 19 March 2010

D.I.Stavropoulos
ID No.P.562836C.G.Sorotos
ID No.AZ.096924N.G.Voutychtis
ID No.AE.107507N.D.Dalianis
ID No.AZ.118237CHAIRMAN OF THE BOARD
OF DIRECTORSVICE CHAIRMAN OF THE BOARD
OF DIRECTORS

CHIEF FINANCIAL OFFICER

OEE.Lic.Reg.No: 0015073/4.07-01 A 'CI
HEAD OF ACCOUNTING

The attached notes on pages 7 to 42 form part of these financial statements.

**Consolidated Statement of Financial Position***(Amounts in Euro thousand)*

| Assets | Note | 31.12.2009 | 31.12.2008 |
|---|-------------|-------------------|-------------------|
| Cash & cash equivalents | 15 | 90,593 | 79,326 |
| Loans and advances to banks | 16 | 263,474 | 260,875 |
| Loans and advances to customers (net of impairment) | 17 | 1,871,434 | 2,136,059 |
| Trading securities | 18 | 3,894 | 2,471 |
| Investment securities | | | |
| - Available-for-sale | 19 | 37,076 | 19,620 |
| - Held-to-maturity | 20 | 10,655 | 3,210 |
| Property and equipment | 21 | 50,031 | 50,251 |
| Intangible assets | 22 | 7,313 | 8,470 |
| Deferred tax asset | 23 | 27,498 | 10,785 |
| Other assets | 24 | 66,054 | 53,653 |
| Total assets | | 2,428,022 | 2,624,720 |
| Liabilities | | 31.12.2009 | 31.12.2008 |
| Due to banks | 16 | 328,007 | 176,183 |
| Due to customers | 25 | 1,769,132 | 1,986,128 |
| Debt securities in issue and other borrowed funds | 26 | 173,562 | 261,833 |
| Current tax liability | | 838 | 526 |
| Provisions | 27 | 3,749 | 6,501 |
| Other liabilities | 28 | 41,208 | 27,024 |
| Employee benefits | 29 | 4,122 | 3,885 |
| Total liabilities | | 2,320,618 | 2,462,080 |
| Equity | | 31.12.2009 | 31.12.2008 |
| Share capital | 30 | 38,438 | 173,614 |
| Share premium | | 17,053 | 17,053 |
| Reserve from share capital reduction | 31 | 135,176 | - |
| Other reserves | 31 | 7,022 | (2,252) |
| Accumulated deficit | | (131,054) | (66,662) |
| Equity attributable to Bank equity holders | | 66,635 | 121,753 |
| Minority interest | | 1,168 | 1,325 |
| Hybrid capital | | 39,601 | 39,562 |
| Total equity | | 107,404 | 162,640 |
| Total liabilities and Equity | | 2,428,022 | 2,624,720 |

The attached notes on pages 7 to 42 form part of these financial statements.



Consolidated Statement of Changes in Equity

(Amounts in Euro thousand)

| | Share Capital | Share Premium | Reserve from share capital reduction | Other reserves | Accumulated deficit | Attributable to Bank Shareholders | Minority Interest | Hybrid Capital | Total |
|--|------------------|---------------|--------------------------------------|----------------|---------------------|-----------------------------------|-------------------|----------------|-----------------|
| Opening balance as at 1st January 2008 | 173,614 | 17,053 | - | 3,896 | (10,963) | 183,600 | 1,533 | 39,529 | 224,662 |
| Other comprehensive income | | | | | | | | | |
| Loss for the period | - | - | - | - | (48,068) | (48,068) | (208) | - | (48,276) |
| Changes in fair value of available for Sale securities | - | - | - | (8,000) | - | (8,000) | - | - | (8,000) |
| Transfer of impairment losses of available for sale securities to profit or loss | - | - | - | 194 | - | 194 | - | - | 194 |
| Total comprehensive income after tax | - | - | - | (7,806) | (48,068) | (55,874) | (208) | - | (56,082) |
| Transactions with owners | | | | | | | | | |
| Prior year dividends paid | - | - | - | - | (1,281) | (1,281) | - | - | (1,281) |
| Transfers from retained earnings to reserves | - | - | - | 1,651 | (1,651) | - | - | - | - |
| Other transfers | - | - | - | 7 | - | 7 | - | - | 7 |
| Dividend to hybrid securities holders | - | - | - | - | (4,699) | (4,699) | - | 33 | (4,666) |
| Total transactions with owners | - | - | 0 | 1,658 | (7,631) | (5,973) | 0 | 33 | (5,940) |
| Balance as at 31 December 2008 | 173,614 | 17,053 | - | (2,252) | (66,662) | 121,753 | 1,325 | 39,562 | 162,640 |
| Balance as at 1st January 2009 | 173,614 | 17,053 | - | (2,252) | (66,662) | 121,753 | 1,325 | 39,562 | 162,640 |
| Other comprehensive income | | | | | | | | | |
| Loss for the period | - | - | - | - | (61,859) | (61,859) | (157) | - | (62,016) |
| Changes in fair value of available for Sale securities | - | - | - | 498 | - | 498 | - | - | 498 |
| Transfer of impairment losses of available for sale securities to profit or loss | - | - | - | 8,629 | - | 8,629 | - | - | 8,629 |
| Total comprehensive income after tax | - | - | - | 9,127 | (61,859) | (52,732) | (157) | - | (52,889) |
| Transactions with owners | | | | | | | | | |
| Transfers from retained earnings to reserves | - | - | - | 147 | (147) | - | - | - | - |
| Dividend to hybrid securities holders | - | - | - | - | (2,402) | (2,402) | - | 39 | (2,363) |
| Other transfers | - | - | - | - | 16 | 16 | - | - | 16 |
| Reserve from share capital reduction | (135,176) | - | 135,176 | - | - | - | - | - | - |
| Total transactions with owners | (135,176) | - | 135,176 | 147 | (2,533) | (2,386) | - | 39 | (2,347) |
| Balance as at 31 December 2009 | 38,438 | 17,053 | 135,176 | 7,022 | (131,054) | 66,635 | 1,168 | 39,601 | 107,404 |

The attached notes on pages 7 to 42 form part of these financial statements.

**Consolidated Cash Flow Statement***(Amounts in Euro thousand)*

| | 31.12.2009 | 31.12.2008 |
|--|-----------------|------------------|
| Cash flows from operating activities | | |
| Loss before income tax | (77,193) | (59,239) |
| Adjustments for non-cash items | | |
| Depreciation and amortisation | 12,377 | 12,211 |
| Impairment losses on loans and advances | 48,040 | 17,363 |
| Other provisions | 5,638 | 5,758 |
| Defined benefit obligation | 325 | 496 |
| Other non-cash items | 9,810 | 5,563 |
| (Gains)/losses from valuation of Trading and Available for Sale securities | (902) | 234 |
| (Gains)/losses on the sale of property and equipment | (95) | (649) |
| | (2,000) | (18,263) |
| Changes in operations | | |
| Net (increase)/decrease in available for sale securities | (21,500) | (1,132) |
| Net (increase) in trading securities | (3,894) | - |
| Net (increase)/decrease in derivative financial instruments | - | 13 |
| Net (increase)/decrease in loans and advances to customers | 217,350 | 66,183 |
| Net (increase)/decrease in other assets | (16,503) | (10,042) |
| Net increase/(decrease) in due to banks | 151,824 | (37,478) |
| Net increase/(decrease) in due to customers | (216,996) | (211,163) |
| Net proceeds from issue/(repayment) of debt securities | (58,346) | (19,379) |
| Purchase of subordinated loans | (27,638) | - |
| Net increase/(decrease) in other liabilities | 11,613 | 1,772 |
| Net cash inflow/(outflow) from operating activities | 33,910 | (229,489) |
| Cash flows from investing activities | | |
| Proceeds from sale of investments | - | 162 |
| Purchases of investments | (7,103) | - |
| Proceeds from sales of property and equipment | 472 | 963 |
| Purchases of property, equipment | (8,016) | (4,601) |
| Purchases of intangible assets | (3,302) | (4,253) |
| Dividends received | 62 | 223 |
| Net cash inflow/(outflow) from investing activities | (17,887) | (7,506) |
| Cash flows from financing activities | | |
| Prior year dividends paid | - | (1,248) |
| Dividends paid to hybrid securities holders | (2,402) | (4,699) |
| Net cash inflow/(outflow) from financing activities | (2,402) | (5,947) |
| Net increase/(decrease) in cash and cash equivalents | 13,621 | (242,942) |
| Cash and cash equivalents as at 1st January | 340,201 | 588,935 |
| Foreign exchange differences on cash and cash equivalents | 245 | (5,792) |
| Cash and cash equivalents as at 31 December | 354,067 | 340,201 |
| Cash and cash equivalents consists of: | | |
| Cash and balances with Central Bank | 90,593 | 79,326 |
| Due to banks | 263,474 | 260,875 |
| | 354,067 | 340,201 |

The attached notes on pages 7 to 42 form part of these financial statements.



1. General Information

ASPIS BANK S.A. (previously ASPIS MORTGAGE BANK S.A.) was founded by Pavlos D.Psomiadis and the AEGON BV insurance company, under the name "ASPIS BANK", as Bank Société Anonyme in 1992 and received its license by the Group of Greece (decision no. 487/2.12.91 of the Currency and Credit Commission), and the Ministerial Council (no. 5/8, GG 1/13.1.92, issue 1) Act according to law. According to this license, the Bank operated in accordance with mortgage Banks laws until 3 August 2001. The Bank of Greece (PDBG 2478/3-8-2001) abolished the special legal framework for mortgage Banks. On 3 September 2001, the Currency and Credit Commission of the Bank of Greece approved the modification of the Articles of Association of ASPIS BANK, which from thereafter engages in all Banking operations defined by law. The Ministry of Development, as per decision no. K2-13660/26-10-2001, approved the modification of the Bank's Articles of Association regarding its name, and received its current name of ASPIS BANK S.A. The Regular Shareholders' Meeting on 1 June 2001 had already approved the aforementioned modifications of articles 1 (regarding the name) and 4 (regarding the purpose) of the Bank's Articles of Association. ASPIS BANK maintains a Head Office in the Municipality of Athens, at 4 Othonos St., 105 57 Athens, and is registered in the Société Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a term of ninety-nine (99) years from the date it was registered in the Société Anonyme Registry.

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

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

Bank or of third parties, as well as providing related financial and consulting services.

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

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

2. Basis of preparation

2.1 Statement of compliance

This consolidated financial report has been prepared accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and is available via the internet at www.aspisbank.gr.

The consolidated financial statements were approved by the Board of Directors on 19 March 2010



2.2 Basis of measurement

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

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

As started in Note 4.9, the capital adequacy ratio for the Group is less than the minimum limit of 10%. As explained in Note 30 the Bank's Board of Directors decided on July 23, 2009 for a share capital increase. On the proviso that a strategic investor will participate in the share capital increase and based on the capital injection, Management believes that the Group will continue without any difficulties in carrying out its activities (see " Subsequent events, Note 34).

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

2.5 Reclassification of items

Certain balances concerning prior year figures for 2008 have been reclassified in order to be comparable to current periods consolidated financial statements. The reclassification in the statement of the financial position relates to the transfer of total amount of € 5,900 thousand from "Other assets" to "Loans and advances to customers", amount of € 891 thousand from "Loans and advances to customers" to "Provisions" and amount of € 536 thousand from "Loans and advances to customers" to "Other assets".

A reclassification in "Other liabilities" relates to the transfer of total amount of € 18,359 thousand from "Accrued interest expense" to "Due to customers" (€ 15,187 thousand) and "Debt securities in issue" (€ 3,172 thousand), respectively.

The reclassification in the "Statement of comprehensive income" relates to the transfer of total amount of € 891 thousand from the line "Impairment on loans and advances" to "Provisions".

The above amounts have been included in the cash flow statement reclassification for the year 2008.

3. Significant accounting policies

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

3.1 Resume

The Group since 1 January 2009 has changed the following accounting principles:

- Definition and presentation of operating segments
- Presentation of financial statements

3.2 Changes in accounting policies

(a) IFRS 8 Operating Segments

IFRS 8 replaces IAS 14: "Segment reporting". The new Standard requires a management approach for disclosures regarding the adequacy of other Group's operational areas. The disclosed information is used for the evaluation of each segment made by management, as well as the allocation of economic resources. It is more likely that the information will be different from the criteria used for the preparation of the Statement of Financial Position and Comprehensive Income. In addition, explanations must be provided for the preparation of operating segment reporting as well as for the reconciliation of financial reporting items.

(b) IAS 1 Presentation of Financial Statements – Revised 2008



The main changes of this standard, effective for annual periods beginning on or after 1.1.2009, are summarized in the statement of changes in equity regarding transactions with owners in their capacity as owners (e.g. dividends, share capital increase) from other changes in equity. Moreover, revised IAS 1 changes the definitions, as well as the presentation of financial report. New definitions in this standard do not change the recognition measurement or disclosure of specific transactions and other events required by other standards.

The change in presentation and disclosure has been applied to these consolidated financial statements. Comparative figures are restated in accordance with the revised standard.

(c) Other accounting developments

Disclosures pertaining to fair values and liquidity risk for financial instruments.

The Group has improved its disclosures about Financial Instruments (Amendments to IFRS 7), issued in March 2009, that require additional disclosures about fair value measurements in respect of financial instruments. The amendments require that fair value measurements disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values of financial instruments.

Specific disclosures are required when fair value measurements are categorized as Level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments.

Revised disclosures in respect of fair values of financial instruments are included in note 5.

3.3 Basis of consolidation

3.3.1 Subsidiaries

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

3.3.2 Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating

policies. The consolidated financial statements include the Group's share of total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of an associate.

3.3.3 Special purpose entities

Special purpose entities are entities that are created to accomplish a well-defined objective such as the securitisation of particular assets, or the execution of a specific borrowing or lending transaction. The financial statements of special purpose entities are included in the Group's consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity.

3.3.4 Intercompany transactions elimination

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

3.4 Foreign currency transactions

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

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

3.5 Interest income and expense

Interest income and expense are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of



the financial asset or liability to the carrying amount of the financial asset or liability. The Group calculates the effective interest rate, taking into account the future cash flows in accordance with contractual terms, but not the losses from credit risk. The calculation of effective interest rate includes all fees paid or received, transaction costs and discounts or premiums that are an integral part of the financial instruments.

3.6 Fees and commission

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

3.7 Net trading income

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

3.8 Dividends

Dividend income is recognized when the right to receive income is established.

3.9 Leases

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

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

Other leases are operating leases.

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

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

The Group as a lessor, according to the information held on December 31st, 2009 does not retain any leasing that could be characterized as financial.

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

3.10 Income tax

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

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

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

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

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

3.11 Securitization

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

3.12 Financial assets and liabilities

(a) Recognition

The Group initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Group



becomes a party to the contractual provisions of the instrument.

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

(b) Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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

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

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

(c) Offsetting

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

(d) Amortised cost measurement

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

(e) Fair value measurement

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

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

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

(f) Identification and measurement of impairment

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

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

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

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



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

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

3.13 Cash and cash equivalents

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

3.14 Trading assets

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

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

(a) Change in accounting policy

In October 2008 the IASB issued "Reclassification of Financial Asset: Recognition and Measurement according to IAS 39".

The amendment to IAS 39 permits the Bank to reclassify a non derivative financial asset from trading portfolio to another category, if they are no longer held for the purpose of being sold or repurchased in the near term. According to the amendment the Bank has transferred, since 1.7.08, all securities were transferred from "held for trading" portfolio to the "available for sale" portfolio.

Regarding "Trading Securities" which were established in 2009, the amendments of IAS 39 were not applied by the Group, as there are no reasons for applying it.

3.15 Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the balance sheet. The accounting treatment of changes in their fair value depends on their classification as explained below.

The fair value of derivative financial instruments is calculated in the same manner with the calculation of the fair value of financial instruments held for trading.

When a derivative is designated for hedging changes in fair value of a recognized asset or liability (hedged item), changes in the fair value of the derivative (hedging instrument) are recognized immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

When a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or irrevocable lending commitments that could affect profit or loss, the effective portion of changes in the fair value of the derivative are recognized directly in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group does not apply hedge accounting.

3.16 Loans and advances

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

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

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

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

3.17 Investment securities

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

(i) Available-for-sale investments



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

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

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

(ii) Held-to-maturity investments

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

3.18 Property and equipment

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

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

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

The estimated useful lives are as follows:

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

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

Tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount

may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher amount between the fair value of the asset less sell costs and value in use.

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

3.19 Investment property

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

3.20 Intangible assets

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

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

3.21 Deposits, debt securities issued and subordinated liabilities

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

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

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

3.22 Contracts to sale and repurchase, borrowings

The Group enters into contracts to sale and repurchase own investments at a specific date and at a specific price. Investments sold under these agreements are not derecognized and are classified and measured as trading,



available-for-sale or held-to-maturity. The amount of the sale is depicted as due to financial institutions or customers.

3.23 Provisions

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

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

3.24 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

(c) Termination benefits

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

(d) Short-term benefits

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

3.25 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity. At 31.12.2009 the Bank held no treasury shares.

(d) Hybrid titles

The Group classifies hybrid titles as equity instruments in accordance with the substance of the contractual terms of the instruments. The Group's hybrid titles are not redeemable by holders and bear an entitlement to distributions that is non-cumulative and at the discretion of the General Assembly. The titles have undefined maturity and they satisfy criteria for



being recognized as a component of issue capital within equity.

3.26 Financial guarantees

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

3.27 Basic and diluted earnings per share

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

3.28 Operating segment

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

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

For additional information refer to Note 3.2.(a)

3.29 New IFRS amendments and interpretations

With the exception of the standards that were early adopted from 1 January 2009 and explained in note 3.2 there is a number of new standards, amendments to standards and interpretations that are not mandatory for 31 December 2009 and have not been applied. The only new standards or interpretations that will have an impact are the following:

IFRS 9 Financial Instruments

This standard has not been adopted by European Union and is effective since 1st January 2013, early application is permitted. In 12 November 2009 International Accounting Standards Board issued the IFRS 9, financial instruments. This was as a part of phase I of the comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a

significant change from the existing requirements in IAS 39 in respect of financial assets.

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

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

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

The Group is currently in the process of evaluating the potential effect of this standard. Given the nature of the Group's operations, this standard is expected to have a pervasive impact on the Group's financial statements.

4. Financial Risk Management

4.1 Introduction and overview

The Group monitors the following risks:

- Credit
- Liquidity
- Market
- Operational

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and



processes for measuring and managing risk, and the Group's management of equity.

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

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

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

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

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

4.2 Credit risk

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

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

Reliable credit risk measurement, contributes in maximizing the Group's profitability, by monitoring the level of expected and unexpected financial loss. By using historical data and

informational systems, the Group develops, evaluates and implements mathematical models, in order to score loan applications. Prompt risk detection criteria, are defined, for loan portfolios, and if considered necessary, correctional actions are proposed.

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

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

4.2.1 Loan impairment

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

a) Individually impaired

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

b) Collectively impaired

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

c) Over 30 days past due

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



d) Less than or up to 30 days past due

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

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

that the exposure lies, and the collateral coverage that the exposure has.

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



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

| <i>(Amounts in Euro thousand)</i> | | | | | | |
|---|---------------------------------|------------------|---|----------------|-----------------------|---------------|
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Individually impaired | | | | | | |
| Grade 6 | - | 863 | - | - | - | - |
| Grade 7 | 64,480 | 41,578 | - | - | - | - |
| Grade 8 | 16,000 | 1,631 | - | - | - | - |
| Grade 9 | 25,115 | 17,547 | - | - | - | - |
| Grade 10 | 29,340 | 17,661 | - | - | - | - |
| Gross amount | 134,935 | 79,280 | 0 | 0 | 0 | 0 |
| Impairment loss | (57,464) | (29,281) | 0 | 0 | 0 | 0 |
| Carrying amount | 77,471 | 49,999 | 0 | 0 | 0 | 0 |
| | | | | | | |
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Collectively impaired | | | | | | |
| Grade 7 | 9,004 | 2,285 | - | - | - | - |
| Grade 8 | 3,597 | 2,612 | - | - | - | - |
| Grade 9 | 2,156 | 3,097 | - | - | - | - |
| Grade 10 | 16,601 | 15,244 | - | - | - | - |
| Gross amount | 31,358 | 23,238 | 0 | 0 | 0 | 0 |
| Impairment loss | (23,873) | (14,494) | 0 | 0 | 0 | 0 |
| Carrying amount | 7,485 | 8,744 | 0 | 0 | 0 | 0 |
| | | | | | | |
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| More than 30 days past due | | | | | | |
| Grade 2 | 77,668 | 97,987 | - | - | - | - |
| Grade 3 | 65,610 | 57,567 | - | - | - | - |
| Grade 4 | 44,034 | 31,338 | - | - | - | - |
| Grade 5 | 49,542 | 16,224 | - | - | - | - |
| Grade 6 | 15,316 | 6,275 | - | - | - | - |
| Grade 7 | 2,225 | 766 | - | - | - | - |
| Gross amount | 254,395 | 210,157 | 0 | 0 | 0 | 0 |
| Impairment loss | (4,986) | (3,027) | 0 | 0 | 0 | 0 |
| Carrying amount | 249,409 | 207,130 | 0 | 0 | 0 | 0 |
| Over 30 days past due comprises: | | | | | | |
| 31-90 days | 100,820 | 119,899 | - | - | - | - |
| 91-180 days | 89,269 | 60,367 | - | - | - | - |
| 180 days + | 59,320 | 26,864 | - | - | - | - |
| Carrying amount | 249,409 | 207,130 | 0 | 0 | 0 | 0 |
| | | | | | | |
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Less than or equal to 30 days past due | | | | | | |
| Grade 1 | 677,710 | 822,709 | 263,474 | 260,875 | 47,731 | 22,830 |
| Grade 2 | 318,152 | 436,749 | - | - | - | - |
| Grade 3 | 284,830 | 204,277 | - | - | - | - |
| Grade 4 | 77,672 | 117,900 | - | - | - | - |
| Grade 5 | 106,417 | 161,535 | - | - | - | - |
| Grade 6 | 89,660 | 136,098 | - | - | - | - |
| Gross amount | 1,554,441 | 1,879,268 | 263,474 | 260,875 | 47,731 | 22,830 |
| Impairment loss | (17,372) | (9,082) | 0 | 0 | 0 | 0 |
| Carrying amount | 1,537,069 | 1,870,186 | 263,474 | 260,875 | 47,731 | 22,830 |
| Total carrying amount | 1,871,434 | 2,136,059 | 263,474 | 260,875 | 47,731 | 22,830 |



Set out below is an analysis of the gross and net of allowance for impairment amounts of 31 December 2009 and 31 December 2008 gross (before impairment) and net (after impairment) by risk grade.

| <i>(Amounts in Euro thousand)</i> | | | | | | |
|---|---------------------------------|------------------|---|----------------|-----------------------|---------------|
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| 31 December 2009 | Gross | Net | Gross | Net | Gross | Net |
| Individually impaired | | | | | | |
| Grade 7 | 64,480 | 59,065 | - | - | - | - |
| Grade 8 | 16,000 | 12,141 | - | - | - | - |
| Grade 9 | 25,115 | 5,662 | - | - | - | - |
| Grade 10 | 29,340 | 603 | - | - | - | - |
| Total | 134,935 | 77,471 | 0 | 0 | 0 | 0 |
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| 31 December 2009 | Gross | Net | Gross | Net | Gross | Net |
| Collectively impaired | | | | | | |
| Grade 7 | 9,004 | 4,347 | - | - | - | - |
| Grade 8 | 3,597 | 719 | - | - | - | - |
| Grade 9 | 2,156 | 0 | - | - | - | - |
| Grade 10 | 16,601 | 2,419 | - | - | - | - |
| Total | 31,358 | 7,485 | 0 | 0 | 0 | 0 |
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| 31 December 2009 | Gross | Net | Gross | Net | Gross | Net |
| Over 30 days past due | | | | | | |
| Grade 2 | 77,668 | 77,558 | - | - | - | - |
| Grade 3 | 65,610 | 65,385 | - | - | - | - |
| Grade 4 | 44,034 | 42,248 | - | - | - | - |
| Grade 5 | 49,542 | 47,121 | - | - | - | - |
| Grade 6 | 15,316 | 14,936 | - | - | - | - |
| Grade 7 | 2,225 | 2,161 | - | - | - | - |
| Total | 254,395 | 249,409 | 0 | 0 | 0 | 0 |
| Over 30 days past due comprises: | | | | | | |
| 31-90 days | 101,538 | 100,820 | - | - | - | - |
| 91-180 days | 90,841 | 89,269 | - | - | - | - |
| 180 days + | 62,016 | 59,320 | - | - | - | - |
| Total | 254,395 | 249,409 | 0 | 0 | 0 | 0 |
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| 31 December 2009 | Gross | Net | Gross | Net | Gross | Net |
| Less than or equal to 30 days past due | | | | | | |
| Grade 1 | 677,710 | 673,523 | 263,474 | 263,474 | 47,731 | 47,731 |
| Grade 2 | 318,152 | 315,515 | - | - | - | - |
| Grade 3 | 284,830 | 278,838 | - | - | - | - |
| Grade 4 | 77,672 | 76,379 | - | - | - | - |
| Grade 5 | 106,417 | 104,646 | - | - | - | - |
| Grade 6 | 89,660 | 88,168 | - | - | - | - |
| Total | 1,554,441 | 1,537,069 | 263,474 | 263,474 | 47,731 | 47,731 |
| Grand total | 1,975,129 | 1,871,434 | 263,474 | 263,474 | 47,731 | 47,731 |



(Amounts in Euro thousand)

| 31 December 2008 | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
|---|---------------------------------|------------------|---|----------------|-----------------------|---------------|
| | Gross | Net | Gross | Net | Gross | Net |
| Individually impaired | | | | | | |
| Grade 6 | 863 | 613 | - | - | - | - |
| Grade 7 | 41,578 | 39,331 | - | - | - | - |
| Grade 8 | 1,631 | 1,081 | - | - | - | - |
| Grade 9 | 17,547 | 8,572 | - | - | - | - |
| Grade 10 | 17,661 | 402 | - | - | - | - |
| Total | 79,280 | 49,999 | 0 | 0 | 0 | 0 |
| Collectively impaired | | | | | | |
| Grade 7 | 2,285 | 1,294 | - | - | - | - |
| Grade 8 | 2,612 | 1,110 | - | - | - | - |
| Grade 9 | 3,097 | 1,307 | - | - | - | - |
| Grade 10 | 15,244 | 5,033 | - | - | - | - |
| Total | 23,238 | 8,744 | 0 | 0 | 0 | 0 |
| Over 30 days past due | | | | | | |
| Grade 2 | 97,987 | 97,369 | - | - | - | - |
| Grade 3 | 57,567 | 56,725 | - | - | - | - |
| Grade 4 | 31,338 | 30,196 | - | - | - | - |
| Grade 5 | 16,224 | 15,960 | - | - | - | - |
| Grade 6 | 6,275 | 6,133 | - | - | - | - |
| Grade 7 | 766 | 747 | - | - | - | - |
| Total | 210,157 | 207,130 | 0 | 0 | 0 | 0 |
| Over 30 days past due comprises: | | | | | | |
| 31-90 days | 120,941 | 119,899 | - | - | - | - |
| 91-180 days | 61,523 | 60,367 | - | - | - | - |
| 180 days + | 27,693 | 26,864 | - | - | - | - |
| Total | 210,157 | 207,130 | 0 | 0 | 0 | 0 |
| Less than or equal to 30 days past due | | | | | | |
| Grade 1 | 822,709 | 819,811 | 260,875 | 260,875 | 22,830 | 22,830 |
| Grade 2 | 436,749 | 435,331 | - | - | - | - |
| Grade 3 | 204,277 | 202,706 | - | - | - | - |
| Grade 4 | 117,900 | 116,994 | - | - | - | - |
| Grade 5 | 161,535 | 160,292 | - | - | - | - |
| Grade 6 | 136,098 | 135,052 | - | - | - | - |
| Total | 1,879,268 | 1,870,186 | 260,875 | 260,875 | 22,830 | 22,830 |
| Grand total | 2,191,943 | 2,136,059 | 260,875 | 260,875 | 22,830 | 22,830 |



4.2.2 Collateral

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

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

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Retail customers: | | |
| Mortgages | 506,031 | 956,130 |
| Securitized mortgage loans | 491,712 | 126,511 |
| Credit cards | 56,904 | 54,223 |
| Debit customers balances | 587 | 550 |
| Consumer loans | 85,066 | 77,579 |
| Subtotal | 1,140,300 | 1,214,993 |
| Corporate clients: | | |
| Corporate bonds | 125,998 | 136,162 |
| Corporate loans | 536,230 | 658,351 |
| Shipping loans | 42,770 | 52,280 |
| Finance leases | 94,542 | 106,386 |
| Debit corporate balances | 878 | 1,338 |
| Local authorities & other organizations | 14,582 | 2,951 |
| Subtotal | 815,000 | 957,468 |
| Amounts for securities transaction | 19,829 | 19,482 |
| Loans and advances | 1,975,129 | 2,191,943 |
| Impairment loss | (103,695) | (55,884) |
| Loans and advances after provisions | 1,871,434 | 2,136,059 |
| Collaterals | | |
| Retail clients: | 1,857,217 | 1,702,377 |
| Corporate clients: | 1,556,096 | 1,496,161 |
| Total collateral amount | 3,413,313 | 3,198,538 |

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

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------|-------------------|-------------------|
| Cheques | 115,151 | 263,664 |
| Property | 617,105 | 323,617 |
| Others | 823,840 | 908,880 |
| Total | 1,556,096 | 1,496,161 |

4.3 Market Risk

Market risk is the risk arising from changes in market parameters such as changes in interest rates, equity prices and foreign exchange rates. For market risk, the Bank, elaborates, develops and carries out risk methods that are

based on Value-at-Risk (VaR) models. VaR measures, the worst expected loss, over a given horizon, under normal

market conditions, at a given confidence level. As this model is not used for losses arising from extreme events the Bank applies stress tests on its securities portfolio.



Specifically, the Group uses extreme value theory for concluding on changes in Group's securities portfolio when extreme events occur. The VaR model used by the Group is based upon a 99 percent confidence level and assumes a 10-day holding period. As at 31 December 2009, VaR for the securities' portfolio was € 677 thousand and € 52 thousand for the Group's foreign exchange position.

For the calculation of the VaR Group's security portfolio contains stocks, mutual funds and bonds available for sale that are in the trading portfolio. Group as at 31 December 2009, held a long position of € 1.8 million, against several currencies.

With respect to 31 December 2008, VaR was equal to € 967 thousands for the securities' portfolio, and € 41.6 thousands for the Group's foreign exchange position. The Group, as at 31 December 2008, held a long position of € 1.8 million, against several currencies.

(Amounts in Euro thousand)

| Investment risk (in millions of Euro) | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Securities' value * | 37,723 | 23,161 |
| VaR | 677 | 967 |
| Currency risk (in thousand of Euro) | 31.12.2009 | 31.12.2008 |
| Foreign exchange position | 1,784 | 1,771 |
| VaR | 52.0 | 41.6 |

*Including available for sale securities and trading securities.

4.4 Liquidity risk

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

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

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

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

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

The Net Liquid Assets index was as follows:

(Amounts in Euro thousand)

| At 31 December | 31.12.2009 | 31.12.2008 |
|------------------------|-------------------|-------------------|
| Average for the period | 26.18% | 21.17% |
| Maximum for the period | 30.97% | 26.10% |
| Minimum for the period | 21.35% | 13.53% |

In February 2009 the Group concluded the securitisation of €424 million residential mortgages. As a result the liquidity ratio has increased significantly.

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

(Amounts in Euro thousand)

| At 31 December 2009 | Up to 1 month | 1-3 months | 3-6 months | 6-12 months | 1-5 years | Over 5 years | Total |
|---|----------------------|-------------------|-------------------|--------------------|------------------|---------------------|------------------|
| Assets | | | | | | | |
| Cash & cash equivalents | 90,593 | - | - | - | - | - | 90,593 |
| Loans and advances to banks | 263,474 | - | - | - | - | - | 263,474 |
| Loans and advances to customers (net of impairment) | 438,314 | 5,474 | 2,037 | 5,015 | 491,802 | 928,792 | 1,871,434 |
| Trading securities | - | - | - | - | 3,894 | - | 3,894 |
| Available-for-sale securities | - | 496 | 493 | 10 | 18,378 | 17,699 | 37,076 |
| Held-to-maturity securities | - | - | 3,139 | - | 5,351 | 2,165 | 10,655 |
| Total assets | 792,381 | 5,970 | 5,669 | 5,025 | 519,425 | 948,656 | 2,277,126 |
| Liabilities | | | | | | | |
| Due to banks | 246,013 | 2,994 | - | 79,000 | - | - | 328,007 |
| Due to customers | 819,376 | 447,906 | 62,968 | 28,406 | 410,476 | - | 1,769,132 |
| Debt securities in issue and other borrowed funds | - | 7,000 | 5,000 | - | - | 161,562 | 173,562 |
| Total liabilities | 1,065,389 | 457,900 | 67,968 | 107,406 | 410,476 | 161,562 | 2,270,701 |
| At 31 December 2008 | | | | | | | |
| Total assets | 758,714 | 21,735 | 460,368 | 25,297 | 70,164 | 1,165,283 | 2,501,561 |
| Total liabilities | 1,053,879 | 628,399 | 198,769 | 52,112 | 490,984 | - | 2,424,144 |

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

4.5 Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its financial position and cash flows. The Board of Directors set limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange risk at 31 December 2009. Included in the table are the Group's assets and liabilities at carrying amounts, classified by currency.

(Amounts in Euro thousand)

| At 31 December 2009 | EUR | USD | Other | Total |
|---|------------------|----------------|---------------|------------------|
| Assets | | | | |
| Cash & cash equivalents | 90,124 | 198 | 271 | 90,593 |
| Loans and advances to banks | 203,214 | 51,123 | 9,137 | 263,474 |
| Loans and advances to customers (net of impairment) | 1,837,883 | 28,703 | 4,848 | 1,871,434 |
| Trading securities | 3,894 | - | - | 3,894 |
| Available-for-sale securities | 35,286 | - | 1,790 | 37,076 |
| Held-to-maturity securities | 10,655 | - | - | 10,655 |
| Total assets | 2,181,056 | 80,024 | 16,046 | 2,277,126 |
| Liabilities | | | | |
| Due to banks | 323,088 | - | 4,919 | 328,007 |
| Due to customers | 1,670,863 | 87,699 | 10,570 | 1,769,132 |
| Debt securities in issue and other borrowed funds | 173,562 | - | - | 173,562 |
| Total liabilities | 2,167,513 | 87,699 | 15,489 | 2,270,701 |
| At 31 December 2008 | | | | |
| Total assets | 2,320,551 | 160,674 | 20,336 | 2,501,561 |
| Total liabilities | 2,232,643 | 165,769 | 25,732 | 2,424,144 |



4.6 Interest rate risk

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

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

A parallel upward shift in the yield curves of 1% is expected to reduce the Group's profits in one year by an amount of € 5.9 million. On the other hand a parallel downward shift in the yield curves of 1% is expected to reduce the Group's loss in one year by an amount of € 5.9 million.

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

(Amounts in Euro thousand)

| At 31 December 2009 | Effective Interest rate | Floating | 1-3 months | 3-12 months | 1 to 2 years | Over 2 years | Non-interest | Total |
|---|-------------------------|-----------------|-------------------|--------------------|---------------------|---------------------|---------------------|------------------|
| Assets | | | | | | | | |
| Cash & cash equivalents | 0.5% | - | 70,003 | - | - | - | 20,590 | 90,593 |
| Loans and advances to banks | 0.3% | - | 119,917 | - | - | - | 143,557 | 263,474 |
| Loans and advances to customers (net of impairment) | 5.0% | 864,245 | 206,555 | 183,480 | 41,886 | 128,720 | 446,548 | 1,871,434 |
| Trading securities | 2.0% | - | 1,971 | - | - | - | 1,923 | 3,894 |
| Available-for-sale securities | 1.3% | - | 9,324 | 12,361 | - | - | 15,391 | 37,076 |
| Held-to-maturity securities | 5.7% | - | - | 10,655 | - | - | - | 10,655 |
| Total assets | | 864,245 | 407,770 | 206,496 | 41,886 | 128,720 | 628,009 | 2,277,126 |
| Liabilities | | | | | | | | |
| Due to banks | 1.0% | - | 249,007 | 79,000 | - | - | - | 328,007 |
| Due to customers | 2.5% | - | 1,676,914 | 91,374 | 844 | - | - | 1,769,132 |
| Debt securities in issue and other borrowed funds | 3.4% | 12,000 | 50,000 | - | - | - | 111,562 | 173,562 |
| Total liabilities | | 12,000 | 1,975,921 | 170,374 | 844 | - | 111,562 | 2,270,701 |
| At 31 December 2008 | | | | | | | | |
| | | Floating | 1-3 months | 3-12 months | 1 to 2 years | Over 2 years | Non-interest | Total |
| Total assets | | 1,239,117 | 520,353 | 148,796 | 293,799 | 223,702 | 75,794 | 2,501,561 |
| Total liabilities | | 20,000 | 2,032,238 | 370,228 | 1,678 | - | - | 2,424,144 |

4.7 Operational Risk

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

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

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

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

4.8 Stress testing

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



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

4.9 Capital adequacy

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

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

The Bank of Greece, as a regulator, requires the Group to maintain a prescribed ratio of regulatory capital to total risk-weighted assets of at least 10%. The capital adequacy ratio is the ratio of total regulatory capital to total risk weighted assets of on and off balance sheet items, arising from credit risk, market risk, operational risk and securitized positions.

Regulatory capital must be covered by at least half of Tier I capital and the rest must be covered by Tier II capital. Tier I capital is computed according to Basel II. There are no significant differences compared to the Basel I computation method applied until 2007. In this period Group entered in subordinated loans agreement resulting to a reduce of Tier II by 19%.

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|-----------------------------------|-------------------|-------------------|
| Upper Tier I | 61,135 | 115,494 |
| Lower Tier I | 40,110 | 39,562 |
| Deductions | (24,247) | (4,572) |
| Total Tier 1 | 76,998 | 150,484 |
| Upper Tier II | 21,183 | 638 |
| Lower Tier II | 50,354 | 77,847 |
| Deductions | (13,388) | (4,572) |
| Total Tier II | 58,149 | 73,913 |
| Regulatory capital | 135,147 | 224,397 |
| Risk-weighted assets | | |
| Credit Risk | 1,474,563 | 1,643,500 |
| Market risk | 24,975 | 22,500 |
| Operational Risk | 104,063 | 140,613 |
| Securitized Exposures | 181,663 | 48,038 |
| Total risk-weighted assets | 1,785,264 | 1,854,651 |
| Indices (in %) | | |
| Tier 1 CAD | 4.31% | 8.11% |
| Total CAD | 7.57% | 12.10% |

In compliance with the Decree of the Governor of Bank of Greece 2592/20.08.2007, the Bank publishes at its website <http://www.aspisbank.gr/category/greek/507/index.html>, on an annual basis various information of regulatory and supervisory nature with regard to its capital adequacy, risk exposure and risk management. The information is at consolidated level on year end balances (Pillar 3 in Group Level).

As at 31st December 2009 total capital adequacy is below the 10% and the Tier 1 is below 6.5%. Bank's management has communicated to Bank of Greece the action to be taken in order to improve capital adequacy, the most important being the share capital increase by 76.9 million, expected to be concluded by end of March 2010, part of which could be covered by a strategic investor.

In case of unsuccessful share capital increase, Bank of Greece has the power, if necessary, to take action and other measures to secure the interests of the Bank's creditors.



5. Fair values of financial assets and liabilities

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

(Amounts in Euro thousand)

| | Carrying amount | | Fair value | |
|---|-----------------|------------|------------|------------|
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Financial assets | | | | |
| Loans and advances to banks | 263,474 | 260,875 | 263,474 | 260,875 |
| Loans and advances to customers (net of impairment) | 1,871,434 | 2,136,059 | 1,994,364 | 2,195,556 |
| Investment securities held to maturity | 10,655 | 3,210 | 10,666 | 3,092 |
| Financial liabilities | | | | |
| Due to banks | 328,007 | 176,183 | 328,007 | 176,183 |
| Due to customers | 1,769,132 | 1,986,128 | 1,723,916 | 2,001,251 |
| Debt securities in issue & other borrowed funds | 173,562 | 261,833 | 173,562 | 261,833 |

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

Interest rates used for discounting cash flows were derived by the respective yield curves currency and are as follows:

Loans and due to customers (%)

| 31.12.2009 | 31.12.2008 |
|------------------------------|----------------------------|
| EUR 0,45300 - 2,40000 | EUR 2,6920 - 3,1260 |
| USD 0,98438 - 2,33000 | USD 0,4363 - 2,0038 |
| JPY 0,16500 - 0,69375 | JPY 0,6913 - 1,0563 |
| CHF 0,10667 - 1,43000 | CHF 0,3400 - 1,0950 |
| GBP 0,51500 - 2,97000 | GBP 2,1663 - 3,0738 |
| AUD 3,95000 - 5,77000 | AUD 4,6500 - 4,8625 |
| DKK 1,25500 - 2,80000 | DKK 4,4925 - 4,9725 |
| CAD 0,29833 - 2,40000 | CAD 2,0467 - 2,4667 |
| SEK 0,36000 - 2,53000 | SEK 2,2900 - 2,6688 |

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

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

(Amounts in Euro thousand)

| 31.12.2009 | First Level | Second level | Third level | Total |
|--|-------------|--------------|-------------|---------------|
| Available for sale investment securities | 34,934 | - | 2,142 | 37,076 |
| Financial assets through profit and loss | 3,894 | - | - | 3,894 |
| 31.12.2008 | | | | |
| | First Level | Second level | Third level | Total |
| Available for sale investment securities | 17,857 | - | 1,763 | 19,620 |
| Financial assets through profit and loss | 2,471 | - | - | 2,471 |

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



6. Operating segments

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

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

(Amounts in Euro thousand)

| 31.12.2009 | Corporate Banking | Shipping | Asset management & stock brokerage | Leasing | Notes issuers | Credit card | Retail Banking | Treasury | Other | Total |
|--|-------------------|--------------|------------------------------------|---------------|---------------|--------------|----------------|----------------|-----------|---------------|
| Interest income | 5,968 | 1,233 | 356 | 6,030 | 14 | 4,381 | 103,735 | 2,745 | - | 124,462 |
| Interest expense | (715) | (130) | (6) | (1,017) | (2,617) | (23) | (90,439) | (2,014) | - | (96,961) |
| Commissions, net trading income/(expense) & other earnings | 656 | 147 | 3,701 | 6,894 | 27,636 | 1,923 | 12,029 | (8,724) | 62 | 44,324 |
| Inter-segment revenue | (662) | (145) | (74) | (443) | 214 | (258) | 767 | 601 | - | - |
| Operating income | 5,247 | 1,105 | 3,977 | 11,464 | 25,247 | 6,023 | 26,092 | (7,392) | 62 | 71,825 |
| Profit/(loss) before tax | (1,411) | 262 | (8,419) | (885) | 25,141 | (3,991) | (79,007) | (8,242) | (641) | (77,193) |
| Income tax | | | | | | | | | | 15,177 |
| Profit/(loss) after tax | | | | | | | | | | (62,016) |
| Total assets | 140,215 | 41,853 | 12,394 | 118,818 | 2,882 | 55,302 | 1,697,771 | 277,030 | 81,757 | 2,428,022 |
| Total liabilities | 4,462 | 10,803 | 5,621 | 18,352 | 50,218 | 4 | 1,872,865 | 324,006 | 34,287 | 2,320,618 |
| Tangible & intangible | 1 | - | 139 | 5,264 | - | 487 | 5,391 | 35 | - | 11,317 |
| Depreciation | 30 | 32 | 279 | 5,230 | - | 319 | 6,445 | 42 | - | 12,377 |
| Loss from impairment of loans & advances | 5,491 | 182 | 6,610 | 2,892 | - | 5,525 | 27,340 | - | - | 48,040 |

(Amounts in Euro thousand)

| 31.12.2008 | Corporate Banking | Shipping | Asset management & stock brokerage | Leasing | Notes issuers | Credit card | Retail Banking | Treasury | Other | Total |
|--|-------------------|----------|------------------------------------|---------|---------------|-------------|----------------|----------|--------|-----------|
| Interest income | 13,029 | 3,138 | 636 | 7,237 | 9 | 2,782 | 123,772 | 14,739 | 732 | 166,074 |
| Interest expense | (1,534) | (780) | (16) | (2,814) | 3,875 | (62) | (107,700) | (16,732) | - | (125,763) |
| Commissions, net trading income/(expense) & other earnings | 1,192 | 172 | 4,984 | 7,676 | (3) | 2,238 | 18,409 | (2,214) | 223 | 32,677 |
| Inter-segment revenue | (3,478) | (346) | (470) | (1,335) | 2,610 | (1,488) | 6,418 | (1,911) | - | - |
| Operating income | 9,209 | 2,184 | 5,134 | 10,764 | 6,491 | 3,470 | 40,899 | (6,118) | 955 | 72,988 |
| Profit/(loss) before tax | 8,772 | 642 | (3,620) | 424 | 6,411 | (3,810) | (61,826) | (7,187) | 955 | (59,239) |
| Income tax | | | | | | | | | | 10,963 |
| Profit/(loss) after tax | | | | | | | | | | (48,276) |
| Total assets | 137,442 | 51,638 | 18,289 | 113,784 | 293 | 58,788 | 1,855,783 | 296,729 | 91,974 | 2,624,720 |
| Total liabilities | 8,740 | 38,997 | 5,276 | 57,036 | 100,626 | 303 | 2,081,927 | 157,278 | 11,897 | 2,462,080 |
| Tangible & intangible | 2 | 5 | 71 | 4,473 | - | 24 | 4,274 | 5 | - | 8,854 |
| Depreciation | 32 | 35 | 301 | 5,659 | - | 300 | 5,844 | 40 | - | 12,211 |
| Loss from impairment of loans & advances | - | 247 | 636 | 1,036 | - | 2,435 | 13,009 | - | - | 17,363 |



7. Net interest income

(Amounts in Euro thousand)

| | From 1 st January to | |
|---------------------------------------|---------------------------------|------------------|
| | 31.12.2009 | 31.12.2008 |
| Interest income | | |
| Loans and advances to customers | 120,433 | 148,847 |
| Money market | 3,189 | 16,789 |
| Available for sale | 448 | 165 |
| Investment securities (till maturity) | 360 | 112 |
| Trading securities | 32 | 161 |
| Total | 124,462 | 166,074 |
| | | |
| | From 1 st January to | |
| | 31.12.2009 | 31.12.2008 |
| Interest expense | | |
| Deposits from banks and customers | (89,885) | (109,732) |
| Subordinated liabilities | (7,076) | (16,031) |
| Total | (96,961) | (125,763) |
| Net interest income | 27,501 | 40,311 |

8. Fee and commission income

(Amounts in Euro thousand)

| | From 1 st January to | |
|-------------------------------------|---------------------------------|---------------|
| | 31.12.2009 | 31.12.2008 |
| Loans and letters of guarantees | 8,522 | 12,012 |
| Management and custodian fees | 2,807 | 3,205 |
| Brokerage transactions | 2,243 | 2,701 |
| Credit cards | 1,936 | 2,018 |
| Transfers and similar | 804 | 1,642 |
| Imports-exports | 457 | 889 |
| Commission on customers derivatives | 177 | 229 |
| Other | 909 | 1,680 |
| Total | 17,855 | 24,376 |

9. Net trading income/(expense)

(Amounts in Euro thousand)

| | From 1 st January to | |
|------------------------------------|---------------------------------|----------------|
| | 31.12.2009 | 31.12.2008 |
| Profit from disposal of bond loans | 27,638 | - |
| Trading portfolio | 3,448 | (3,023) |
| Foreign exchange | 923 | 703 |
| Available for Sale | (13,001) | (258) |
| Derivatives | (69) | 16 |
| Total | 18,939 | (2,562) |

During the year, the Bank repurchased and cancelled Subordinated bond loans (Subordinated lower Tier 2) amounting to € 50,250

thousand issued by Aspis Jersey, a wholly owned subsidiary (SPE). For these bonds, Aspis Bank had provided guarantee to the Group. The acquisition of these bonds was approved by the Bank of Greece and the resulting gain amounted to € 27,638 thousand.

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

10. Other operating income

(Amounts in Euro thousand)

| | From 1 st January to | |
|-----------------------------|---------------------------------|---------------|
| | 31.12.2009 | 31.12.2008 |
| Leasing commissions | 6,590 | 7,674 |
| Leases | 165 | 65 |
| Profit from disposal of PPE | 117 | 755 |
| Dividend income | 62 | 223 |
| Safekeeping commissions | 35 | 160 |
| Other | 1,141 | 2,620 |
| Total | 8,110 | 11,497 |

11. Staff expenses

(Amounts in Euro thousand)

| | From 1 st January to | |
|---------------------------------------|---------------------------------|---------------|
| | 31.12.2009 | 31.12.2008 |
| Salaries | 33,158 | 36,168 |
| Wages | 6,211 | 3,751 |
| Social security obligations | 7,466 | 7,384 |
| Contribution to defined benefit plans | 325 | 495 |
| Indemnification | 81 | 8,619 |
| Total | 47,241 | 56,417 |

The average number of employees for the Group was 1,054 for 31 December 2009 (31.12.2008: 1,075).

12. Other expenses

(Amounts in Euro thousand)

| | From 1 st January to | |
|--------------------------------------|---------------------------------|---------------|
| | 31.12.2009 | 31.12.2008 |
| Rentals and other property expenses | 9,360 | 9,725 |
| Third party fees | 7,053 | 6,687 |
| Subscription fees | 3,880 | 3,489 |
| Other taxes | 2,346 | 3,129 |
| Marketing expenses | 1,583 | 3,013 |
| Telecommunication and postal charges | 2,025 | 2,039 |
| Credit card expenses | 1,847 | 1,802 |
| Maintenance expenses | 1,273 | 1,260 |
| Traveling & accommodation expenses | 947 | 1,037 |
| Consumables | 728 | 574 |
| Insurance premiums | 596 | 581 |
| Other | 4,084 | 7,142 |
| Total | 35,722 | 40,478 |



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

| (Amounts in Euro thousand) | 2009 | 2008 |
|---|------|------|
| For the statutory audit of the financial statements | 281 | 278 |
| For other audit related services | 113 | 8 |

13. Income tax

| (Amounts in Euro thousand) | 31.12.2009 | 31.12.2008 |
|--|---------------|---------------|
| Current year | (1,180) | (476) |
| Prior year taxes | (356) | (545) |
| Deferred tax | 16,713 | 11,984 |
| Total | 15,177 | 10,963 |
| Deferred tax (from temporary changes) | 18,938 | 12,504 |
| Effect of application of lower tax rates | (2,221) | (520) |
| | 16,717 | 11,984 |

Reconciliation of effective tax rate

| | 31.12.2009 | 31.12.2008 |
|---|-------------------|-------------------|
| Loss before income tax | (77,193) | (59,239) |
| Income tax using corporate tax rate | 25% 19,299 | 25% 14,810 |
| Non-deductible expenses | 1% (1,111) | 5% (2,794) |
| Tax exempt income | 1% (789) | 5% 2,855 |
| Effect of permanent differences | 8% 6,160 | |
| Prior year taxes | 0% (355) | 1% (545) |
| Effect of application of lower tax rates | 3% (2,221) | 1% (520) |
| Tax losses for which no deferred tax assets has been computed | 8% (5,806) | - |
| Other differences | - | 5% (2,843) |
| Total | 20% 15,177 | 19% 10,963 |

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

| | |
|--|-------------|
| ASPIS Bank SA | 2008 - 2009 |
| ASPIS Leasing SA | 2006 - 2009 |
| ASPIS Insurance Brokerage SA | 2007 - 2009 |
| ASPIS International Mutual Funds Management SA | 2007 - 2009 |
| ASPIS Credit SA | 2007 - 2009 |

The tax audit of the Bank for the fiscal years 2005, 2006 and 2007, was concluded in September 2009, and resulted in additional tax amounting to € 851 thousand. Due to the fact that the Bank's management established provisions for open tax years amounting to € 500 thousand on 31 December 2008, the Bank had an additional tax charge of € 351 thousand. A provision for open tax years was formed for the fiscal year 2009 amounting to € 27 thousand. Tax losses for 2008 and 2009 can offset future taxable profits until 2013 and 2014 respectively.

Permanent differences mainly relate to the impairment of various assets not recognized for tax purposes.



14. Basic and diluted earnings per share

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

During the year 2009, the Bank decreased its share capital by an amount of € 135,176 thousand and a specific reserve by an equivalent amount was formed, reducing the nominal value of its shares from € 2.71 to € 0.60 without affecting the number of shares (64,064 thousand).

| <i>(Amounts in Euro thousand)</i> | | |
|---|-------------------|-------------------|
| | 31.12.2009 | 31.12.2008 |
| Profit/(Loss) of the period | (62,016) | (48,276) |
| Weighted average number of shares during the period (in thousand) | 64,064 | 64,064 |
| Basic and diluted earnings/(loss) per share (in Euro) | (0.9680) | (0.7536) |

15. Cash and cash equivalents

| <i>(Amounts in Euro thousand)</i> | | |
|-----------------------------------|-------------------|-------------------|
| | 31.12.2009 | 31.12.2008 |
| Reserves with Central Bank | 70,042 | 54,995 |
| Cash in hand | 20,551 | 24,331 |
| Total | 90,593 | 79,326 |

16. Loans and advances to Banks/ Due to Banks

Loans and advances to Banks are analyzed as follows:

| <i>(Amounts in Euro thousand)</i> | | |
|--------------------------------------|-------------------|-------------------|
| | 31.12.2009 | 31.12.2008 |
| Current accounts | 143,108 | 65,149 |
| Money market placements and deposits | 119,917 | 177,138 |
| Items in course of collection | 449 | 18,588 |
| Total | 263,474 | 260,875 |

Due to Banks are analyzed as follows:

| <i>(Amounts in Euro thousand)</i> | | |
|---------------------------------------|-------------------|-------------------|
| | 31.12.2009 | 31.12.2008 |
| Due to European Central Bank (E.C.B) | 240,000 | - |
| Due to Greek State | 79,000 | - |
| Due to other Banks | 9,007 | 176,183 |
| Total | 328,007 | 176,183 |

**17. Loans and advances to customers***(Amounts in Euro thousand)*

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Retail customers: | | |
| Mortgages | 506,031 | 956,130 |
| Securitized mortgage loans | 491,712 | 126,511 |
| Credit cards | 56,904 | 54,223 |
| Debit customers balances | 587 | 550 |
| Consumer loans | 85,066 | 77,579 |
| Subtotal | 1,140,300 | 1,214,993 |
| Corporate customers: | | |
| Corporate bonds | 125,998 | 136,162 |
| Corporate loans | 536,230 | 658,351 |
| Shipping | 42,770 | 52,280 |
| Finance leases | 94,542 | 106,386 |
| Debit corporate balances | 878 | 1,338 |
| Local authorities & other organizations | 14,582 | 2,951 |
| Subtotal | 815,000 | 957,468 |
| Amounts due relating to brokerage transactions | 19,829 | 19,482 |
| Loans and advances | 1,975,129 | 2,191,943 |
| Impairment allowance | (103,695) | (55,884) |
| Loans and advances to customers net of impairment | 1,871,434 | 2,136,059 |

Financial leases are analyzed by maturity as follows:

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|------------------------------|-------------------|-------------------|
| Up to one year | 16,761 | 22,517 |
| One to five years | 52,690 | 69,292 |
| Over five years | 38,184 | 33,638 |
| | 107,635 | 125,447 |
| Less: Deferred income | (13,093) | (19,061) |
| Total | 94,542 | 106,386 |

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

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|-------------------|-------------------|-------------------|
| Up to one year | 13,716 | 17,364 |
| One to five years | 47,300 | 60,749 |
| Over five years | 33,526 | 28,273 |
| Total | 94,542 | 106,386 |

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|------------------------------------|-------------------|-------------------|
| Allowance for impairment | | |
| Balance at 1 st January | 55,884 | 38,907 |
| Impairment loss for the period | 48,040 | 17,363 |
| Write-offs | (229) | (386) |
| Total | 103,695 | 55,884 |



18. Trading securities

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|-----------------|-------------------|-------------------|
| Corporate bonds | 1,971 | - |
| Shares | 1,923 | 2,471 |
| Total | 3,894 | 2,471 |

In accordance with the recent amendments to IAS 39, the Group reclassified in July 2008 shares listed in the Athens Stock Exchange and bonds out of the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio with market value at 30.06.2008 amounting to € 6,703 thousand. This reclassification was made due to the volatility on the financial markets in year 2008. The revaluation of these shares and bonds for the period from 1.1.09 to 31.12.09, resulted to a profit of € 342 thousand, which has been recognized in the Available for Sale securities reserve, whereas if the Group had not reclassified the above shares and bonds, the aforementioned amount would have had an impact on Income statement.

No further reclassification took place in Trading Securities portfolio in 2009.

19. Available for sale securities

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|------------------------------|-------------------|-------------------|
| Mutual fund units | 12,542 | 8,328 |
| Listed equity securities | 707 | 5,302 |
| Bonds | 21,685 | 4,227 |
| Non-listed equity securities | 2,142 | 1,763 |
| Total | 37,076 | 19,620 |

On 21 September 2009, Private Insurance Supervisory Committee revoked the operating license of the insurance company ASPIS PRONIA AEGA. At that day, the Bank held 7,317,593 shares of this insurance company with a cost of € 13,143 thousand, which were permanently impaired, resulting to an equal impairment loss in "Available for sale portfolio", included, among others, in "Net trading income/(expense)" line of the Income Statement. The same line also includes gain from sale of other available for sale securities of total amount of € 69 thousand. This impairment had an effect in the Group's comprehensive income statement of € 4,830 thousand and is illustrated in "net trading income/(expense)" line, while an amount of total value € 8,240 thousand concerning the impairment which had been formed until 31 December 2008 was transferred from Group's reserves to the same line as above (Note 9).

20. Held-to-maturity securities

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------------------|-------------------|-------------------|
| BoG. Maturity 19/05/2010 | 3,139 | 3,210 |
| BoG. Maturity 28/08/2014 | 5,351 | - |
| BoG. Maturity 19/07/2019 | 2,165 | - |
| Total | 10,655 | 3,210 |



21. Property and equipment

(Amounts in Euro thousand)

| Cost | Property and Buildings | Leasehold improvements | Furniture and equipment | Total |
|---|-------------------------------|-------------------------------|--------------------------------|----------------|
| Balance at 1 st January 2008 | 6,985 | 26,797 | 58,423 | 92,205 |
| Acquisitions | - | 799 | 3,804 | 4,604 |
| Disposals | - | - | (3) | (3) |
| Write-offs | (10) | - | (1,256) | (1,266) |
| Balance as at 31 December 2008 | 6,975 | 27,596 | 60,968 | 95,540 |
| Balance at 1 st January 2009 | 6,975 | 27,596 | 60,968 | 95,540 |
| Acquisitions | 311 | 1,971 | 5,734 | 8,016 |
| Disposals | - | - | (23) | (23) |
| Write-offs | - | - | (1,258) | (1,258) |
| Balance as at 31 December 2009 | 7,286 | 29,567 | 65,421 | 102,275 |
| Depreciations | Property and Buildings | Leasehold improvements | Furniture and equipment | Total |
| Balance at 1 st January 2008 | 895 | 13,934 | 24,204 | 39,033 |
| Depreciations for the year | 126 | 1,667 | 5,416 | 7,209 |
| Write-offs | - | - | (954) | (954) |
| Balance as at 31 December 2008 | 1,021 | 15,601 | 28,666 | 45,288 |
| Balance at 1 st January 2009 | 1,021 | 15,601 | 28,666 | 45,288 |
| Depreciations for the year | 129 | 2,117 | 5,672 | 7,918 |
| Write-offs | - | - | (963) | (963) |
| Balance as at 31 December 2009 | 1,150 | 17,718 | 33,375 | 52,243 |
| Carrying amounts | Property and Buildings | Leasehold improvements | Furniture and equipment | Total |
| Balance at 1 st January 2008 | 6,090 | 12,863 | 34,219 | 53,172 |
| Balance as at 31 December 2008 | 5,954 | 11,995 | 32,302 | 50,251 |
| Balance at 1 st January 2009 | 5,954 | 11,995 | 32,302 | 50,251 |
| Balance as at 31 December 2009 | 6,136 | 11,849 | 32,046 | 50,031 |

22. Intangible assets

(Amounts in Euro thousand)

| Cost | Software |
|---|---------------|
| Balance at 1 st January 2008 | 15,141 |
| Acquisitions | 4,252 |
| Balance as at 31 December 2008 | 19,393 |
| Balance at 1 st January 2009 | 19,393 |
| Acquisitions | 3,302 |
| Balance as at 31 December 2009 | 22,695 |
| Amortization | |
| Balance at 1 st January 2008 | 5,921 |
| Amortization for the year | 5,002 |
| Balance as at 31 December 2008 | 10,923 |
| Balance at 1 st January 2009 | 10,923 |
| Amortization for the year | 4,459 |
| Balance as at 31 December 2009 | 15,382 |
| Carrying amounts | |
| Balance at 1 st January 2008 | 9,220 |
| Balance as at 31 December 2008 | 8,470 |
| Balance at 1 st January 2009 | 8,470 |
| Balance as at 31 December 2009 | 7,313 |



23. Deferred tax asset

Deferred tax assets and liabilities are attributable to the following:

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---------------------------------|-------------------|-------------------|
| Deferred tax assets | | |
| Impairment for customer loans | 6,395 | 860 |
| Employee benefits | 822 | 767 |
| Commission income | 536 | 595 |
| Provisions | 420 | 1,211 |
| Tax loss | 23,367 | 12,616 |
| Other | 645 | 170 |
| Total | 32,185 | 16,219 |
| Deferred tax liabilities | | |
| Finance lease | 222 | 499 |
| Property and equipment | 3,560 | 3,753 |
| Commission expense | - | 176 |
| Loans | 905 | 1,006 |
| Total | 4,687 | 5,434 |
| Net deferred tax asset | 27,498 | 10,785 |

Movement in temporary differences during the period

(Amounts in Euro thousand)

| | Opening balance | Recognized in income | Closing balance |
|---------------------------|------------------------|-----------------------------|------------------------|
| 31.12.2009 | | | |
| Customer loans impairment | 860 | 5,535 | 6,395 |
| Employee benefits | 767 | 55 | 822 |
| Commission income | 595 | (59) | 536 |
| Finance lease | (499) | 277 | (222) |
| Property and equipment | (3,753) | 193 | (3,560) |
| Commission expense | (176) | 176 | - |
| Tax loss | 12,616 | 10,751 | 23,367 |
| Loans | (1,006) | 101 | (905) |
| Provisions | 1,211 | (791) | 420 |
| Other | 170 | 475 | 645 |
| Total | 10,785 | 16,713 | 27,498 |
| 31.12.2008 | | | |
| Customer loans impairment | 1,818 | (958) | 860 |
| Employee benefits | 894 | (127) | 767 |
| Commission income | 817 | (222) | 595 |
| Finance lease | (496) | (3) | (499) |
| Property and equipment | (4,923) | 1,170 | (3,753) |
| Commission expense | (188) | 12 | (176) |
| Tax loss | 1,353 | 11,263 | 12,616 |
| Loans | (658) | (348) | (1,006) |
| Provisions | 0 | 1,211 | 1,211 |
| Other | 184 | (14) | 170 |
| Total | (1,199) | 11,984 | 10,785 |

The Group estimates the attaining of adequate tax profits within the following 5 years in order to justify the offset of tax losses. Deferred tax asset regarding the tax of losses of 2008 that may be offset until 2013 amounts to € 12,616 thousand, while the respective deferred tax asset concerning the tax of losses of 2009 that may be offset until 2014 amounts to € 10,751 thousand. The Group Companies ASPIS Leasing SA and ASPIS International AEDAK S.A during 2009 recovered the deferred tax asset that has been established during 2008.



The computation of deferred tax assets and liabilities has been done with tax rates 20% excluding the deferred tax asset from tax loss for which a tax rate of 22.5% was used. The evolution of the income tax rate in accordance with the legislation in the coming years is as follows:

2010: 24%
2011: 23%
2012: 22%
2013: 21%
2014: 20%

24. Other assets

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---|-------------------|-------------------|
| Receivables from Greek State and other public organizations | 18,427 | 11,347 |
| Guarantees and participations to other funds | 11,697 | 9,919 |
| Deposit Guarantee Fund | 15,667 | 5,306 |
| Property acquired in auctions | 5,033 | 5,184 |
| Housing loans expenses | 9,529 | 10,342 |
| Advances | 695 | 1,795 |
| Accrued income | 325 | 2,012 |
| Other receivables | 4,681 | 7,748 |
| Total | 66,054 | 53,653 |

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

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

"Receivables from Greek State and other public organizations" consist of payments for capital tax amounting to €1,668 thousand. This amount arises from the following:

- Payment of € 900 thousand for share capital increase of € 90,000 thousand with the issuance of preference shares which were to be retained by the Greek State according to the decision of extraordinary General Meeting of 23 January 2009. After the acquisition of these shares the aforementioned amount will be recognized in the share capital; otherwise this amount will be claimed by the Greek State.
- Payment of € 768 thousand for the increase of share capital according to the decision of extraordinary General Meeting of 23 July 2009.

25. Due to customers

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------------------------|-------------------|-------------------|
| Term deposits | 1,287,665 | 1,551,495 |
| On demand and current accounts | 325,949 | 275,611 |
| Savings accounts | 155,518 | 159,022 |
| Total | 1,769,132 | 1,986,128 |

From the amount of "Term deposits" the deposits which are expected to mature within the following 12 months amount to € 1,286 million.



26. Debt securities in issue and other borrowed funds

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------------|-------------------|-------------------|
| Securitized loans | 110,728 | 123,968 |
| Subordinated loans | 50,000 | 100,250 |
| Other Bonds | 12,000 | 34,952 |
| Accrued expense | 886 | 3,172 |
| Direct expenses | (52) | (509) |
| Total | 173,562 | 261,833 |

Subordinated loans are analyzed as follows:

Aspis Finance plc. issued in February 2005 an amount of € 50,000 thousand due in 2015 with recall date February 2010 and maturity February 2015. Interest rate is 3 month Euribor plus 1.35% spread which if recalled increases by 1.30%.

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

Issuer Apis Jersey Plc repurchased in August 2009 the subordinated loan due in 2017 and amounting to € 50,250 thousand. From the cancellation of the loan, a profit of € 27,638 thousand was incurred which was posted on income statement and specifically in caption "Profit / (Loss) from financial instruments".

27. Provisions

(Amounts in Euro thousand)

| | Opening balance | Provision for the year | Usage of provisions | Closing balance |
|---|------------------------|-------------------------------|----------------------------|------------------------|
| 31.12.2009 | | | | |
| Restructuring plan | 1,749 | - | (1,207) | 542 |
| Contingent indemnification of labour legal disputes | 1,000 | - | - | 1,000 |
| Impairment on claims except for Bank loans | 1,846 | 462 | (2,308) | 0 |
| Litigation claims | 470 | 147 | (260) | 357 |
| Income tax for open tax years | 545 | - | (518) | 27 |
| Provision for medical expenses | - | 230 | - | 230 |
| Impairment on off-balance sheet items | 891 | 702 | - | 1,593 |
| Total | 6,501 | 1,541 | (4,293) | 3,749 |
| | | | | |
| 31.12.2008 | | | | |
| Restructuring plan | - | 1,749 | - | 1,749 |
| Contingent indemnification of labour legal disputes | - | 1,000 | - | 1,000 |
| Impairment on claims except for Bank loans | - | 1,846 | - | 1,846 |
| Litigation claims | - | 470 | - | 470 |
| Income tax for open tax years | - | 545 | - | 545 |
| Impairment on off-balance sheet items | - | 891 | - | 891 |
| Total | - | 6,501 | - | 6,501 |

The provisions of the period amounting to € 1,541 thousand are recorded in the "Provisions" in the profit and loss account which also includes provisions of impairment of other claims amounting to € 4,097 thousand which are shown as a deduction in assets.

The amount designated for the restructuring plan mainly refers to relocation of the branches and headquarters of the Bank .



28. Other liabilities

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Bank drafts & cheques payable | 10,421 | 3,546 |
| Payment DIAS | 3,503 | 3,715 |
| Tax obligations | 2,814 | 2,034 |
| State and Social Insurance liabilities | 1,933 | 2,269 |
| Accrued interest expense | 696 | 777 |
| Other liabilities | 11,700 | 6,403 |
| Other accrued expenses | 10,141 | 8,280 |
| Total | 41,208 | 27,024 |

The "Other accrued expenses" are analyzed as follows: an amount of € 6,254 thousand concerning accrued fees and social security obligations, an amount of € 3,887 thousand regarding commission income from housing loans to be amortized.

29. Employee benefits

Employee benefits consist of:

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Defined benefit obligations | 4,072 | 3,835 |
| Vacation not taken | 50 | 50 |
| Total | 4,122 | 3,885 |
| Defined benefit obligations | | |
| Present value of unfunded obligations | 3,850 | 3,209 |
| Unrecognised actuarial gains and losses | 222 | 626 |
| Recognized liability for defined benefit obligations | 4,072 | 3,835 |
| Movement in the liability for defined benefit obligations | | |
| 31.12.2009 | 31.12.2008 | |
| Defined benefit obligations at 1 January (Note 11) | 3,835 | 3,604 |
| Expense recognized in income statement(see below) | 325 | 495 |
| Benefits paid | (88) | (264) |
| Total | 4,072 | 3,835 |
| Expense recognized in profit or loss | | |
| 31.12.2009 | 31.12.2008 | |
| Current service costs | 290 | 326 |
| Interest expense | 171 | 159 |
| Amortization of actuarial loss | (136) | - |
| Past service cost | - | 10 |
| Total | 325 | 495 |
| Actuarial assumptions | | |
| 31.12.2009 | 31.12.2008 | |
| Discount rate | 5.07% | 5.5% |
| Future salary increases | 3.5% | 4.0% |



30. Share capital

The extraordinary General Assembly of the Shareholders held on 23rd January 2009 decided the increase of the share capital with the amount of € 90 million, which will be funded by the Greek State, according to the provisions of Law 3723/08 for enforcing the liquidity of the banks. This share capital increase takes place via the issue of 33,210,332 preference shares of nominal value of € 2.71.

The extraordinary General Assembly of the Shareholders held on 23rd July 2009 decided the following:

1) To reduce the share capital by reducing a nominal value of shares from € 2.71 to 0.60. As a result, the share capital was decreased by € 135,176 thousand with a creation of a special reserve for the same amount pursuant to the provisions of article 4, paragraph 4a of Law 2190/1920, as the latter was amended by the article 32 of Law 3763/2009. The aforementioned reserve can only be used to set off future losses, or for re- capitalization.

2) To recall the decision of the extraordinary General Assembly of the Shareholders held on 23/1/2009, regarding the increase of share capital for an amount of € 90,000 thousand which was to be funded by the Greek State according to the provisions of Law 3723/08.

3) To increase the share capital by € 76,877 thousand by issuing 128,128,108 new common, shares with nominal value of € 0.60 each. Any difference arising from the amount of € 76,877 thousand will be recorded to share premium. The Bank reserved its right to participate to the state-aid program for the strengthening of the liquidity of the Greek economy through the issuance of preference shares which will be retained by the Greek State until 31 December 2009 according to Law 3723/2008.

Based on the above, the Board of Directors Bank's determined, on 1 March 2010, the offer price for the Bank's share capital to be € 0,60 per share. According to the decision of the General Assembly of the Bank's Shareholders 128, 128,108 new shares will be issued with a par value of € 0,60 each. The Bank's share capital will increase by € 76,876,864.80. If the share capital increase is fully subscribed, the Bank's share capital will amount to € 115,315,297.20 divided into 192,192,162 shares with a par value € 0.60 each. (Note 34 "Subsequent events").

31. Reserves

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------------------------------|-------------------|-------------------|
| Statutory reserve | 1,030 | 883 |
| Untaxed reserves | 2,265 | 2,264 |
| Available for sale reserve | (2,637) | (11,764) |
| Reserve from share capital reduction | 135,176 | - |
| Other reserves | 6,364 | 6,365 |
| Total | 142,198 | (2,252) |

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

Untaxed reserves: In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that the reserves are distributed they will be taxed at the rate applicable on the date of distribution. In case tax free reserves are distributed a tax of € 566 thousand will be paid.

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

Other reserves: It includes other reserves(mainly reserve for banking risks, amounting to 5,5 million).

32. Related-party transactions

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

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---|-------------------|-------------------|
| (a) Senior management and Board of Directors | | |
| Loans and advances to customers | 1,393 | 21,546 |
| Due to customers | 765 | 3,736 |
| Other liabilities | 128 | 92 |
| | 31.12.2009 | 31.12.2008 |
| Income | | |
| Net interest income | (58) | 509 |
| Net commission income | 1 | 33 |
| Expense | | |
| Staff costs | 2,244 | 15,564 |
| Other operating expenses | 392 | 495 |
| | 31.12.2009 | 31.12.2008 |
| (b) Other key management personnel and other parties | | |
| Loans and advances to customers | 21,793 | 24,410 |
| Other assets | 568 | 944 |
| Due to customers | 47,485 | 58,932 |
| Other liabilities | 71 | 251 |
| | 31.12.2009 | 31.12.2008 |
| Income | | |
| Net interest income | 906 | (1,334) |
| Net commission income | 775 | 1,080 |
| Expense | | |
| Other operating expenses | 3,113 | 4,677 |

The claims of the Bank from loans and letters of guarantee granted to Aspis Pronoia Group (ASPIS PRONOIA AEGA, ASPIS PRONOIA S.A., PROVISION S.A, ASPIS ESTIA S.A, ASPIS FUND S.A, E-VALLEY S.A, D.ATHENEOS INSURANCE GROUP) and COMMERCIAL VALUE S.A. amounts to € 7,637 thousand for which an impairment of € 2,269 thousand has been established.

(Amounts in thousand of Euro)

| | Company name | Loans | Deposits | Interest income | Interest expense | Other income | Other expenses | CCS | Stock brokerage | Other assets | Other liabilities |
|---|-------------------------------------|---------------|---------------|-----------------|------------------|--------------|----------------|--------------|-----------------|--------------|-------------------|
| Board of Directors & Senior management | | 493 | 765 | 13 | 71 | 1 | 2,636 | - | 900 | - | 128 |
| | ASPIS PRONOIA S.A. | 2,197 | 8,272 | 641 | 116 | 513 | 2,116 | 300 | - | 71 | 41 |
| | ASPIS PRONOIA GEN.SECURITY LIFE S.A | 116 | 9,211 | 14 | 244 | 216 | 349 | 77 | - | 432 | 11 |
| | PROVISION S.A. | - | - | - | - | - | - | - | (12) | - | - |
| | ASPIS ESTIA S.A. | 2,500 | 1 | 88 | - | - | - | - | - | - | - |
| | ASPIS FUNDS | - | 91 | - | 2 | - | - | - | - | - | - |
| | COMMERCIAL VALUE S.A. | 907 | 29,394 | 144 | 1,222 | 45 | 176 | 984 | - | 65 | 19 |
| | E-VALLEY S.A. | - | 39 | - | - | - | - | - | - | - | - |
| | D.ATHENEOS INSURANCE GROUP | - | 2 | - | - | - | - | - | - | - | - |
| Parent Company Group | | 5,720 | 47,010 | 887 | 1,584 | 774 | 2,641 | 1,361 | (12) | 568 | 71 |
| Other related parties | | 11,739 | 463 | 1,617 | 14 | 1 | 472 | - | 4,334 | - | - |
| Total | | 17,952 | 48,238 | 2,517 | 1,669 | 776 | 5,749 | 1,361 | 5,222 | 568 | 199 |



33. Contingent liabilities and commitments

33.1 Litigation

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Group. For this reason provisions amounting to € 357 thousand have been formed. The Group has also formed a provision of € 1 million for contingent labour legal disputes (Note 27).

33.2 Credit commitments

The contractual amounts of the Group's off-balance sheet financial instruments that commit to extend credit to customers are as follows:

| <i>(Amounts in Euro thousand)</i> | | |
|-----------------------------------|-------------------|-------------------|
| | 31.12.2009 | 31.12.2008 |
| Letters of guarantee | 133,802 | 184,732 |
| Letters of credit | 1,213 | 1,306 |

The Group participates in the Company of innovator business participations NBGI Private Equity and has contractual obligation to pay the amount of GBP 5,000 thousand. The Group has paid until today an amount of GBP 1,884 thousand or € 2,121 thousand. The value of the specific participation which has been classified in "Available for sale securities" arises to the amount of € 1,790 thousand, according to the latest available evaluation of 31 December 2009.

33.3 Operating leases

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

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

| <i>(Amounts in Euro thousand)</i> | | |
|-----------------------------------|-------------------|-------------------|
| | 31.12.2009 | 31.12.2008 |
| Less than one year | 6,145 | 6,853 |
| Between one and five years | 16,222 | 16,646 |
| Over 5 years | 12,719 | 8,218 |

34. Subsequent events

- Mr Vasilios Apostolopoulos, member of the Board of Directors of the Bank, resigned on 01 March 2010. The Board of Directors decided not to replace the resigned member.
- The Board of Directors determined, on 1 March 2010, the offer price for the Bank's share capital to be € 0.60 per share. According to the decision of the General Assembly of the Bank's Shareholders, on 23 July 2009, 128,128,108 new shares will be issued with a par value of € 0.60 each. The Bank's share capital will increase by € 76,876,864.80. If the share capital increase is fully subscribed the Bank's share capital will amount to € 115,315,297.20 divided into 192,192,162 shares with a par value € 0.60 each.
- The Bank's Board of Directors announced on 8 March 2010 that the Information Memorandum for the Bank's share capital increase, as approved by the Capital Market Committee, is available to the public. The share capital increase is expected to be concluded on 31 March 2010.
- The Private Insurance Supervisory Committee decided on 25 February 2010 to recall the operating license of Commercial Value S.A. which holds 34.70% of the share capital of the Bank and to put it in insurance liquidation status, according to the prevailing legislation.



- The Liquidation Supervisor of Aspis PRONOIA SA, Aspis PRONOIA GEN.SEGURITY LIFE S.A. and COMMERCIAL VALUE SA, announced on 5 March 2010 that the aforementioned companies will not participate in the share capital increase of the Bank. The rights held by these companies, amounting to 54.39% of the share capital of the Bank, are available for sale.
- Hellenic Postbank announced on 12 February 2010 its intention to acquire 30% to 32.9% of the share capital of Aspis Bank through the forthcoming share capital increase, on the proviso that the main shareholder of the latter will not participate in the share capital increase and that the supervisory authorities approve the former's participation.
- From 1 January 2010 to the date of publication of the financial statements the net outflow of deposits amounted to € 207,622 thousand, approximately.
- In February 2010, the Bank did not exercise its option to recall its subordinated bond issue, amounting to € 50 million (expiration February 2015) issued by Aspis Finance SA. From the step-up date the interest rate for the specific issue became 3 month Euribor plus 265 basis points, compared to 3month Euribor plus 135 basis points up to February 2010.



Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ASPIS BANK S.A.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of financial position of ASPIS BANK S.A. (the "Bank") which comprise the Statement of Financial Position as of 31 December 2009 and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements.

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

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

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Bank as of 31 December 2009 and of its consolidated financial performance and its consolidated cash

flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion we draw attention to Note 2.2 of the financial statements which refers to the fact that capital adequacy ratio has fallen below the minimum limit. As a result, the Bank has, instantly, decided to increase its share capital, as requested from the Bank of Greece, in order to improve its capital adequacy ratio, and continue its operation as going concern.

Report on other legal and regulatory requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37 and 107 of C.L. 2190/1920.

Athens, 19 March 2010
KPMG Certified Auditors A.E.

Harry Sirounis
Certified Auditor Accountant

AM SOEL 19071



VI. Financial statements for the year ended 31 December 2009 and Auditor's report



Aspis Bank

Financial Statements
for the year ended 31 December 2009

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

These financial statements have been approved by the Board of Directors of Aspis Bank S.A.
on 19 March 2010 and are available at the following web page: www.aspisbank.gr



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**Statement of Comprehensive Income***(Amounts in Euro thousand)*

| | Note | From 1 st January to | |
|--|--------------|---------------------------------|------------------|
| | | 31.12.2009 | 31.12.2008 |
| Interest and similar income | | 103,700 | 151,881 |
| Interest expense and similar charges | | (87,344) | (119,178) |
| Net interest income | 7 | 16,356 | 32,703 |
| Fee and commission income | 8 | 18,736 | 22,997 |
| Fee and commission expense | | (450) | (470) |
| Net fee and commission income | | 18,286 | 22,527 |
| Net trading income / (expense) | 9 | (8,724) | (2,215) |
| Other operating income | 10 | 1,125 | 3,873 |
| Total operating income | | 27,043 | 56,888 |
| Staff expenses | 11 | (44,924) | (53,899) |
| Depreciation and amortization | 22.23 | (7,162) | (6,529) |
| Other operating expenses | 12 | (29,865) | (37,819) |
| Impairment on loans and advances | 17 | (45,147) | (16,326) |
| Provisions | 28 | (4,932) | (5,737) |
| Total operating expenses | | (132,030) | (120,310) |
| Loss before income tax | | (104,987) | (63,422) |
| Income tax | 13 | 15,178 | 11,197 |
| Loss for the period | | (89,809) | (52,225) |
| Transfer of impairment losses of available for sale securities to profit or loss | | 8,629 | 194 |
| Changes in fair value of available for sale securities | | 498 | (8,000) |
| Other comprehensive income after tax | | 9,127 | (7,806) |
| Total comprehensive income after tax | | (80,682) | (60,031) |
| Basic and diluted earnings/(loss) per share (in Euro) | 14 | (1.4019) | (0.8152) |

Athens, 19 March 2010

D.I.Stavropoulos
ID No.P.562836
CHAIRMAN OF THE BOARD
OF DIRECTORS

C.G.Sorotos
ID No.AZ.096924
VICE CHAIRMAN OF THE BOARD
OF DIRECTORS

N.G.Voutychtis
ID No.AE.107507
CHIEF FINANCIAL OFFICER

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

The attached notes on pages 7 to 42 form an integral part of these financial statements.

Statement of Financial Position
(Amounts in Euro thousand)

| Assets | Note | 31.12.2009 | 31.12.2008 |
|---|-------------|-------------------|-------------------|
| Cash & cash equivalents | 15 | 90,591 | 79,323 |
| Loans and advances to banks | 16 | 157,202 | 237,424 |
| Loans and advances to customers (net of impairment) | 17 | 1,875,729 | 1,974,769 |
| Trading securities | 18 | 1,971 | - |
| Investment securities | | | |
| - Available-for-sale | 19 | 407,232 | 22,120 |
| - Held-to-maturity | 20 | 10,655 | 3,210 |
| Investment in subsidiaries | 21 | 30,549 | 30,549 |
| Property and equipment | 22 | 43,889 | 44,876 |
| Intangible assets | 23 | 5,101 | 5,282 |
| Deferred tax asset | 24 | 26,088 | 10,559 |
| Other assets | 25 | 110,499 | 52,874 |
| Total assets | | 2,759,506 | 2,460,986 |
| Liabilities | | 31.12.2009 | 31.12.2008 |
| Due to banks | 16 | 323,919 | 156,183 |
| Due to customers | 26 | 1,832,835 | 1,993,094 |
| Debt securities in issue | 27 | 90,253 | 141,568 |
| Other borrowed funds | 33 | 416,829 | - |
| Provisions | 28 | 3,693 | 6,237 |
| Other liabilities | 29 | 32,299 | 23,764 |
| Employee benefits | 30 | 3,892 | 3,672 |
| Total liabilities | | 2,703,720 | 2,324,518 |
| Equity | | 31.12.2009 | 31.12.2008 |
| Share capital | 31 | 38,438 | 173,614 |
| Share premium | | 17,053 | 17,053 |
| Reserve from share capital reduction | 32 | 135,176 | - |
| Other reserves | 32 | 5,702 | (3,425) |
| Accumulated deficit | | (140,583) | (50,774) |
| Total Equity | | 55,786 | 136,468 |
| Total liabilities and Equity | | 2,759,506 | 2,460,986 |

The attached notes on pages 7 to 42 form an integral part of these financial statements.

**Statement of Changes in Equity***(Amounts in Euro thousand)*

| | Share Capital | Share Premium | Reserve from share capital reduction | Other reserves | Accumulated deficit | Total |
|--|------------------|---------------|--------------------------------------|----------------|---------------------|-----------------|
| Balance as at 1st January 2008 | 173,614 | 17,053 | - | 2,730 | 4,383 | 197,780 |
| Other comprehensive income | - | - | - | - | - | - |
| Loss for the period | - | - | - | - | (52,225) | (52,225) |
| Transfer of impairment losses of available for sale securities to profit or loss | - | - | - | 194 | - | 194 |
| Changes in fair value of available for Sale securities | - | - | - | (8,000) | - | (8,000) |
| Total comprehensive income after tax | - | - | - | (7,806) | (52,225) | (60,031) |
| Transactions with owners | - | - | - | - | - | - |
| Prior year dividends paid | - | - | - | - | (1,281) | (1,281) |
| Reserve appropriation | - | - | - | 1,651 | (1,651) | - |
| Total transactions with owners | - | - | - | 1,651 | (2,932) | (1,281) |
| Balance as at 31 December 2008 | 173,614 | 17,053 | - | (3,425) | (50,774) | 136,468 |
| Balance as at 1st January 2009 | 173,614 | 17,053 | - | (3,425) | (50,774) | 136,468 |
| Other comprehensive income | - | - | - | - | - | - |
| Loss for the period | - | - | - | - | (89,809) | (89,809) |
| Changes in fair value of available for Sale securities | - | - | - | 498 | - | 498 |
| Transfer of impairment losses of available for sale securities to profit or loss | - | - | - | 8,629 | - | 8,629 |
| Total comprehensive income after tax | - | - | - | 9,127 | (89,809) | (80,682) |
| Transactions with owners | - | - | - | - | - | - |
| Reserve from share capital reduction | (135,176) | - | 135,176 | - | - | - |
| Total transactions with owners | (135,176) | - | 135,176 | - | - | - |
| Balance as at 31 December 2009 | 38,438 | 17,053 | 135,176 | 5,702 | (140,583) | 55,786 |

The attached notes on pages 7 to 42 form an integral part of these financial statements.

**Cash Flow Statement***(Amounts in Euro thousand)*

| | 31.12.2009 | 31.12.2008 |
|--|-----------------|------------------|
| Cash flows from operating activities | | |
| Loss before income tax | (104,987) | (63,422) |
| Adjustments for non-cash items | | |
| Depreciation and amortisation | 7,162 | 6,529 |
| Impairment losses | 45,147 | 16,326 |
| Provisions | 4,932 | 5,737 |
| Defined benefit obligation | 284 | 443 |
| Other non-cash items | 4,323 | 4,137 |
| (Gains)/losses from valuation of Trading and Available for Sale securities | (877) | (61) |
| (Gains)/losses on the sale of property and equipment | (1) | - |
| | (44,017) | (30,311) |
| Changes in operations | | |
| Net (increase)/decrease in available for sale securities | (359,750) | (505) |
| Net (increase) in trading securities | (1,971) | - |
| Net (increase)/decrease in derivative financial instruments | - | 13 |
| Net (increase)/decrease in loans and advances to customers | 54,447 | 57,529 |
| Net (increase)/decrease in other assets | (61,080) | (10,794) |
| Net increase/(decrease) in due to banks | 167,736 | (45,478) |
| Net increase/(decrease) in due to customers | (160,260) | (212,890) |
| Net proceeds from issue/(repayment) of debt securities | 342,055 | 220 |
| Net increase/(decrease) in other liabilities | 6,675 | 3,004 |
| Net cash inflow/(outflow) from operating activities | (56,165) | (239,212) |
| Cash flows from investing activities | | |
| Proceeds from sale of investments | - | 162 |
| Purchases of investments | (7,103) | - |
| Proceeds from sales of property and equipment | 13 | 36 |
| Purchases of property, equipment | (5,188) | (2,735) |
| Purchases of intangible assets | (818) | (1,592) |
| Dividends received | 62 | 223 |
| Net cash inflow/(outflow) from investing activities | (13,034) | (3,906) |
| Cash flows from financing activities | | |
| Prior year dividends paid | - | (1,248) |
| Net cash inflow/(outflow) from financing activities | - | (1,248) |
| Net (decrease) in cash and cash equivalents | (69,199) | (244,366) |
| Cash and cash equivalents as at 1st January | 316,747 | 566,905 |
| Foreign exchange differences on cash and cash equivalents | 245 | (5,792) |
| Cash and cash equivalents as at 31 December | 247,793 | 316,747 |
| Cash and cash equivalents consists of: | | |
| Cash and balances with Central Bank | 90,591 | 79,323 |
| Due to banks | 157,202 | 237,424 |
| | 247,793 | 316,747 |

The attached notes on pages 7 to 42 form an integral part of these financial statements.



1. General Information

ASPIS BANK S.A. (previously ASPIS MORTGAGE BANK S.A.) was founded by Pavlos D.Psomiadis and the AEGON BV insurance company, under the name "ASPIS BANK", as a Banking Soci t  Anonyme in 1992 and received its license by the Bank of Greece (decision no. 487/2.12.91 of the Currency and Credit Commission), and the Ministerial Council (no. 5/8, GG 1/13.1.92, issue 1) Act according to law. According to this license, the Bank operated in accordance with mortgage banks laws until 3 August 2001. The Bank of Greece (PDBG 2478/3-8-2001) abolished the special legal framework for mortgage banks. On 3 September 2001, the Currency and Credit Commission of the Bank of Greece approved the modification of the Articles of Association of ASPIS BANK, which from thereafter engages in all banking operations defined by law. The Ministry of Development, as per decision No. K2-13660/26-10-2001, approved the modification of the Bank's Articles of Association regarding its name, and received its current name of ASPIS BANK S.A. The Regular Shareholders' Meeting on 1 June 2001 had already approved the aforementioned modifications of articles 1 (regarding the name) and 4 (regarding the purpose) of the Bank's Articles of Association. ASPIS BANK maintains a Head Office in the Municipality of Athens, at 4 Othonos St., 105 57 Athens, and is registered in the Soci t  Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a term of ninety-nine (99) years from the date it was registered in the Soci t  Anonyme Registry.

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

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

Bank or of third parties, as well as providing related financial and consulting services.

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

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

2. Basis of preparation

2.1 Statement of compliance

The Bank's financial report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and is available via the internet at www.aspisbank.gr.



The financial statements were approved by the Board of Directors on 19 March 2010

2.2 Basis of measurement

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

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

As explained in Note 4.9, the capital adequacy ratio for the Bank is less than the minimum limit of 10%. As explained in Note 31 the Bank's Board of Directors decided on July 23, 2009 for a share capital increase. Based on the funds that will be withdrawn, Management believes that the Bank will continue without any difficulties in carrying out its activities. On the proviso that a strategic investor will participate in the share capital increase and based on the capital injection, Management estimates that the Bank will be able to continue its operations (see "Subsequent events", Note 36).

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

- Calculation of income tax expense (Note 13)
- Derecognition of securitized loans (Note 33)

2.5 Reclassification of items

Certain balances concerning prior year figures for 2008 have been reclassified in order to be comparable to current period's financial statements. The reclassification in the statement of financial position relates to the transfer of total amount of € 5,908 thousand from "Other assets" to "Loans and advances to customers", amount of € 891 thousand from "Loans and advances to customers" to "Provisions" and amount of € 536 thousand from "Loans and advances to customers" to "Other assets".

A reclassification in the "Other liabilities" relates to the transfer of total amount of € 17,443 thousand from "Accrued Interest Expense" to "Due to Customers" (€ 15,187 thousand) and "Debt securities in issue" (€ 2,256 thousand), respectively.

The reclassifications in the "Statement of comprehensive income" relates to the transfer of total amount of € 891 thousand from the line "Impairment on loans and advances" to "Provisions".

The above amounts have been included in the cash flow statement reclassification for the year 2008.

3. Significant accounting policies

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

3.1 Resume

The Bank since 1 January 2009 has changed the following accounting principles:

- Definition and presentation of operating segments
- Presentation of financial statements

3.2 Changes in accounting policies

(a) IFRS 8 Operating Segments

IFRS 8 replaces IAS 14: "Segment reporting". The new Standard requires a management approach for disclosures regarding the adequacy of other Bank's operational areas. The disclosed information is used for the evaluation of each segment made by management, as well as the allocation of economic resources. It is more likely that the information will be different from the criteria used for the preparation of the Statement of Financial Position and Comprehensive Income. In addition, explanations must be provided for the preparation of operating segment reporting as well as for the reconciliation of financial reporting items.



(b) IAS 1 Presentation of Financial Statements – Revised 2008

The main changes of this standard, effective for annual periods beginning on or after 1.1.2009, are summarized in the statement of changes in equity regarding transactions with owners in their capacity as owners (e.g. dividends, share capital increase) from other changes in equity. Moreover, the revised IAS 1 changes the definitions, as well as the presentation of financial report. New definitions in this standard do not change the recognition measurement or disclosure of specific transactions and other events required by other standards.

The change in presentation and disclosure has been applied to these financial statements. Comparative figures have been restated in accordance with the revised standard.

(c) Other accounting developments

Disclosures pertaining to fair values and liquidity risk for financial instruments.

The Bank has improved its disclosures about Financial Instruments (Amendments to IFRS 7), issued in March 2009, that require additional disclosures about fair value measurements in respect of financial instruments. The amendments require that fair value measurements disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values of financial instruments.

Specific disclosures are required when fair value measurements are categorized as Level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments.

Revised disclosures in respect of fair values of financial instruments are included in note 5.

3.3 Foreign currency transactions

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

value are retranslated to Euro at the exchange rate at the date that the fair value was determined.

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

3.4 Interest income and expense

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

3.5 Fees and commission

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

3.6 Net trading income

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

3.7 Dividends

Dividend income is recognized when the right to receive income is established.

3.8 Leases

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

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

Other leases are operating leases.

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

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

The Bank as a lessor, according to the information held on December 31st, 2009 does not retain any leasing that could be characterized as operating.

3.9 Income tax

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

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

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

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

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

3.10 Securitization

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

3.11 Financial assets and liabilities

(a) Recognition

The Bank initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

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

(b) Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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

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

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

(c) Offsetting

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

(d) Amortised cost measurement

Amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of



any difference between the initial amount recognized and the maturity amount, less for impairment.

(e) Fair value measurement

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

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

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

(f) Identification and measurement of impairment

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

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

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

grouping together financial assets (carried at amortised cost) with similar risk characteristics.

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

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

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

3.12 Cash and cash equivalents

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

3.13 Trading assets

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

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

(a) Change in accounting policy

In October 2008 the IASB issued "Reclassification of Financial Asset: Recognition and Measurement according to IAS 39".

The amendment to IAS 39 permits the Bank to reclassify a non derivative financial asset from trading portfolio to another category, if they are no longer held for the purpose of being sold or repurchased in the near term. According to the amendment the Bank has transferred, since 1.07.08, all securities were transferred from "held for trading" portfolio to the "available for sale" portfolio.



Regarding "Trading Securities" which have been formed in 2009, the amendments of IAS 39 were not applied by the Bank, as there are no reasons for applying it.

3.14 Derivatives held for risk management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the balance sheet. The accounting treatment of changes in their fair value depends on their classification as explained below.

The fair value of derivative financial instruments is calculated in the same manner with the calculation of the fair value of financial instruments held for trading.

When a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or irrevocable lending commitments that could affect profit or loss, the effective portion of changes in the fair value of the derivative are recognized directly in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Bank does not apply hedge accounting

3.15 Loans and advances

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

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

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

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

3.16 Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently

accounted for depending on their classification as either held-to-maturity or available-for-sale.

(i) Available-for-sale investments

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

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

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

(ii) Held-to-maturity investments

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

3.17 Investment in subsidiaries and associates

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

3.18 Property and equipment

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

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

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

The estimated useful lives are as follows:

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

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

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

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

3.19 Investment property

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

3.20 Intangible assets

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

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

3.21 Deposits, debt securities issued and subordinated liabilities

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

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

3.22 Contracts to sale and repurchase, borrowings

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

3.23 Provisions

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

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

3.24 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

All actuarial gains and losses in calculating the Bank's obligation in respect of the plan, that portion is recognised in



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

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

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

(c) Termination benefits

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

(d) Short-term benefits

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

3.25 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity. At 31.12.2009 the Bank held no treasury shares.

3.26 Financial guarantees

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

3.27 Basic and diluted earnings per share

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

3.28 Operating segment

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

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

For additional information refer to Note 3.2.(a)

3.29 New IFRS amendments and interpretations

With the exception of the standards that were early adopted from 1 January 2009 and explained in note 3.2 there is a number of new standards, amendments to standards and interpretations that are not mandatory for 31 December 2009 and have not been applied. The only new standards or interpretations that will have an impact are the following:

IFRS 9 Financial Instruments

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

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



significant change from the existing requirements in IAS 39 in respect of financial assets.

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

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

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

The Bank is currently in the process of evaluating the potential effect of this standard. Given the nature of the Group's operations, this standard is expected to have a pervasive impact on the Group's financial statements.

4. Financial Risk Management

4.1 Introduction and overview

The Bank monitors the following risks:

- Credit
- Liquidity
- Market
- Operational

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and

processes for measuring and managing risk, and the Bank's management of capital.

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

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

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

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

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

4.2 Credit risk

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

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

Reliable credit risk measurement, contributes in maximizing the Bank's profitability, by monitoring the level of expected and unexpected financial loss. By using historical data and



informational systems, the Bank develops, evaluates and implements mathematical models, in order to score loan applications. Prompt risk detection criteria, are defined, for loan portfolios, and if considered necessary, correctional actions are proposed.

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

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

4.2.1 Loan impairment

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

a) Individually impaired

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

b) Collectively impaired

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

c) Over 30 days past due

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

d) Less than or up to 30 days past due

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

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

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

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

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



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

| <i>(Amounts in Euro thousand)</i> | | | | | | |
|---|---------------------------------|---|---|----------------|-----------------------|---------------|
| | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Individually impaired | | | | | | |
| Grade 6 | | 863 | - | - | - | - |
| Grade 7 | 50,168 | 31,462 | - | - | - | - |
| Grade 8 | 16,000 | 1,631 | - | - | - | - |
| Grade 9 | 25,115 | 17,547 | - | - | - | - |
| Grade 10 | 29,340 | 17,661 | - | - | - | - |
| Gross amount | 120,623 | 69,164 | - | - | - | - |
| Impairment loss | (53,599) | (27,243) | - | - | - | - |
| Carrying amount | 67,024 | 41,921 | - | - | - | - |
| | | | | | | |
| | Loans and advances to customers | Loans and advances to credit institutions | Investment securities | | | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Collectively impaired | | | | | | |
| Grade 7 | 8,354 | 1,849 | - | - | - | - |
| Grade 8 | 3,597 | 2,612 | - | - | - | - |
| Grade 9 | 2,156 | 3,097 | - | - | - | - |
| Grade 10 | 16,601 | 15,244 | - | - | - | - |
| Gross amount | 30,708 | 22,802 | - | - | - | - |
| Impairment loss | (23,873) | (14,494) | - | - | - | - |
| Carrying amount | 6,835 | 8,308 | - | - | - | - |
| | | | | | | |
| | Loans and advances to customers | Loans and advances to credit institutions | Investment securities | | | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| More than 30 days past due | | | | | | |
| Grade 2 | 71,915 | 88,232 | - | - | - | - |
| Grade 3 | 63,266 | 53,944 | - | - | - | - |
| Grade 4 | 43,680 | 30,855 | - | - | - | - |
| Grade 5 | 35,328 | 10,369 | - | - | - | - |
| Grade 6 | 15,316 | 6,275 | - | - | - | - |
| Grade 7 | 2,225 | 766 | - | - | - | - |
| Gross amount | 231,730 | 190,441 | - | - | - | - |
| Impairment loss | (3,948) | (2,844) | - | - | - | - |
| Carrying amount | 227,782 | 187,597 | - | - | - | - |
| Over 30 days past due comprises: | | | | | | |
| 31-90 days | 95,067 | 110,144 | - | - | - | - |
| 91-180 days | 73,749 | 51,072 | - | - | - | - |
| 180 days + | 58,966 | 26,381 | - | - | - | - |
| Carrying amount | 227,782 | 187,597 | - | - | - | - |
| | | | | | | |
| | Loans and advances to customers | Loans and advances to credit institutions | Investment securities | | | |
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Less than or equal to 30 days past due | | | | | | |
| Grade 1 | 780,745 | 780,041 | 157,202 | 237,424 | 417,887 | 25,330 |
| Grade 2 | 252,136 | 346,174 | - | - | - | - |
| Grade 3 | 284,830 | 204,277 | - | - | - | - |
| Grade 4 | 77,672 | 117,900 | - | - | - | - |
| Grade 5 | 106,417 | 161,535 | - | - | - | - |
| Grade 6 | 89,660 | 136,098 | - | - | - | - |
| Gross amount | 1,591,460 | 1,746,025 | 157,202 | 237,424 | 417,887 | 25,330 |
| Impairment loss | (17,372) | (9,082) | - | - | - | - |
| Carrying amount | 1,574,088 | 1,736,943 | 157,202 | 237,424 | 417,887 | 25,330 |
| | | | | | | |
| Total carrying amount | 1,875,729 | 1,974,769 | 157,202 | 237,424 | 417,887 | 25,330 |



Set out below is an analysis of the gross and net of allowance for impairment amounts of 31 December 2009 and 31 December 2008 gross (before impairment) and net (after impairment) by risk grade.

(Amounts in Euro thousand)

| 31 December 2009 | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
|---|---------------------------------|------------------|---|----------------|-----------------------|----------------|
| | Gross | Net | Gross | Net | Gross | Net |
| Individually impaired | | | | | | |
| Grade 6 | - | - | - | - | - | - |
| Grade 7 | 50,168 | 48,618 | - | - | - | - |
| Grade 8 | 16,000 | 12,141 | - | - | - | - |
| Grade 9 | 25,115 | 5,662 | - | - | - | - |
| Grade 10 | 29,340 | 603 | - | - | - | - |
| Total | 120,623 | 67,024 | - | - | - | - |
| Collectively impaired | | | | | | |
| Grade 7 | 8,354 | 3,697 | - | - | - | - |
| Grade 8 | 3,597 | 719 | - | - | - | - |
| Grade 9 | 2,156 | - | - | - | - | - |
| Grade 10 | 16,601 | 2,419 | - | - | - | - |
| Total | 30,708 | 6,835 | - | - | - | - |
| Over 30 days past due | | | | | | |
| Grade 2 | 71,915 | 71,805 | - | - | - | - |
| Grade 3 | 63,266 | 63,041 | - | - | - | - |
| Grade 4 | 43,680 | 41,894 | - | - | - | - |
| Grade 5 | 35,328 | 33,945 | - | - | - | - |
| Grade 6 | 15,316 | 14,936 | - | - | - | - |
| Grade 7 | 2,225 | 2,161 | - | - | - | - |
| Total | 231,730 | 227,782 | - | - | - | - |
| Over 30 days past due comprises: | | | | | | |
| 31-90 days | 95,785 | 95,067 | - | - | - | - |
| 91-180 days | 74,283 | 73,749 | - | - | - | - |
| 180 days + | 61,662 | 58,966 | - | - | - | - |
| Total | 231,730 | 227,782 | - | - | - | - |
| Less than or equal to 30 days past due | | | | | | |
| Grade 1 | 780,745 | 776,558 | 157,202 | 157,202 | 417,887 | 417,887 |
| Grade 2 | 252,136 | 249,499 | - | - | - | - |
| Grade 3 | 284,830 | 278,838 | - | - | - | - |
| Grade 4 | 77,672 | 76,379 | - | - | - | - |
| Grade 5 | 106,417 | 104,646 | - | - | - | - |
| Grade 6 | 89,660 | 88,168 | - | - | - | - |
| Total | 1,591,460 | 1,574,088 | 157,202 | 157,202 | 417,887 | 417,887 |
| Grand total | 1,974,521 | 1,875,729 | 157,202 | 157,202 | 417,887 | 417,887 |

(Amounts in Euro thousand)

| 31 December 2008 | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
|---|---------------------------------|------------------|---|----------------|-----------------------|---------------|
| | Gross | Net | Gross | Net | Gross | Net |
| Individually impaired | | | | | | |
| Grade 6 | 863 | 613 | - | - | - | - |
| Grade 7 | 31,462 | 31,253 | - | - | - | - |
| Grade 8 | 1,631 | 1,081 | - | - | - | - |
| Grade 9 | 17,547 | 8,572 | - | - | - | - |
| Grade 10 | 17,661 | 403 | - | - | - | - |
| Total | 69,164 | 41,922 | - | - | - | - |
| | | | | | | |
| 31 December 2008 | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | Gross | Net | Gross | Net | Gross | Net |
| Collectively impaired | | | | | | |
| Grade 7 | 1,849 | 858 | - | - | - | - |
| Grade 8 | 2,612 | 1,110 | - | - | - | - |
| Grade 9 | 3,097 | 1,307 | - | - | - | - |
| Grade 10 | 15,244 | 5,034 | - | - | - | - |
| Total | 22,802 | 8,309 | - | - | - | - |
| | | | | | | |
| 31 December 2008 | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | Gross | Net | Gross | Net | Gross | Net |
| Over 30 days past due | | | | | | |
| Grade 2 | 88,232 | 87,614 | - | - | - | - |
| Grade 3 | 53,944 | 53,102 | - | - | - | - |
| Grade 4 | 30,855 | 29,713 | - | - | - | - |
| Grade 5 | 10,369 | 10,289 | - | - | - | - |
| Grade 6 | 6,275 | 6,133 | - | - | - | - |
| Grade 7 | 766 | 746 | - | - | - | - |
| Total | 190,441 | 187,597 | - | - | - | - |
| Over 30 days past due comprises: | | | | | | |
| 31-90 days | 111,186 | 110,144 | - | - | - | - |
| 91-180 days | 52,045 | 51,072 | - | - | - | - |
| 180 days + | 27,210 | 26,381 | - | - | - | - |
| Total | 190,441 | 187,597 | - | - | - | - |
| | | | | | | |
| 31 December 2008 | Loans and advances to customers | | Loans and advances to credit institutions | | Investment securities | |
| | Gross | Net | Gross | Net | Gross | Net |
| Less than or equal to 30 days past due | | | | | | |
| Grade 1 | 780,041 | 777,142 | 237,424 | 237,424 | 25,330 | 25,330 |
| Grade 2 | 346,174 | 344,756 | - | - | - | - |
| Grade 3 | 204,277 | 202,706 | - | - | - | - |
| Grade 4 | 117,900 | 116,994 | - | - | - | - |
| Grade 5 | 161,535 | 160,292 | - | - | - | - |
| Grade 6 | 136,098 | 135,051 | - | - | - | - |
| Total | 1,746,025 | 1,736,941 | 237,424 | 237,424 | 25,330 | 25,330 |
| Grand total | 2,028,432 | 1,974,769 | 237,424 | 237,424 | 25,330 | 25,330 |

4.2.2 Collateral

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

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

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---|-------------------|-------------------|
| Retail customers: | | |
| Mortgages | 506,031 | 956,130 |
| Securitized mortgage loans | 388,245 | - |
| Credit cards | 56,904 | 54,224 |
| Debit customers balances | 587 | 550 |
| Consumer loans | 85,066 | 77,579 |
| Subtotal | 1,036,833 | 1,088,483 |
| Corporate clients: | | |
| Subsidiaries | - | 486 |
| Subsidiaries – Corporate bonds | 152,500 | 50,000 |
| Corporate loans | 581,131 | 677,412 |
| Shipping loans | 42,770 | 52,280 |
| Corporate bonds | 125,998 | 136,000 |
| Debit corporate balances | 878 | 1,338 |
| Local authorities & other organizations | 14,582 | 2,951 |
| Subtotal | 917,859 | 920,467 |
| Amounts due relating to brokerage transactions | 19,829 | 19,482 |
| Loans and advances | 1,974,521 | 2,028,432 |
| Impairment loss | (98,792) | (53,663) |
| Loans and advances after provisions | 1,875,729 | 1,974,769 |
| Collaterals | | |
| Retail clients: | 1,438,595 | 1,281,334 |
| Corporate clients: | 1,535,594 | 1,410,525 |
| Total collateral amount | 2,974,189 | 2,691,859 |

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

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------|-------------------|-------------------|
| Cheques | 115,151 | 263,664 |
| Property | 581,337 | 322,015 |
| Others | 839,106 | 824,846 |
| Total | 1,535,594 | 1,410,525 |

4.3 Market Risk

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

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

The VaR model used by the Bank is based upon a 99 percent confidence level and assumes a 10-day holding period. As at 31 December 2009, VaR for the securities' portfolio was € 677 thousand and € 52 thousand for the Bank's foreign exchange position. For the calculation of the VaR Bank's security portfolio contains stocks, mutual funds and bonds available for sale that are in the trading portfolio. The Bank, as at 31 December 2009, held a long position of € 1.8 million, against several currencies.

With respect to 31 December 2008, VaR was equal to € 967 thousand for the securities' portfolio, and € 41.6 thousand for the Bank's foreign exchange position. The Bank, as at 31 December 2009, held a long position of 1.8 million, against several currencies.

The above are shown in the above tables.

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---------------------------|-------------------|-------------------|
| Investment risk | | |
| Securities' value* | 37,723 | 23,161 |
| VaR | 677 | 967 |
| Currency risk | | |
| Foreign exchange position | 1,784 | 1,771 |
| VaR | 52.0 | 41.6 |

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

4.4 Liquidity risk

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

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

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

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

The two mandatory indices, set by the Bank of Greece, the Net Liquid Assets index and the Assets minus Liabilities index, are monitored on a daily basis, based on Director of Bank of Greece decision (2619/09).



The Net Liquid Assets index was as follows:

| | 31.12.2009 | 31.12.2008 |
|------------------------|---------------|---------------|
| At 31 December | 17.30% | 15.36% |
| Average for the period | 26.85% | 21.17% |
| Maximum for the period | 33.39% | 26.10% |
| Minimum for the period | 17.30% | 13.53% |

In February 2009 the Bank concluded the securitisation of €424 million residential mortgages.

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

(Amounts in Euro thousand)

| At 31 December 2009 | Up to 1 month | 1-3 months | 3-6 months | 6-12 months | 1-5 years | Over 5 years | Total |
|--|----------------------|-------------------|-------------------|--------------------|------------------|---------------------|------------------|
| Cash & cash equivalents | 90,591 | - | - | - | - | - | 90,591 |
| Loans and advances to Banks | 154,404 | 2,798 | - | - | - | - | 157,202 |
| Loans and advances to customers | 421,040 | 4,326 | 940 | 2,727 | 515,604 | 931,092 | 1,875,729 |
| Trading securities | - | - | - | - | 1,971 | - | 1,971 |
| Available for sale investment securities | - | 496 | 493 | 10 | 33,052 | 373,181 | 407,232 |
| Held to maturity investment securities | - | - | 3,139 | - | 5,351 | 2,165 | 10,655 |
| Total assets | 666,035 | 7,620 | 4,572 | 2,737 | 555,978 | 1,306,438 | 2,543,380 |
| Liabilities | | | | | | | |
| Due to banks | 244,919 | - | - | 79,000 | - | - | 323,919 |
| Due to customers | 871,069 | 455,921 | 62,969 | 28,405 | 414,471 | - | 1,832,835 |
| Debt securities in issue | - | 675 | - | - | - | 89,578 | 90,253 |
| Other borrowed funds | 25,000 | - | - | - | - | 391,829 | 416,829 |
| Total liabilities | 1,140,988 | 456,596 | 62,969 | 107,405 | 414,471 | 481,407 | 2,663,836 |
| At 31 December 2008 | Up to 1 month | 1-3 months | 3-6 months | 6-12 months | 1-5 years | Over 5 years | Total |
| Total assets | 737,378 | 6,313 | 460,086 | 24,635 | 45,553 | 1,042,881 | 2,316,846 |
| Total liabilities | 1,040,785 | 503,515 | 198,770 | 52,112 | 456,101 | 39,562 | 2,290,845 |

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

4.5 Currency risk

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

day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign currency exchange risk at 31 December 2009. Included in the table are the Bank's assets and liabilities at carrying amounts, classified by currency.

(Amounts in Euro thousand)

| At 31 December 2009 | EUR | USD | Other | Total |
|---|------------------|----------------|---------------|------------------|
| Assets | | | | |
| Cash & cash equivalents | 90,122 | 198 | 271 | 90,591 |
| Loans and advances to banks | 96,942 | 51,123 | 9,137 | 157,202 |
| Loans and advances to customers | 1,842,178 | 28,703 | 4,848 | 1,875,729 |
| Trading securities | 1,971 | - | - | 1,971 |
| Available for sale investments | 405,442 | - | 1,790 | 407,232 |
| Held to maturity investments | 10,655 | - | - | 10,655 |
| Total assets | 2,447,310 | 80,024 | 16,046 | 2,543,380 |
| Liabilities | | | | |
| Due to banks | 319,000 | - | 4,919 | 323,919 |
| Due to customers | 1,734,566 | 87,699 | 10,570 | 1,832,835 |
| Debt securities in issue & other borrowed funds | 507,082 | - | - | 507,082 |
| Total liabilities | 2,560,648 | 87,699 | 15,489 | 2,663,836 |
| At 31 December 2008 | | | | |
| Total assets | 2,135,836 | 160,674 | 20,336 | 2,316,846 |
| Total liabilities | 2,099,344 | 165,769 | 25,732 | 2,290,845 |
| Net off-balance sheet position | (14) | (11) | 25 | - |

4.6 Interest rate risk

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

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

A parallel upward shift in the yield curves of 1% is expected to increase the Bank's loss in one year by an amount of € 3.8 million. On the other hand a parallel downward shift in the yield curves of 1% is expected to reduce Bank's loss in one year by an amount of € 3.8 million.

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

(Amounts in Euro thousand)

| At 31 December 2009 | Effective Interest rate | Floating | 1-3 months | 3-12 months | 1 to 2 years | Over 2 years | Non-interest | Total |
|--|-------------------------|----------------|------------------|----------------|---------------|----------------|----------------|------------------|
| Assets | | | | | | | | |
| Cash & cash equivalents | 0.5% | - | 69,989 | - | - | - | 20,602 | 90,591 |
| Loans and advances to banks | 0.3% | - | 102,754 | - | - | - | 54,448 | 157,202 |
| Loans and advances to customers | 4.9% | 721,622 | 357,897 | 181,705 | 40,297 | 125,044 | 449,164 | 1,875,729 |
| Trading securities | 2.0% | - | 1,971 | - | - | - | - | 1,971 |
| Available for sale investment securities | 1.3% | - | 376,980 | 12,361 | - | - | 17,891 | 407,232 |
| Held to maturity investment securities | 5.7% | - | - | 10,655 | - | - | - | 10,655 |
| Total assets | | 721,622 | 909,591 | 204,721 | 40,297 | 125,044 | 542,105 | 2,543,380 |
| Liabilities | | | | | | | | |
| Due to banks | 1.0% | - | 244,919 | 79,000 | - | - | - | 323,919 |
| Due to customers | 2.6% | - | 1,740,617 | 91,374 | 844 | - | - | 1,832,835 |
| Debt securities & other borrowed funds | 3.5% | - | 115,253 | - | - | - | 391,829 | 507,082 |
| Total liabilities | | - | 2,100,789 | 170,374 | 844 | - | 391,829 | 2,663,836 |
| At 31 December 2008 | | | | | | | | |
| Total assets | | 1,041,867 | 549,138 | 146,008 | 288,621 | 218,575 | 72,637 | 2,316,846 |
| Total liabilities | | - | 2,042,907 | 246,260 | 1,678 | - | - | 2,290,845 |

4.7 Operational Risk

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

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

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

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

4.8 Stress testing

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

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

4.9 Capital adequacy

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

The Bank applies the rules set by the Bank of Greece, regarding the adequacy of its capital. The regulation framework that applies to the Greek Banking system is the same as in the European Union. The Bank of Greece, as a regulator, requires the Bank to maintain a prescribed ratio of regulatory capital to total risk-weighted assets of at least 10%. The capital adequacy ratio is the ratio of total regulatory capital to total risk weighted assets of on and off balance sheet items, arising from credit risk, market risk, operational risk and securitized positions. Regulatory capital must be covered by at least half of Tier I capital and the rest must be covered by Tier II capital. Tier I capital is computed for 2009 according to BASEL II. There are no significant differences compared to the BASEL I computation method, applied until 2007.

*(Amounts in Euro thousand)*

| | 31.12.2009 | 31.12.2008 |
|-----------------------------------|-------------------|-------------------|
| Upper Tier I | 51,330 | 132,710 |
| Deductions | (2,889) | (4,396) |
| Total Tier I | 48,442 | 128,314 |
| Upper Tier II | 40,109 | 39,562 |
| Lower Tier II | 50,144 | 66,355 |
| Deductions | (41,812) | (4,396) |
| Total Tier II | 48,442 | 101,521 |
| Regulatory capital | 96,883 | 229,835 |
| Risk-weighted assets | | |
| Credit Risk | 1,331,163 | 1,553,250 |
| Market risk | 14,725 | 10,150 |
| Operational Risk | 104,063 | 140,613 |
| Securitized Exposures | 181,663 | 48,038 |
| Total risk-weighted assets | 1,631,614 | 1,752,051 |
| Indices (in %) | | |
| Tier 1 CAD | 2.97 % | 7.32 % |
| Total CAD | 5.94 % | 13.12 % |

In compliance with the Decree of the Governor of Bank of Greece 2592/20.08.2007, the Bank publishes at its website <http://www.aspisbank.gr/category/greek/507/index.html>, on an annual basis various information of regulatory and supervisory nature with regard to its capital adequacy, risk exposure and risk management. The information is at consolidated level on year end balances.

As at 31st December 2009 total capital adequacy is below the 10% and the Tier 1 is below 6.5%. Bank's management has communicated to Bank of Greece the action to be taken in order to improve capital adequacy, the most important being the share capital increase by 76.9 million, expected to be concluded by end of March 2010, part of which could be covered by a strategic investor.

In case of unsuccessful share capital increase, Bank of Greece has the power, if necessary, to take action and other measures to secure the interests of the Bank's creditors.

5. Fair values of financial assets and liabilities

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

(Amounts in Euro thousand)

| | Carrying amount | | Fair value | |
|---|-----------------|------------|------------|------------|
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| Financial assets | | | | |
| Loans and advances to banks | 157,202 | 237,424 | 157,202 | 237,424 |
| Loans and advances to customers (net of impairment) | 1,875,729 | 1,974,769 | 1,998,838 | 2,043,254 |
| Investment securities held to maturity | 10,655 | 3,210 | 10,666 | 3,092 |
| Financial liabilities | | | | |
| Due to banks | 323,919 | 156,183 | 323,919 | 156,183 |
| Due to customers | 1,832,835 | 1,993,094 | 1,843,636 | 2,008,217 |
| Debt securities in issue & other borrowed funds | 90,253 | 141,568 | 90,253 | 141,568 |

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

Interest rates used for discounting cash flows were derived by the respective yield curves currency and are as follows:

Loans and due to customers (%)

| 31.12.2009 | | 31.12.2008 | |
|------------|-------------------|------------|-----------------|
| EUR | 0.45300 - 2.40000 | EUR | 2.6920 - 3.1260 |
| USD | 0.98438 - 2.33000 | USD | 0.4363 - 2.0038 |
| JPY | 0.16500 - 0.69375 | JPY | 0.6913 - 1.0563 |
| CHF | 0.10667 - 1.43000 | CHF | 0.3400 - 1.0950 |
| GBP | 0.51500 - 2.97000 | GBP | 2.1663 - 3.0738 |
| AUD | 3.95000 - 5.77000 | AUD | 4.6500 - 4.8625 |
| DKK | 1.25500 - 2.80000 | DKK | 4.4925 - 4.9725 |
| CAD | 0.29833 - 2.40000 | CAD | 2.0467 - 2.4667 |
| SEK | 0.36000 - 2.53000 | SEK | 2.2900 - 2.6688 |

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

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

(Amounts in Euro thousand)

| 31.12.2009 | First Level | Second level | Third level | Total |
|--|--------------------|---------------------|--------------------|----------------|
| Available for sale investment securities | 405,090 | - | 2,142 | 407,232 |
| Financial assets through profit and loss | 1,971 | - | - | 1,971 |
| 31.12.2008 | First Level | Second level | Third level | Total |
| Available for sale investment securities | 20,357 | - | 1,763 | 22,120 |
| Financial assets through profit and loss | - | - | - | - |

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



6. Operating segments

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

- Corporate Banking: This segment includes banking services to large corporates operating in the commercial and industrial sector, banking services to shipping, participation in funding facilities through syndicated loans and corporate bonds.
- Shipping: This segment includes the banking services to shipping companies.
- Asset Management and Stock brokerage: This segment includes stock brokerage services.
- Credit Card: This segment includes credit card loans under VISA and MASTER trade marks.
- Retail Banking: This segment includes retail banking facilities such as loans, deposits and other facilities to individuals, households and small/medium companies.
- Treasury: This segment includes Treasury activity.

(Amounts in Euro thousand)

| 31.12.2009 | Corporate Banking | Shipping | Asset management & stock brokerage | Credit card | Retail Banking | Treasury | Other | Total |
|---|-------------------|----------|------------------------------------|-------------|----------------|----------|---------|-----------|
| <i>Interest income</i> | 8,511 | 1,233 | 349 | 4,381 | 80,929 | 8,297 | - | 103,700 |
| <i>Interest expense</i> | (808) | (130) | (7) | (23) | (79,187) | (7,189) | - | (87,344) |
| <i>Commissions, net trading income/(expense) & other earnings</i> | 693 | 147 | 2,218 | 1,923 | 14,368 | (8,724) | 62 | 10,687 |
| <i>Inter-segment revenue</i> | (1,065) | (145) | (65) | (258) | 2,684 | (1,151) | - | - |
| Operating income | 7,331 | 1,105 | 2,495 | 6,023 | 18,794 | (8,767) | 62 | 27,043 |
| Profit/(loss) before tax | 1,066 | 257 | (7,205) | (4,023) | (84,814) | (9,626) | (642) | (104,987) |
| Income tax | | | | | | | | 15,178 |
| Profit/(loss) after tax | | | | | | | | (89,809) |
| Total assets | 292,719 | 41,853 | 9,101 | 55,301 | 1,554,925 | 647,186 | 158,421 | 2,759,506 |
| Total liabilities | 67,959 | 10,802 | 5,422 | 4 | 2,146,074 | 439,172 | 34,287 | 2,703,720 |
| Tangible & intangible | 1 | - | 91 | 487 | 5,391 | 35 | - | 6,005 |
| Depreciation | 31 | 32 | 140 | 322 | 6,594 | 43 | - | 7,162 |
| Loss from impairment of loans & advances | 5,491 | 181 | 6,609 | 5,526 | 27,340 | - | - | 45,147 |

(Amounts in Euro thousand)

| 31.12.2008 | Corporate Banking | Shipping | Asset management & stock brokerage | Credit card | Retail Banking | Treasury | Other | Total |
|---|-------------------|----------|------------------------------------|-------------|----------------|----------|---------|-----------|
| <i>Interest income</i> | 15,961 | 3,138 | 636 | 2,782 | 113,893 | 14,739 | 732 | 151,881 |
| <i>Interest expense</i> | (1,650) | (780) | (24) | (62) | (99,930) | (16,732) | - | (119,178) |
| <i>Commissions, net trading income/(expense) & other earnings</i> | 1,282 | 172 | 2,710 | 2,238 | 19,774 | (2,214) | 223 | 24,185 |
| <i>Inter-segment revenue</i> | (4,612) | (346) | (404) | (1,488) | 6,577 | 273 | - | 0 |
| Operating income | 10,981 | 2,184 | 2,918 | 3,470 | 40,314 | (3,934) | 955 | 56,888 |
| Profit/(loss) before tax | 10,134 | 240 | (2,836) | (3,752) | (63,148) | (5,015) | 955 | (63,422) |
| Income tax | | | | | | | | 11,197 |
| Profit/(loss) after tax | | | | | | | | (52,225) |
| Total assets | 187,909 | 51,638 | 13,708 | 58,788 | 1,727,195 | 299,229 | 122,519 | 2,460,986 |
| Total liabilities | 15,648 | 38,997 | 4,509 | 303 | 1,955,851 | 297,751 | 11,459 | 2,324,518 |
| Tangible & intangible | 2 | 5 | 17 | 24 | 4,274 | 5 | - | 4,327 |
| Depreciation | 30 | 65 | 143 | 295 | 5,956 | 40 | - | 6,529 |
| Loss from impairment of loans & advances | - | 247 | 636 | 2,435 | 13,008 | - | - | 16,326 |

7. Net interest income

(Amounts in Euro thousand)

| | From 1 st January to | |
|---------------------------------------|---------------------------------|------------------|
| | 31.12.2009 | 31.12.2008 |
| Interest income | | |
| Loans and advances to customers | 95,403 | 137,142 |
| Available for sale | 6,000 | 416 |
| Money market | 1,905 | 14,050 |
| Investment securities (till maturity) | 360 | 112 |
| Trading securities | 32 | 161 |
| Total | 103,700 | 151,881 |
| | | |
| | From 1 st January to | |
| | 31.12.2009 | 31.12.2008 |
| Interest expense | | |
| Deposits from banks and customers | (81,712) | (108,845) |
| Subordinated liabilities | (5,632) | (10,333) |
| Total | (87,344) | (119,178) |
| | | |
| Net interest income | 16,356 | 32,703 |

8. Fee and commission income

(Amounts in Euro thousand)

| | From 1 st January to | |
|-------------------------------------|---------------------------------|---------------|
| | 31.12.2009 | 31.12.2008 |
| Loans and letters of guarantees | 8,298 | 11,621 |
| Management and custodian fees | 4,176 | 2,761 |
| Brokerage transactions | 2,243 | 2,701 |
| Credit cards | 1,936 | 2,018 |
| Transfers and similar | 804 | 1,642 |
| Imports-exports | 457 | 889 |
| Commission on customers derivatives | 177 | 229 |
| Other | 645 | 1,136 |
| Total | 18,736 | 22,997 |

9. Net trading income /(expense)

(Amounts in Euro thousand)

| | From 1 st January to | |
|--------------------|---------------------------------|----------------|
| | 31.12.2009 | 31.12.2008 |
| Trading portfolio | 3,417 | (724) |
| Foreign exchange | 928 | 767 |
| Available for Sale | (13,001) | (258) |
| Securitized loans | - | (2,016) |
| Derivatives | (68) | 16 |
| Total | (8,724) | (2,215) |

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

**10. Other operating income***(Amounts in Euro thousand)*

| | From 1 st January to | |
|-----------------------------|---------------------------------|--------------|
| | 31.12.2009 | 31.12.2008 |
| Leasing commissions | 378 | 1,119 |
| Rents/Leases | 40 | 96 |
| Dividend income | 62 | 223 |
| Safekeeping commissions | 35 | 160 |
| Profit from disposal of PPE | 3 | 10 |
| Other operating income | 607 | 2,265 |
| Σύνολο | 1,125 | 3,873 |

11. Staff expenses*(Amounts in Euro thousand)*

| | From 1 st January to | |
|---------------------------------------|---------------------------------|---------------|
| | 31.12.2009 | 31.12.2008 |
| Salaries | 31,194 | 33,992 |
| Wages | 6,334 | 3,901 |
| Indemnification | - | 8,575 |
| Social security obligations | 7,112 | 6,988 |
| Contribution to defined benefit plans | 284 | 443 |
| Total | 44,924 | 53,899 |

The average number of employees for the Bank was 1,014 for 31 December 2009 (31.12.2008: 1.027).

12. Other expenses*(Amounts in Euro thousand)*

| | From 1 st January to | |
|--------------------------------------|---------------------------------|---------------|
| | 31.12.2009 | 31.12.2008 |
| Rentals and other property expenses | 8,932 | 9,411 |
| Third party fees | 5,348 | 5,549 |
| Subscription fees | 3,756 | 3,316 |
| Other taxes | 2,191 | 2,996 |
| Marketing expenses | 1,562 | 2,922 |
| Telecommunication and postal charges | 1,973 | 1,976 |
| Credit card expenses | 1,847 | 1,802 |
| Traveling & accommodation expenses | 1,204 | 1,351 |
| Maintenance expenses | 1,155 | 1,161 |
| Consumables | 711 | 550 |
| Insurance premiums | 312 | 308 |
| Other expenses | 874 | 6,477 |
| Total | 29,865 | 37,819 |



13. Income tax

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---|-------------------|-------------------|
| Current year | | |
| Prior year taxes | (351) | (500) |
| Deferred tax | 15,529 | 11,697 |
| Total | 15,178 | 11,197 |
| Deferred tax (from temporary changes) | 17,444 | 12,209 |
| Effect of application of lower tax rates | (1,915) | (512) |
| | 15,529 | 11,697 |
| Reconciliation of effective tax rate | | |
| | 31.12.2009 | 31.12.2008 |
| Profit before income tax | (104,987) | (63,422) |
| Income tax using corporate tax rate | 25% 26,247 | 25% 15,856 |
| Non-deductible expenses | 1% (880) | 4% (2,631) |
| Tax exempt income | 1% (858) | 5% 2,855 |
| Effect of permanent differences | 1% (1,275) | - - |
| Prior year taxes | 0% (351) | 1% (500) |
| Effect of application of lower tax rates | 2% (1,915) | 1% (512) |
| Tax losses for which no deferred tax assets has been computed | 6% (5,790) | - - |
| Other differences | - - | 6% (3,871) |
| Total | 14% 15,178 | 18% 11,197 |

Because of the method under which the tax obligations are ultimately concluded in Greece, the Bank remains contingently liable for additional tax and penalties for its open tax years (from 2008). The tax audit of the Bank for the fiscal years 2005, 2006 and 2007, was concluded in September 2009 and resulted in an additional tax amounting to € 851 thousand. Due to the fact that the Bank's management has formed provisions for open tax years amounting to € 500 thousand, the Bank had an additional tax charge of € 351 thousand. No provision for open tax years was formed for the fiscal year 2009 because the Bank has tax losses. Tax losses for 2008 and 2009 can offset future taxable profits until 2013 and 2014 respectively.

Permanent differences mainly relate to the impairment of various assets not recognized for tax purposes.

14. Basic and diluted earnings per share

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

During the period ended on 31 December 2009, the Bank decreased the share capital by an amount of € 135,176 thousand and a specific reserve by an equal amount was formed, reducing the nominal value of its shares from € 2.71 to € 0.60 without affecting the number of shares (64,064 thousand).

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---|-------------------|-------------------|
| Loss of the period | (89,809) | (52,225) |
| Weighted average number of shares during the period (in thousand) | 64,064 | 64,064 |
| Basic and diluted earning/(loss) per share (in Euro) | (1.4019) | (0.8152) |

**15. Cash and cash equivalents***(Amounts in thousand of Euro)*

| | 31.12.2009 | 31.12.2008 |
|----------------------------|-------------------|-------------------|
| Cash | 20,548 | 24,329 |
| Reserves with Central Bank | 70,043 | 54,994 |
| Total | 90,591 | 79,323 |

16. Loans and advances to banks/ Due to Banks

Loans and advances to Banks are analyzed as follows:

(Amounts in thousand of Euro)

| | 31.12.2009 | 31.12.2008 |
|-----------------------------------|-------------------|-------------------|
| Current accounts | 53,999 | 41,699 |
| Money market placements- Deposits | 102,754 | 177,138 |
| Items in course of collection | 449 | 18,587 |
| Total | 157,202 | 237,424 |

Due to Banks are analyzed as follows:

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---------------------------------------|-------------------|-------------------|
| Due to European Central Bank (E.C.B) | 240,000 | - |
| Due to Greek State | 79,000 | - |
| Due to other Banks | 4,919 | 156,183 |
| Total | 323,919 | 156,183 |

17. Loans and advances to customers*(Amounts in Euro thousand)*

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Retail customers: | | |
| Mortgages | 506,031 | 956,130 |
| Securitized mortgage loans | 388,245 | - |
| Credit cards | 56,904 | 54,224 |
| Debit customers balances | 587 | 550 |
| Consumer loans | 85,066 | 77,579 |
| Subtotal | 1,036,833 | 1,088,483 |
| Corporate customers: | | |
| Subsidiaries | - | 486 |
| Corporate bonds – subsidiaries | 152,500 | 50,000 |
| Corporate loans | 581,131 | 677,412 |
| Shipping | 42,770 | 52,280 |
| Corporate bonds | 125,998 | 136,000 |
| Debit corporate balances | 878 | 1,338 |
| Local authorities & other organizations | 14,582 | 2,951 |
| Subtotal | 917,859 | 920,467 |
| Amounts due relating to brokerage transactions | 19,829 | 19,482 |
| Loans and advances | 1,974,521 | 2,028,432 |
| Impairment allowance | (98,792) | (53,663) |
| Loans and advances to customers net of impairment | 1,875,729 | 1,974,769 |
| Allowance for impairment | 31.12.2009 | 31.12.2008 |
| Balance at 1 st January | 53,663 | 37,403 |
| Impairment loss for the period | 45,147 | 16,326 |
| Write-offs | (18) | (66) |
| Total | 98,792 | 53,663 |



18. Trading securities

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|-----------------|--------------|------------|
| Corporate bonds | 1,971 | - |
| Total | 1,971 | - |

In accordance with the recent amendments to IAS 39, the Bank reclassified in July 2008 shares listed in the Athens Stock Exchange and bonds out of the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio amounting to € 6,703 thousand at 30.06.2008. This reclassification was made due to the volatility on the financial markets in year 2008. The revaluation of these shares and bonds for the period from 01.01.09 to 31.12.09, resulted to a profit of € 342 thousand, which has been recognized in the Available for Sale securities reserve, whereas if the Bank had not reclassified the above shares and bonds, the aforementioned amount would have had an impact on income statement.

No further reclassification took place in Trading Securities portfolio in 2009.

19. Available for sale securities

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|------------------------------|----------------|---------------|
| Mutual fund units | 12,542 | 8,328 |
| Listed shares | 707 | 5,302 |
| Bonds | 23,504 | 6,727 |
| Securitization bonds | 368,337 | - |
| Non-listed equity securities | 2,142 | 1,763 |
| Total | 407,232 | 22,120 |

On 21 September 2009, Private Insurance Supervisory Committee revoked the operating license of the insurance company ASPIS PRONIA AEGA. At that day, the Bank held 7,317,593 shares of this insurance company with a cost of € 13,143 thousand, which were permanently impaired, resulting to an equal impairment loss in "Available for sale portfolio", included, among others, in "Net trading income/(expense)" line of the Income Statement. The same line also includes gain from sale of other available for sale securities of total amount of € 69 thousand. This impairment had an effect in the Bank's comprehensive income statement of € 4,830 thousand and is illustrated in "Net trading income/(expense)" line, while an amount of total value € 8,240 thousand concerning the impairment which had been formed until 31 December 2008 was transferred from Bank's reserves to the same line as above (Note 9).

* In February 2009 the Bank concluded the securitisation of €424 million residential mortgages (Note 33)

20. Held-to-maturity securities

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------------------|---------------|--------------|
| BoG. Maturity 19/02/2010 | 3,139 | 3,210 |
| BoG. Maturity 20/08/2014 | 5,351 | - |
| BoG. Maturity 19/07/2019 | 2,165 | - |
| Total | 10,655 | 3,210 |



21. Investments in subsidiaries

(Amounts in Euro thousand)

| | Country of incorporation | Ownership percentage | 31.12.2009 | 31.12.2008 |
|------------------------------|--------------------------|----------------------|---------------|---------------|
| Aspis Leasing | Greece | 100% | 21,694 | 21,694 |
| Aspis SA Insurance Brokerage | Greece | 100% | 616 | 616 |
| Aspis International AEDAK | Greece | 55% | 8,166 | 8,166 |
| Aspis Stegastika SA | Greece | 100% | 60 | 60 |
| Aspis Finance Plc | United Kingdom | 100% | 13 | 13 |
| Aspis Jersey Ltd | Jersey Islands | 100% | - | - |
| Total | | | 30,549 | 30,549 |

22. Property and equipment

(Amounts in Euro thousand)

| Cost | Property and Buildings | Leasehold improvements | Furniture and equipment | Total |
|---|------------------------|------------------------|-------------------------|---------------|
| Balance at 1 st January 2008 | 6,985 | 26,252 | 49,969 | 83,207 |
| Acquisitions | | 799 | 1,937 | 2,736 |
| Other movements/write-offs | (10) | | (375) | (384) |
| Balance as at 31 December 2008 | 6,976 | 27,051 | 51,531 | 85,558 |
| Balance at 1 st January 2009 | 6,976 | 27,051 | 51,531 | 85,558 |
| Acquisitions | 311 | 1,897 | 2,980 | 5,188 |
| Other movements/write-offs | | | (280) | (280) |
| Balance as at 31 December 2009 | 7,287 | 28,948 | 54,231 | 90,466 |

| Depreciations | Property and Buildings | Leasehold improvements | Furniture and equipment | Total |
|---|------------------------|------------------------|-------------------------|---------------|
| Balance at 1 st January 2008 | 895 | 13,461 | 21,044 | 35,400 |
| Charge for the year | 127 | 1,643 | 3,860 | 5,630 |
| Other movements/write-offs | (1) | | (347) | (348) |
| Balance as at 31 December 2008 | 1,020 | 15,105 | 24,557 | 40,682 |
| Balance at 1 st January 2009 | 1,020 | 15,105 | 24,557 | 40,682 |
| Charge for the year | 129 | 2,105 | 3,929 | 6,163 |
| Other movements/write-offs | | | (268) | (268) |
| Balance as at 31 December 2009 | 1,149 | 17,210 | 28,218 | 46,577 |

| Carrying amounts | Property and Buildings | Leasehold improvements | Furniture and equipment | Total |
|---|------------------------|------------------------|-------------------------|---------------|
| Balance at 1 st January 2008 | 6,090 | 12,791 | 28,925 | 47,806 |
| Balance as at 31 December 2008 | 5,955 | 11,946 | 26,974 | 44,876 |
| Balance at 1 st January 2009 | 5,955 | 11,946 | 26,974 | 44,876 |
| Balance as at 31 December 2009 | 6,137 | 11,738 | 26,013 | 43,889 |



23. Intangible assets

(Amounts in Euro thousand)

| Cost | Software |
|---|--------------|
| Balance at 1 st January 2008 | 6,630 |
| Acquisitions | 1,591 |
| Balance as at 31 December 2008 | 8,221 |
| Balance at 1 st January 2009 | 8,221 |
| Acquisitions | 818 |
| Balance as at 31 December 2009 | 9,039 |
| Amortization | |
| Balance at 1 st January 2008 | 2,040 |
| Charge for the year | 899 |
| Balance as at 31 December 2008 | 2,939 |
| Balance at 1 st January 2009 | 2,939 |
| Charge for the year | 999 |
| Balance as at 31 December 2009 | 3,938 |
| Carrying amounts | |
| Balance at 1 st January 2008 | 4,590 |
| Balance as at 31 December 2008 | 5,282 |
| Balance at 1 st January 2009 | 5,282 |
| Balance as at 31 December 2009 | 5,101 |

24. Deferred tax asset

Deferred tax assets and liabilities are attributable to the following:

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---------------------------------|----------------|----------------|
| Deferred tax assets | | |
| Impairment for customer loans | 5,880 | 874 |
| Employee benefits | 778 | 725 |
| Commission income | 536 | 594 |
| Provisions | 420 | 1,211 |
| Tax loss | 23,367 | 12,260 |
| Other receivables | 204 | - |
| Total | 31,185 | 15,664 |
| Deferred tax liabilities | | |
| Property and equipment | (4,179) | (4,086) |
| Commission expense | (13) | (13) |
| Loans | (905) | (1,006) |
| Total | (5,097) | (5,105) |
| Net deferred tax asset | 26,088 | 10,559 |

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

| | Opening balance | Recognized in income | Closing balance |
|---------------------------|--------------------|-------------------------|-----------------|
| 31.12.2009 | | | |
| Customer loans impairment | 874 | 5,006 | 5,880 |
| Employee benefits | 725 | 53 | 778 |
| Commission income | 594 | (58) | 536 |
| Property and equipment | (4,086) | (93) | (4,179) |
| Commission expense | (13) | - | (13) |
| Loans | (1,006) | 101 | (905) |
| Provisions | 1,211 | (791) | 420 |
| Tax loss | 12,260 | 11,107 | 23,367 |
| Other receivables | - | 204 | 204 |
| Total | 10,559 | 15,529 | 26,088 |
| 31.12.2008 | | | |
| Customer loans impairment | 1,910 | (1,036) | 874 |
| Employee benefits | 852 | (127) | 725 |
| Commission income | 817 | (223) | 594 |
| Property and equipment | (4,923) | 837 | (4,086) |
| Commission expense | (18) | 5 | (13) |
| Loans | (658) | (348) | (1,006) |
| Provisions | - | 1,211 | 1,211 |
| Tax loss | 882 | 11,378 | 12,260 |
| Total | (1,138) | 11,697 | 10,559 |

The Bank estimates the attaining of adequate tax profits within the following 5 years in order to justify the offset of tax losses. Deferred tax asset regarding the taxation of losses for 2008 that may be offset until 2013 amounts to € 12,260 thousand, while the respective deferred tax asset concerning the taxation of losses for 2009 that may be offset until 2014 amounts to € 11,107 thousand.

The computation of deferred tax assets and liabilities has been done with tax rates 20% excluding the deferred tax asset from tax loss for which a tax rate of 22.5% was used. The evolution of the income tax rate in accordance with the legislation in the coming years is as follows:

2010: 24%
2011: 23%
2012: 22%
2013: 21%
2014: 20%

25. Other assets
(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|---|----------------|---------------|
| Receivables from Special Purpose Entities for residential mortgage securitization | 47,070 | - |
| Receivables from Greek State and other public organizations | 14,058 | 11,169 |
| Deposit Guarantee Fund | 15,667 | 5,306 |
| Guarantees and participations to other funds | 11,317 | 9,540 |
| Housing loans expenses | 9,529 | 10,342 |
| Property acquired in auctions | 5,033 | 5,184 |
| Accrued income | 3,461 | 5,387 |
| Advances | 695 | 1,795 |
| Other receivables | 3,669 | 4,151 |
| Total | 110,499 | 52,874 |

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

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

"Receivables from Greek State and other public organizations" consist of payments for capital tax amounting to €1,668 thousand. This amount arises from the following:

- Payment of € 900 thousand for the share capital increase with € 90,000 thousand with the issuance of preference shares which were to be retained by the Greek State according to the decision of extraordinary General Meeting of 23 January 2009. After the acquisition of these shares the aforementioned amount will be recognized in the share capital; otherwise this amount will be claimed by the Greek State.
- Payment of € 768 thousand for the share capital increase according to the decision of extraordinary General Meeting of 23 July 2009.

26. Due to customers

| <i>(Amounts in Euro thousand)</i> | 31.12.2009 | 31.12.2008 |
|-----------------------------------|-------------------|-------------------|
| On demand and current accounts | 333,651 | 279,027 |
| Savings accounts | 155,518 | 159,022 |
| Term deposits | 1,343,666 | 1,555,045 |
| Total | 1,832,835 | 1,993,094 |

From the amount of "term deposits" the deposits that are expected to mature within the following 12 months amount to € 1,335 million.

27. Debt securities in issue

This account relates to the subordinated liability from the proceeds from the issuance of subordinated floating rate notes by the Bank's subsidiary Aspis Finance plc. and hybrid securities issued by Aspis Jersey plc. The proceeds of these notes were returned to the Bank in the form of a loan:

| <i>(Amounts in Euro thousand)</i> | 31.12.2009 | 31.12.2008 |
|-----------------------------------|-------------------|-------------------|
| Hybrid issues | 40,000 | 40,000 |
| Subordinated loans | 50,000 | 100,250 |
| Accrued expense | 676 | 2,256 |
| Direct expenses | (423) | (938) |
| Total | 90,253 | 141,568 |

a) Hybrid notes

1. Aspis Jersey plc. issued in April 2007 an amount of € 15,000 thousand at Euribor three month plus a spread of 3.95% which if recalled on April 2017 will be increased by 1%
2. Aspis Jersey plc. issued in April 2007 an amount of € 25,000 thousand at Euribor three month plus a spread of 4.50%
The issuer has the option not to pay interest. The issuer can recall.

b) Subordinated loans

Aspis Finance plc. issued in February 2005 an amount of € 50,000 thousand due in 2015 with recall date February 2010 and maturity February 2015. Interest rate is Euribor 3 month plus 1.35% spread which if recalled increases by 1.30%.

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

On August 2009 issuer Aspis Jersey Plc repurchased the subordinated loan due in 2017 and amounting to € 50,250 thousand.

The Bank has met all its payment obligations regarding interest, capital or any other term of the aforementioned securities.

**28. Provisions****Movement in provisions during the period***(Amounts in Euro thousand)*

| | Opening balance | Provision for the year | Usage of provisions | Closing balance |
|---|------------------------|-------------------------------|----------------------------|------------------------|
| 31.12.2009 | | | | |
| Restructuring plan | 1,749 | - | (1,207) | 542 |
| Contingent indemnification of labour legal disputes | 1,000 | - | - | 1,000 |
| Impairment on claims except for Bank loans | 1,846 | 462 | (2,308) | 0 |
| Litigation claims | 251 | 77 | - | 328 |
| Income tax for open tax years | 500 | - | (500) | 0 |
| Provision for medical expenses | - | 230 | - | 230 |
| Impairment on off-balance sheet items | 891 | 702 | - | 1,593 |
| Total | 6,237 | 1,471 | (4,015) | 3,693 |
| 31.12.2008 | | | | |
| Restructuring plan | - | 1,749 | - | 1,749 |
| Contingent indemnification of labour legal disputes | - | 1,000 | - | 1,000 |
| Impairment on claims except for Bank loans | - | 1,846 | - | 1,846 |
| Litigation claims | - | 251 | - | 251 |
| Income tax for open tax years | - | 500 | - | 500 |
| Impairment on off-balance sheet items | - | 891 | - | 891 |
| Total | - | 6,237 | - | 6,237 |

The provisions of the period amounting to € 1,471 thousand are recorded in the "Provisions" in the profit and loss account which also includes provisions of impairment of other claims amounting to € 3,461 thousand which are shown as deduction in assets.

The amount designated for the restructuring plan mainly refers to relocation of the branches and headquarters of the Bank .

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

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Bank drafts & cheques payable | 10,421 | 3,546 |
| Other accrued expenses | 10,030 | 8,280 |
| Other liabilities | 7,010 | 7,174 |
| Tax obligations | 2,271 | 1,826 |
| State and Social Insurance liabilities | 1,859 | 2,184 |
| Accrued interest expenses | 708 | 754 |
| Total | 32,299 | 23,764 |



30. Employee benefits

Employee benefits consist of:

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| Defined benefit obligations | 3,842 | 3,622 |
| Vacation not taken | 50 | 50 |
| Total | 3,892 | 3,672 |
| Defined benefit obligations | | |
| Present value of unfunded obligations | 3,670 | 3,020 |
| Unrecognised actuarial gains and losses | 172 | 602 |
| Recognized liability for defined benefit obligations | 3,842 | 3,622 |
| Movement in the liability for defined benefit obligations | 31.12.2009 | 31.12.2008 |
| Defined benefit obligations at 1 January (Note 11) | 3,622 | 3,406 |
| Expense recognized in income statement (see below) | 284 | 443 |
| Benefits paid | (64) | (227) |
| Total | 3,842 | 3,622 |
| Expense recognized in income statement | 31.12.2009 | 31.12.2008 |
| Current service costs | 259 | 292 |
| Interest expense | 161 | 150 |
| Amortization of actuarial loss | (136) | 1 |
| Total | 284 | 443 |
| Actuarial assumptions | 31.12.2009 | 31.12.2008 |
| Discount rate | 5.07% | 5.5% |
| Future salary increases | 3.50% | 4.0% |

31. Share capital

The extraordinary General Assembly of the Shareholders held on 23rd January 2009 decided the increase of the share capital with the amount of € 90 million, which will be funded by the Greek State, according to the provisions of Law 3723/08 for enforcing the liquidity of the banks. This share capital increase takes place via the issue of 33,210,332 preference shares of nominal value of € 2.71.

The extraordinary General Assembly of the Shareholders held on 23rd July 2009 decided the following:

1) To reduce the share capital by reducing a nominal value of shares from € 2.71 to 0.60. As a result, the share capital was decreased by € 135,176 thousand with a creation of a special reserve for the same amount pursuant to the provisions of article 4, paragraph 4a of Law 2190/1920, as the latter was amended by the article 32 of Law 3763/2009. The aforementioned reserve can only be used to set off future losses, or for re- capitalization.

2) To recall the decision of the extraordinary General Assembly of the Shareholders held on 23/1/2009, regarding the increase of share capital for an amount of € 90,000 thousand which was to be funded by the Greek State according to the provisions of Law 3723/08.

3) To increase the share capital by € 76,877 thousand by issuing 128,128,108 new common, shares with nominal value of € 0.60 each. Any difference arising from the amount of € 76,877 thousand will be recorded to share premium. The Bank reserved its right to participate to the state-aid program for the strengthening of the liquidity of the Greek economy through the issuance of preference shares which will be retained by the Greek State until 31 December 2009 according to Law 3723/2008.

Based on the above, the Board of Directors Bank's determined, on 1 March 2010, the offer price for the Bank's share capital to be € 0.60 per share. According to the decision of the General Assembly on 23.07.09 of the Bank's Shareholders 128, 128,108 new shares will be issued with a par value of € 0,60 each. The Bank's share capital will increase by € 76,876,864.80. If the share capital increase is fully subscribed, the Bank's share capital will amount to € 115,315,297.20 divided into 192,192,162 shares with a par value € 0.60 each. (Note 36 "Subsequent events").

32. Reserves

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--------------------------------------|-------------------|-------------------|
| Statutory reserve | 649 | 649 |
| Untaxed reserves | 1,908 | 1,908 |
| Available for sale reserve | (2,637) | (11,764) |
| Reserve from share capital reduction | 135,176 | - |
| Other reserves | 5,782 | 5,782 |
| Total | 140,878 | (3,425) |

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

Untaxed reserves: In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that the reserves are distributed they will be taxed at the rate applicable on the date of distribution. In case tax free reserves are distributed a tax of € 477 thousand will be paid.

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

Other reserves: It includes other reserves. (mainly reserve for banking risks, amounting to 5,5 million).

33. Securitizations

On February 2009, the issuance of € 377 million bond loans (maturity: 15 October 2053, 3 month Euribor plus 0.25% spread), through Bank's subsidiary Byzantium II Finance Plc was completed. The Bonds are collateralized with mortgage loans of total value € 424 million of the Bank. The Bonds rated as AAA by the credit rating agency Fitch have been retained by the Bank and will be used for refinancing purposes through repos agreements.

Byzantium II issued additional Notes for € 33.25 million (maturity: 15 October 2053, 3 month Euribor plus 3% spread) purchased from the Bank aiming to establish reserves for protection against losses. These Notes are unrated and classified in "Available for Sale portfolio".

As of 31 December 2009 the above bonds are included in "Available for Sale portfolio" with a total value of € 368.34 million (Class A €353 million and Class B € 15.34 million) and the respective liability of € 391.83 million is classified in "Other borrowed funds".

The Bank granted a loan to Byzantium II of € 30.5 million in order to retain reserves for the protection against losses arising from the potential off-set of receivables with obligations of the borrowers.

According to IAS 39 the Bank continues to appear the collateralized bonds with mortgage loans in its balance sheet provided that the provisions of IAS 39 regarding the non recognition of financial instruments of balance sheet do not apply.



34. Related-party transactions

The Bank defines its subsidiaries and the Board of Directors as related parties. The transactions are conducted under the market term and conditions.

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|--|-------------------|-------------------|
| (a) Senior management and Board of Directors | | |
| Loans and advances to customers | 1,393 | 21,546 |
| Due to customers | 689 | 3,552 |
| Other liabilities | 114 | 81 |
| | 31.12.2009 | 31.12.2008 |
| Income | | |
| Net interest income | (52) | 523 |
| Net commission income | 1 | 33 |
| Expense | | |
| Staff costs | 2,004 | 15,221 |
| Other operating expenses | 360 | 452 |
| | 31.12.2009 | 31.12.2008 |
| (b) Balances and transaction with subsidiaries | | |
| Available-for-sale securities | 369,280 | 2,500 |
| Loans and advances to customers | 197,402 | 69,557 |
| Other assets | 51,827 | 5,001 |
| Due to customers | 63,643 | 9,296 |
| Subordinated liabilities and hybrid issues | 115,000 | 140,250 |
| Other borrowed funds | 391,829 | - |
| Other liabilities | 688 | 2,257 |
| | 31.12.2009 | 31.12.2008 |
| Income | | |
| Interest income | 8,149 | 3,916 |
| Commission income | 2,809 | 1,548 |
| Other income | 42 | 95 |
| Expense | | |
| Interest expense | 5,751 | 10,231 |
| Other expense | 471 | 446 |
| | 31.12.2009 | 31.12.2008 |
| (c) Other key management personnel and other parties: | | |
| Loans and advances to customers | 21,349 | 24,410 |
| Other assets | 65 | - |
| Due to customers | 47,485 | 58,932 |
| Other liabilities | 29 | 58 |
| | 31.12.2009 | 31.12.2008 |
| Income | | |
| Net interest income | 906 | (1,334) |
| Net commission income | 526 | 553 |
| Expense | | |
| Other operating expenses | 2,644 | 4,091 |

The claims of Bank from loans and letters of guarantee granted to Aspis Pronoia Group (ASPIS PRONOIA AEGA, ASPIS PRONOIA S.A., PROVISION S.A., ASPIS ESTIA S.A., ASPIS FUND S.A., E-VALLEY S.A., D.ATHENEOS INSURANCE GROUP) and COMMERCIAL VALUE S.A. amounts to € 6,690 thousand for which an impairment of € 1,818 thousand has been established.



| | Company name | Loans | Deposits | Interest income | Interest expense | Other income | Other expenses | Letters of Guarantee | Stock brokerage | Other assets | Other liabilities |
|---|-------------------------------------|----------------|----------------|-----------------|------------------|--------------|----------------|----------------------|-----------------|----------------|-------------------|
| Board of Directors & Senior management | | 493 | 689 | 13 | 65 | 1 | 2,364 | - | 900 | - | 114 |
| | ASPIS INTERNATIONAL M.F.S.A. | - | 73 | - | - | 294 | 63 | 352 | - | 11 | - |
| | ASPIS LEASING S.A. | 146,500 | 62,187 | 2,399 | 66 | 30 | 25 | 10,000 | - | 4 | - |
| | ASPIS INSURANCE BROKERAGE S.A. | - | 73 | - | 1 | 5 | - | - | - | - | - |
| | ASPIS CREDIT S.A. | 6,000 | 1,310 | 144 | 27 | 6 | 383 | 26 | - | 4 | - |
| | ASPIS FINANCE PLC | - | - | - | 1,687 | - | - | - | - | - | 50,168 |
| | ASPIS JERSEY | - | - | - | 3,970 | - | - | - | - | - | 65,520 |
| | BYZANTIUM FINANCE I | 19,121 | - | 50 | - | 447 | - | - | - | 6,362 | - |
| | BYZANTIUM FINANCE II | 25,781 | - | 5,556 | - | 2,069 | - | - | - | 414,726 * | 391,829 ** |
| Aspis Bank Group | | 197,402 | 63,643 | 8,149 | 5,751 | 2,851 | 471 | 10,378 | 0 | 421,107 | 507,517 |
| | ASPIS PRONOIA S.A. | 2,197 | 8,272 | 641 | 116 | 466 | 1,954 | 300 | - | - | 18 |
| | ASPIS PRONOIA GEN.SECURITY LIFE S.A | 116 | 9,211 | 14 | 244 | 30 | 218 | 77 | - | - | 11 |
| | PROVISION S.A. | - | - | - | - | - | - | - | (12) | - | - |
| | ASPIS ESTIA S.A. | 2,500 | 1 | 88 | - | - | - | - | - | - | - |
| | ASPIS FUNDS | - | 91 | - | 2 | - | - | - | - | - | - |
| | COMMERCIAL VALUE S.A. | 463 | 29,394 | 144 | 1,222 | 29 | - | 984 | - | 65 | - |
| | E-VALLEY S.A. | - | 39 | - | - | - | - | - | - | - | - |
| | D.ATHENEOS INSURANCE GROUP | - | 2 | - | - | - | - | - | - | - | - |
| Parent Company Group | | 5,276 | 47,010 | 887 | 1,584 | 525 | 2,172 | 1,361 | (12) | 65 | 29 |
| Other related parties | | 11,739 | 463 | 1,617 | 14 | 1 | 472 | - | 4,334 | - | - |
| Total | | 214,910 | 111,805 | 10,666 | 7,414 | 3,378 | 5,479 | 11,739 | 5,222 | 421,172 | 507,660 |

*Available-for-sale securities and other funds to SPE for residential mortgage securitisation

** Other borrowed funds to SPE

35. Contingent liabilities and commitments

35.1 Litigation

The Bank is a defendant in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Bank. The Bank has formed a provision of € 1 million for contingent labour legal disputes and of € 328 thousand for litigation claims (Note 28).

35.2 Credit commitments

The contractual amounts of the Bank's off-balance sheet financial instruments that commit to extend credit to customers are as follows:

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|----------------------|-------------------|-------------------|
| Letters of guarantee | 144,180 | 210,102 |
| Letters of credit | 1,213 | 1,306 |

The Bank participates in the Company of innovator business participations NBGI Private Equity and has contractual obligation to pay the amount of GBP 5,000 thousand. The Bank has paid until today the amount of GBP 1,884 thousand or € 2,121 thousand. The value of the specific participation which has been classified in "Available for sale securities" arises to the amount of € 1,790 thousand, according to the latest available evaluation of 31 December 2009.

35.3 Operating leases

The Bank's commitments from lease contracts refer mainly to buildings used for its branches and other operating units. The future minimum lease payments under operating leases are as follows :

(Amounts in Euro thousand)

| | 31.12.2009 | 31.12.2008 |
|----------------------------|-------------------|-------------------|
| Less than one year | 5,907 | 6,588 |
| Between one and five years | 15,759 | 16,080 |
| Over five years | 12,669 | 8,188 |



36. Subsequent events

- Mr Vasilios Apostolopoulos, member of the Board of Directors of the Bank, resigned on 01 March 2010. The Board of Directors decided not to replace the resigned member.
- The Board of Directors determined, on 1 March 2010, the offer price for the Bank's share capital to be € 0.60 per share. According to the decision of the General Assembly of the Bank's Shareholders, on 23 July 2009, 128,128,108 new shares will be issued with a par value of € 0.60 each. The Bank's share capital will increase by € 76,876,864.80. If the share capital increase is fully subscribed the Bank's share capital will amount to € 115,315,297.20 divided into 192,192,162 shares with a par value € 0.60 each.
- The Bank's Board of Directors announced on 8 March 2010 that the Information Memorandum for the Bank's share capital increase, as approved by the Capital Market Committee, is available to the public. The share capital increase is expected to be concluded on 31 March 2010.
- The Private Insurance Supervisory Committee decided on 25 February 2010 to recall the operating license of Commercial Value S.A. which holds 34.70% of the share capital of the Bank and to put it in insurance liquidation status, according to the prevailing legislation.
- The Liquidation Supervisor of Aspis PRONOIA SA, Aspis PRONOIA GEN.SECURITY LIFE S.A. and COMMERCIAL VALUE SA, announced on 5 March 2010 that the aforementioned companies will not participate in the share capital increase of the Bank. The rights held by these companies, amounting to 54.39% of the share capital of the Bank, are available for sale.
- Hellenic Postbank announced on 12 February 2010 its intention to acquire 30% to 32.9% of the share capital of Aspis Bank through the forthcoming share capital increase, on the proviso that the main shareholder of the latter will not participate in the share capital increase and that the supervisory authorities approve the former's participation.
- From 1 January 2010 to the date of publication of the financial statements the net outflow of deposits amounted to € 207,622 thousand, approximately.
- In February 2010, the Bank did not exercise its option to recall its subordinated bond issue, amounting to € 50 million (expiration February 2015) issued by Aspis Finance SA. From the step-up date the interest rate for the specific issue became 3 month Euribor plus 265 basis points, compared to 3month Euribor plus 135 basis points up to February 2010.



Independent Auditors' Report (Translated from the original in Greek)

To the Shareholders of
ASPIS BANK S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of financial position of ASPIS BANK S.A. (the "Bank") which comprise the Statement of Financial Position as of 31 December 2009 and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Bank as of 31 December 2009 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion we draw attention to Note 2.2 of the financial statements which refers to the fact that capital adequacy ratio has fallen below the minimum limit. As a result, the Bank has, instantly, decided to increase its share capital, as requested from the Bank of Greece, in order to improve its capital adequacy ratio, and continue its operation as going concern.

Athens, 19 March 2010
KPMG Certified Auditors A.E.

Harry Sirounis
Certified Auditor Accountant

AM SOEL 19071



VII. Financial data and Information for the period from 1st January 2009 to 31 December 2009



ASPIS BANK S.A. Reg. No 26699/06/19/12/12 4th Othonos Str, 105 57 Athens

Financial data and information for the period from 1st January 2009 to 31st December 2009
(In accordance with Codified Law 2190/20 article 135, regarding organizations that prepare annual financial statements, consolidated or standalone, in accordance with International Accounting Standards, I.A.S.)
(Amounts in thousand of Euro)

The financial information listed below aims to provide an overview of the financial position and financial results of ASPIS BANK SA and its Group. Consequently readers are advised to visit the web-site of the Bank where the condensed financial statements under IFRS are available as well as the auditor's review report of the condensed financial statements if required, before any investment decision or transaction with the Bank is conducted

Information of Aspis Bank

Registered office: 4 Othonos Street, 105 57 Athens
Supervising authority: Ministry of Development/ Bank of Greece
Company's web-site: www.aspisbank.gr
Certified Public Auditor: Harry Siconolfi
Audit Firm: KPMG Certified Auditors SA
Auditor's report of the condensed financial statements: Unqualified opinion-Emphasis of matter
Date of approval of the Financial Statements by the Board of Directors (from which the financial statements and information were derived): 19 March 2010

Members of the Board of Directors

Donatos Stavropoulos
Nikolaos F. Malouchos
Vasilios M. Dalalides
Dimitrios G. Goumas
Fotou D. Tsimvolaki
Stavros V. Androustopoulos

Chairman (Non-executive Member)
Vice Chairman & Managing Director (Executive Member)
Executive Member
Non-executive, Independent member
Non-executive, Independent member
Non-executive, Independent member
Non-executive, Independent member

FINANCIAL POSITION STATEMENT

| | Group | | Bank | |
|---|------------------|------------------|------------------|------------------|
| | 31.12.2009 | 31.12.2008 | 31.12.2009 | 31.12.2008 |
| ASSETS | | | | |
| Cash & cash equivalents | 90,593 | 79,326 | 90,591 | 79,323 |
| Loans and advances to banks | 263,474 | 260,875 | 157,202 | 237,424 |
| Loans and advances to customers (net of impairment) | 1,871,434 | 2,136,059 | 1,875,729 | 1,974,769 |
| Trading securities | 3,894 | 4,471 | 1,971 | - |
| Available-for-sale investment securities | 37,076 | 19,620 | 407,232 | 22,120 |
| Hold-to-maturity investment securities | 10,655 | 3,210 | 10,655 | 3,210 |
| Investment in subsidiaries | - | - | 30,549 | 30,549 |
| Property and equipment | 50,031 | 50,251 | 43,889 | 44,876 |
| Intangible assets | 7,213 | 6,470 | 5,101 | 5,282 |
| Other assets | 93,552 | 64,438 | 136,587 | 63,433 |
| TOTAL ASSETS | 2,428,022 | 2,624,720 | 2,759,506 | 2,460,986 |
| LIABILITIES AND EQUITY | | | | |
| Due to banks | 228,007 | 176,183 | 323,919 | 156,183 |
| Due to customers | 1,769,122 | 1,986,108 | 1,823,825 | 1,993,094 |
| Debt securities in issue | 173,562 | 261,833 | 90,253 | 141,568 |
| Other borrowed funds | - | - | 416,829 | - |
| Provisions/Other liabilities | 49,917 | 37,936 | 39,884 | 33,673 |
| Total liabilities | 2,320,618 | 2,462,060 | 2,703,720 | 2,324,518 |
| Share capital | 36,438 | 173,614 | 36,438 | 173,614 |
| Other reserves | 28,197 | (51,861) | 17,348 | (37,146) |
| Total equity attributable to Bank equity holders | 66,635 | 121,753 | 55,786 | 136,468 |
| Minority interest | 1,168 | - | - | - |
| Hybrid capital | 39,601 | 39,562 | - | - |
| Total equity | 107,404 | 162,640 | 55,786 | 136,468 |
| TOTAL LIABILITIES AND EQUITY | 2,428,022 | 2,624,720 | 2,759,506 | 2,460,986 |

COMPREHENSIVE INCOME STATEMENT

| | Group | | Bank | |
|--|--|-----------------|--|-----------------|
| | From 1 st January to 31.12.2009 | 31.12.2008 | From 1 st January to 31.12.2009 | 31.12.2008 |
| Net interest income | 27,501 | 49,311 | 16,356 | 32,703 |
| Net fee and commission income | 17,275 | 23,742 | 18,286 | 22,527 |
| Net trading profit/(loss) | 18,939 | (2,562) | (8,724) | (2,215) |
| Other operating income | 8,110 | 11,492 | 1,132 | 3,872 |
| Impairment on loans and advances | (48,040) | (17,383) | (45,147) | (16,326) |
| Provisions | (6,638) | (5,750) | (4,822) | (5,727) |
| Staff expenses | (47,241) | (56,417) | (44,524) | (53,899) |
| Depreciation and amortization | (12,377) | (12,211) | (7,162) | (6,529) |
| Other operating expenses | (25,722) | (49,470) | (29,845) | (27,816) |
| Loss before income tax | (77,193) | (59,239) | (104,987) | (63,422) |
| Income tax | 15,177 | 10,963 | 15,178 | 11,197 |
| Loss for the period (A) | (62,016) | (48,276) | (89,809) | (52,225) |
| -Shareholders of the Bank | (61,839) | (48,068) | - | - |
| -Minority interest | (157) | (208) | - | - |
| Transfer of impairment loss of Available for sale securities to profit of loss | 8,620 | 194 | 8,620 | 194 |
| Changes in fair value of Available for sale securities | 498 | (8,000) | 498 | (8,000) |
| Other comprehensive income after tax (B) | 9,127 | (7,806) | 9,127 | (7,806) |
| Total comprehensive income after tax (A)+(B) | (52,889) | (56,082) | (80,682) | (60,031) |
| -Shareholders of the Bank | (52,732) | (55,874) | - | - |
| -Minority interest | (157) | (208) | - | - |
| Basic and diluted earnings/(loss) per share (in Euro) | (0.9680) | (0.7536) | (1.4019) | (0.8152) |

CASH FLOW STATEMENT

| | Group | | Bank | |
|--|--|------------------|--|------------------|
| | From 1 st January to 31.12.2009 | 31.12.2008 | From 1 st January to 31.12.2009 | 31.12.2008 |
| Cash flow from operating activities | 33,310 | (220,489) | (58,165) | (239,212) |
| Cash flow from investing activities | (17,887) | (7,506) | (13,034) | (3,966) |
| Cash flow from financing activities | (2,402) | (5,947) | (1,248) | (1,248) |
| Net increase/(decrease) in cash and cash equivalents for the period | 13,021 | (242,942) | (69,199) | (244,366) |
| Foreign exchange differences on cash and cash equivalents | 245 | (5,792) | 245 | (5,792) |
| Net increase/(decrease) in cash flow | 13,866 | (248,734) | (68,954) | (250,158) |
| Cash and cash equivalents at the beginning of the period | 340,201 | 1,325 | 365,905 | 316,747 |
| Cash and cash equivalents at the end of the period | 354,067 | 340,201 | 247,933 | 316,747 |

CHANGES IN EQUITY STATEMENT

| | Group | | Bank | |
|--|--|----------------|--|----------------|
| | From 1 st January to 31.12.2009 | 31.12.2008 | From 1 st January to 31.12.2009 | 31.12.2008 |
| Equity at the beginning of the period | 162,640 | 224,662 | 136,468 | 197,780 |
| Total comprehensive income after tax | (52,889) | (56,082) | (80,682) | (60,031) |
| Dividends paid | (1,281) | (1,281) | - | (1,281) |
| Hybrid capital changes | (2,363) | (4,665) | - | - |
| Other transfers | 16 | - | - | - |
| Equity at the end of the period | 107,404 | 162,640 | 55,786 | 136,468 |

Notes to the financial data and information

- The consolidated financial statements include the following companies (fully consolidated): ASPIS BANK SA, Athens, ASPIS INTERNATIONAL MF SA, Athens, ASPIS CREDIT SA, Athens, ASPIS BROKERAGE SA, Athens, ASPIS LEASING SA, Athens, BYZANTIUM FINANCE PLC, London UK*, ASPIS FINANCE PLC, London UK, ASPIS JERSEY, Jersey UK, BYZANTIUM II FINANCE PLC, London UK
*Special Purpose Entities (SPE) for securitization of loans
The Bank's holding in the subsidiaries listed above has not changed during the period. The method of consolidation has not changed during the period as at 31 December 2008.
In October 2008, Aspis Stepanitsa SA was founded (registered Athens Municipality, 4 Othonos Str, 105 57 Athens, Main activity: Bonds management services for bonds issued by organizations other than banks) with a share capital of € 60 thousand. The Bank participates with 100% ownership interest on the share capital of the entity. The SPE remains dormant up to the date of the Financial Report.
In February 2009 Byzantium II Finance Plc, a Special Purpose Entity for mortgage loans securitisation was established.
- Tax authorities have not performed a tax audit for the following fiscal years:
Aspis Bank SA(2006-2009), Aspis Leasing SA(2006-2009), Aspis Insurance Brokerage SA(2007 to 2009), Aspis International MF SA (2007 to 2009), Aspis Credit SA(2007 to 2009). The tax audit of the Bank for the fiscal years 2005, 2006 and 2007, was concluded in September 2009 and resulted in an additional tax amounting to € 831 thousand. The Group had established provision for open tax years amounting to € 545 thousand.
3. During the third quarter of 2009 the Group repurchased Subordinated bond loans (Subordinated lower Tier 2) amounting to € 50,250 thousand issued from Aspis Jersey 100% Subsidiary. For these bonds Aspis Bank had provided guarantee to the Group. The acquisition of these bonds was approved by the Bank of Greece and the benefit from this was € 212,638 thousand.
- The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. The accumulated provisions that have been raised are the ones listed below (€ '000):

| | Group | Bank |
|---|-------|-------|
| Restructuring provision | 542 | 542 |
| Contingent indemnification of labour legal disputes | 1,000 | 1,000 |
| Provisions for tax issues | 27 | 28 |
| Provisions for litigation | 397 | 230 |
| Provisions for medical expenses | 230 | 230 |
| Impairment on off-balance sheet items | 2,322 | 1,623 |
| | 3,796 | 3,659 |
- The total number of employees as at 31.12.2009 (31.12.2008) was 1,020 (999) for the Bank and 1,058 (1,041) for the Group.
- The related party transactions and balances between the Bank and the Group and its Directors, Senior Management, subsidiaries and other related parties for the year are as follows (€ '000):

| | Group | Bank |
|--|--------|---------|
| a) Income | 3,113 | 12,432 |
| b) Expense | 22,361 | 636,923 |
| c) Assets | 47,556 | 638,074 |
| d) Liabilities | 2,579 | 2,313 |
| e) BaD members and key management personnel fees | 1,393 | 1,293 |
| f) Receivables from BaD members and key management personnel | 893 | 803 |
| g) Amounts due to BaD members and key management personnel | - | - |
- Emphasis of matter concerns the fact that the capital adequacy ratios are less than the minimum limits, set out by the Bank of Greece, therefore the Bank has made the decision for a share capital increase.
- The amount of € 9,127 thousand recognized directly in equity, refers to a gain from the fair value change of available for sale securities amount of € 8,620 thousand and amount of € 8,620 thousand transfer of impairment loss of available for sale securities to profit of loss.
- Neither the Bank nor the Group hold treasury shares.
- The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2008 have been followed.
- As for the Group (and the Bank) certain amounts in prior year have been reclassified to conform to the current presentation and are stated in Note 2.5. The reclassification in the statement of the financial position relates to the transfer of total amount of € 5,900 (5,900) thousand from "Other assets" to "Loans and advances to customers", amount of € 891 thousand from "Loans and advances to customers" to "Provisions" and amount of € 536 thousand from "Loans and advances to customers" to "Other assets". A reclassification in "Other liabilities" relates to the transfer of total amount of € 18,399 (17,443) thousand from "Accrued interest expense" to "Due to customers" (€ 15,187 thousand) and "Debt securities in issue" (€ 3,212,256 thousand), respectively. The reclassifications in the "Statement of comprehensive income" relates to the transfer of total amount of € 891 thousand from the line "Impairment on loans and advances" to "Provisions".
- On February 2009, the issuance of € 377 million bond loans (maturity: 15 October 2003), through Bank's subsidiary Byzantium II Finance Plc was completed. The Bonds are collateralized with mortgage loans of total value € 424 million of the Bank. The Bonds rated as AAA by the credit rating agency Fitch have been retained by the Bank and will be used for refinancing purposes through repos agreements.
Byzantium II issued additional Notes for € 31.25 million (maturity: 15 October 2003) purchased from the Bank arising to establish reserves for protection against losses. These Notes are unsecured and classified in "Available for Sale portfolio".
As of 31 December 2009 the above bonds are included in "Available for Sale portfolio" with a total value of € 368.34 million and the respective liability of € 391.83 million is classified in "Other borrowed funds".
The Bank granted a loan to Byzantium II of € 26.3 million in order to retain reserves for the protection against losses arising from the potential off-set of receivables with obligations of the borrowers.

Athens, 19 March 2010

D.I.Stavropoulos
ID No. P.562836
CHAIRMAN OF THE BOARD OF DIRECTORS

C.G.Sorotos
ID No. A2.006924
VICE CHAIRMAN OF THE BOARD OF DIRECTORS
& CHIEF EXECUTIVE OFFICER

N.G.Voutyris
ID No. E.107507
CHIEF FINANCIAL OFFICER

N.D.Dallanis
ID No. A2.118237
O.E.E.L.I.C. Reg. No: 00150724-07-01 'A' CI
HEAD OF ACCOUNTING



VIII. Condensed financial data and information for interim periods

Period 1.1.2009-31.03.2009

Period 1.1.2009-30.06.2009

Period 1.1.2009-30.09.2009



ASPIS BANK S.A.

Reg. No 26699/06/8/92/12
4th Othonos Str, 105 57 Athens

Financial data and information for the period from 1 January 2009 to 31 March 2009
(In accordance with the Decisions 4/507/28.04.2009 of Hellenic Capital Market Commission)

The financial information listed below is aiming to provide an overview of the financial position and financial results of ASPIS BANK SA and its Group. Consequently readers are advised to visit the web-site of the Bank (www.aspisbank.gr) where the condensed consolidated interim financial statements under IFRS are available, as well as the auditors report if required, before any investment decision or transaction with the Bank is entered into.

| | |
|---|--|
| <p>Information of Aspis Bank</p> <p>Registered office: 4 Othonos Street, 105 57 Athens Supervising authority: Ministry of Development, Bank of Greece Company's web-site: www.aspisbank.gr Certified Public Auditor: Hani Sironis Audit Firm: KPMG Certified Auditors SA Auditor's report: Not required Date of approval of the Financial Statements by the Board of Directors (from which the financial statements and Information were derived): 25 May 2009</p> | <p>Members of the Board of Directors</p> <p>Dionisios I. Stavropoulos Christos G. Sorotos Nikolaos E. Malouchos Dimitrios G. Goumas Vasilios M. Dalakidis Nikolaos G. Moustakas Fridon D. Tarnivalakis Vasilios I. Apostolopoulos</p> <p>Chairman (Executive Member) Vice Chairman & Managing Director (Executive Member) Executive Member Non-executive, Independent member Non-executive, Independent member Non-executive, Independent member (From 29 April 2009) Non-executive, Independent member (From 29 April 2009) Non-executive, Independent member (From 29 April 2009)</p> |
|---|--|

| | Group | | Bank | |
|--|------------------|------------------|------------------|------------------|
| | 31.03.2009 | 31.12.2008 | 31.03.2009 | 31.12.2008 |
| ASSETS | | | | |
| Cash & cash equivalents | 82,761 | 79,326 | 82,757 | 79,323 |
| Loans and advances to banks | 367,275 | 260,875 | 245,068 | 237,424 |
| Loans and advances to customers (net of provisions) | 2,070,097 | 2,135,704 | 1,981,022 | 1,974,414 |
| Financial instruments at fair value through profit or loss | 2,227 | 2,471 | - | - |
| Available-for-sale investment securities | 20,837 | 19,620 | 433,587 | 22,120 |
| Held-to-maturity investment securities | 3,237 | 3,210 | 3,237 | 3,210 |
| Investment in subsidiaries | - | - | 30,549 | 30,549 |
| Property and equipment | 48,838 | 50,251 | 43,775 | 44,876 |
| Intangible assets | 8,096 | 8,470 | 5,257 | 5,282 |
| Other assets | 103,170 | 63,902 | 116,027 | 62,897 |
| TOTAL ASSETS | 2,706,638 | 2,623,829 | 2,941,279 | 2,460,095 |
| LIABILITIES AND EQUITY | | | | |
| Due to banks | 51,884 | 176,183 | 9,882 | 156,183 |
| Due to customers | 2,211,842 | 1,986,128 | 2,218,843 | 1,993,094 |
| Debt securities in issue | 102,492 | 102,865 | 140,844 | 141,568 |
| Other borrowed funds | 152,968 | 158,968 | 418,837 | - |
| Provisions/Other liabilities | 38,099 | 37,045 | 30,240 | 32,282 |
| Share capital | 173,614 | 173,614 | 173,614 | 173,614 |
| Other reserves | (66,750) | (51,861) | (51,081) | (37,146) |
| Total equity attributable to Bank equity holders | 107,864 | 121,753 | 122,533 | 136,468 |
| Minority interest | 1,919 | 1,325 | - | - |
| Hybrid capital | 39,570 | 39,562 | - | - |
| Total equity | 149,353 | 162,640 | 122,533 | 136,468 |
| TOTAL LIABILITIES AND EQUITY | 2,706,638 | 2,623,829 | 2,941,279 | 2,460,095 |

| | Group | | Bank | |
|---|--|----------------|--|----------------|
| | From 1 st January to 31.03.2009 | 31.03.2008 | From 1 st January to 31.03.2009 | 31.03.2008 |
| Net interest income | 2,941 | 12,037 | 972 | 10,219 |
| Net fee and commission income | 4,107 | 6,511 | 4,309 | 6,149 |
| Net trading profit/(loss) | 1,002 | (955) | 999 | (842) |
| Other income | 2,765 | 2,840 | 439 | 1,251 |
| Impairment losses on loans and advances | (5,605) | (2,044) | (5,399) | (2,000) |
| Staff costs | (10,860) | (11,726) | (10,358) | (11,143) |
| Depreciation and amortization | (3,860) | (2,747) | (1,754) | (1,355) |
| General administrative and other expenses | (6,843) | (7,234) | (6,092) | (6,763) |
| Profit/(loss) before tax | (15,554) | (3,318) | (16,894) | (4,484) |
| Profit/(loss) after tax (A) | (12,323) | (2,247) | (13,678) | (3,361) |
| -Shareholders of the Bank | (12,917) | (2,235) | - | - |
| -Minority interest | 594 | (12) | - | - |
| Other comprehensive income after tax (B) | (256) | (4,129) | (257) | (4,130) |
| Total comprehensive income after tax (A)+(B) | (12,579) | (6,376) | (13,935) | (7,491) |
| -Shareholders of the Bank | (13,173) | (6,364) | - | - |
| -Minority interest | 594 | (12) | - | - |
| Basic and diluted earnings per share (in euro) | (0.1924) | (0.0400) | (0.2135) | (0.0500) |

| | Group | | Bank | |
|--|--|---------------|--|---------------|
| | From 1 st January to 31.03.2009 | 31.03.2008 | From 1 st January to 31.03.2009 | 31.03.2008 |
| Cash flow from operating activities | 119,225 | 102,414 | 12,014 | 92,529 |
| Cash flow from investing activities | (1,242) | (1,920) | (624) | (1,004) |
| Cash flow from financing activities | (7,886) | (8,568) | 49 | (761) |
| Net increase/(decrease) in cash and cash equivalents for the period | 110,297 | 91,926 | 11,439 | 90,761 |
| Effect of exchange rates changes on cash and cash equivalents | (362) | (13,352) | (362) | (13,352) |
| Net increase/(decrease) in cash flow | 109,935 | 78,574 | 11,077 | 77,409 |
| Cash and cash equivalents at the beginning of the period | 340,201 | 588,935 | 216,748 | 566,905 |
| Cash and cash equivalents at the end of the period | 450,136 | 667,509 | 327,825 | 644,314 |

| | Group | | Bank | |
|--|--|----------------|--|----------------|
| | From 1 st January to 31.03.2009 | 31.03.2008 | From 1 st January to 31.03.2009 | 31.03.2008 |
| Equity at the beginning of the period | 162,640 | 224,662 | 136,468 | 197,780 |
| Total comprehensive income after tax | (12,579) | (6,376) | (13,935) | (7,491) |
| Increase/(decrease) of share capital | - | - | - | - |
| Dividends paid | - | - | - | - |
| Hybrid capital changes | (708) | (995) | - | - |
| Other transfers | - | 8 | - | - |
| Equity at the end of the period | 149,353 | 217,299 | 122,533 | 190,289 |

Notes to the financial data and information

1. The consolidated financial statements include the following companies (all fully consolidated): ASPIS BANK SA, Athens, ASPIS INTERNATIONAL HF SA, Athens, ASPIS CREDIT SA, Athens, ASPIS BROKERAGE SA, Athens, ASPIS LEASING SA, Athens, BYZANTUM FINANCE PLC, London UK, ASPIS FINANCE PLC, London UK, ASPIS SERVIC, Jersey UK, BYZANTUM II FINANCE PLC, London UK

2. Tax authorities have not performed a tax audit for the following fiscal years: Aspis Bank SA from 2005 to 2008, Aspis Leasing SA from 2006 to 2008, Aspis Insurance Brokerage SA from 2007 to 2008, Aspis International HF SA from 2007 to 2008, Aspis Credit SA from 2007 to 2008. A provision amounting to € 545 thousand has been formed for this purpose by the Group (Bank € 500 thousand).

3. The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. The accumulated provisions that have been raised are the ones listed below (€ '000):

| Group | Bank |
|------------------------------|-------|
| Provisions for litigations | 215 |
| Provisions for tax issues | 545 |
| Provisions for restructuring | 2,993 |
| | 3,753 |

4. The total number of employees as at 31.03.2009 was 1,014 (31.03.08:1,033) for the Bank and 1,060 (31.03.08:1,033) for the Group.

5. The related parties transactions and balances between the Bank and the Group and its Directors, Senior Management, subsidiaries and other related parties for the period are as follows (€ '000):

| Group | Bank |
|--|--------|
| a) Income | 474 |
| b) Expense | 819 |
| c) Assets | 28,548 |
| d) Liabilities | 59,020 |
| e) BOD members and key management - personnel fees | 674 |
| f) Receivables from BOD members and key management - personnel | 1,158 |
| g) Liabilities to BOD members and key management - personnel | 2,841 |

6. The amount of € 257 thousand recognized directly in equity, refer to a loss from the fair value change of Available for Sale securities.

7. Neither the Bank nor the Group hold treasury shares.

8. The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2008 have been followed.

9. As for the Bank and the Group certain amounts in prior years have been reclassified to conform to the current presentation. The reclassifications in the statement of financial position which relate to "loans and advances to customers" (€ 5,900 thousand for the Group, 5,908 thousand for the Bank), "Due to customers" (€ 15,187 thousand for the Group and the Bank) and "debt securities and other borrowed funds" (€ 3,172 thousand for the Group, 2,256 thousand for the Bank) are stated in Notes 11 & 13.

10. The Bank concluded in February 2009 the securitization of € 424 million residential mortgages. The special purpose entity Byzantium II Finance plc which purchased the loans, issued AAA rated Notes for € 377 million (Fitch Ratings). The notes have been purchased from the Bank in order to strengthen its liquidity ratio through Repo agreements. The Notes are classified in "Available for Sale portfolio" with the respective liability included in "Other borrowed funds". Byzantium II issued additional Notes for € 33.25 million purchased from the Bank aiming to establish reserves for protection against losses. These Notes are unrated and classified in "Available for Sale portfolio". The Bank granted a loan to Byzantium II for € 30.5 million in order to establish reserves for the protection against losses arising from the potential off-set of

Athens, 25 May 2009

D.I.Stavropoulos
ID No:P.562036
CHAIRMAN OF THE BOARD OF DIRECTORS

C.G.Sorotos
ID No:A2.098924
**VICE CHAIRMAN OF THE BOARD OF DIRECTORS
& CHIEF EXECUTIVE OFFICER**

N.G.Voulychitis
ID No:AE.107507
CHIEF FINANCIAL OFFICER

N.D.Dallanis
ID No:A2.118237
OEE.Lic.Reg.No: 0015073/4-07-01 A' CI
HEAD OF ACCOUNTING



ASPIS BANK S.A.
Reg. No 26699/06/8/92/12
4th Othonos Str, 105 57 Athens

Financial data and information for the period from 1st January 2009 to 30th June 2009
(In accordance with the Decisions 4/07/08, 04/2009 of Hellenic Capital Market Commission)
(Amounts in thousand of Euro)

The financial information listed below aims to provide an overview of the interim financial position and financial results of ASPIS BANK S.A. and its Group. Consequently readers are advised to visit the web-site of the Bank where the condensed interim financial statements under IFRS are available as well as the auditor's review report of the condensed interim financial statements if required, before any investment decision or transaction with the Bank is conducted

| | | |
|--|--|--|
| <p>Information of Aspis Bank</p> <p>Registered office: 4 Othonos Street, 105 57 Athens Supervising authority: Ministry of Development/ Bank of Greece Company's web-site: www.aspisbank.gr Certified Public Auditor: Harry Stroumis Audit Firm: KPMG Certified Auditors SA Auditor's review report of the condensed interim financial statements: Unqualified opinion Date of approval of the Financial Statements by the Board of Directors (from which the financial statements and Information were derived): 10 August 2009</p> | <p>Members of the Board of Directors</p> <p>Dionisis I Savvopoulos Christos G. Sorotos Nicolos E. Malouchos Dimitrios G. Goumas Vasilios M. Dalakidis Nicolos G. Housiakis Fotios D. Tanivalakis Vasilios I. Apostolopoulos</p> | <p>Chairman (Non-executive Member) Vice Chairman & Managing Director (Executive Member) Executive Member Non-executive, Independent member Non-executive, Independent member Non-executive, Independent member Non-executive, Independent member</p> |
|--|--|--|

| | Group | | Bank | |
|--|------------------|------------------|------------------|------------------|
| | 30.06.2009 | 31.12.2008 | 30.06.2009 | 31.12.2008 |
| ASSETS | | | | |
| Cash & cash equivalents | 102,679 | 79,326 | 102,675 | 79,323 |
| Loans and advances to banks | 354,489 | 260,875 | 180,811 | 237,424 |
| Loans and advances to customers (net of impairment) | 2,015,753 | 2,135,704 | 1,986,481 | 1,974,414 |
| Financial instruments at fair value through profit or loss | 2,054 | 2,471 | - | - |
| Available-for-sale investment securities | 29,407 | 19,620 | 436,410 | 22,120 |
| Held-to-maturity investment securities | 10,415 | 3,210 | 10,415 | 3,210 |
| Investment in subsidiaries | - | - | 30,249 | - |
| Property and equipment | 47,988 | 50,251 | 42,979 | 44,876 |
| Intangible assets | 8,963 | 8,470 | 5,213 | 5,202 |
| Other assets | 77,154 | 63,602 | 174,240 | 62,692 |
| TOTAL ASSETS | 2,648,902 | 2,623,820 | 2,919,674 | 2,460,095 |
| LIABILITIES AND EQUITY | | | | |
| Due to banks | 13,830 | 176,183 | 9,780 | 156,183 |
| Due to customers | 2,205,573 | 1,996,128 | 2,216,611 | 1,993,094 |
| Debt securities in issue | 250,599 | 261,833 | 140,596 | 141,568 |
| Other borrowed funds | - | - | 405,937 | - |
| Provisions/Other liabilities | 46,550 | 37,045 | 36,296 | 37,782 |
| Total liabilities | 2,516,961 | 2,461,189 | 2,813,519 | 2,323,627 |
| Share capital | 173,614 | 173,614 | 173,614 | 173,614 |
| Other reserves | (82,484) | (51,861) | (62,452) | (82,146) |
| Total equity attributable to Bank equity holders | 91,130 | 121,753 | 106,155 | 136,468 |
| Minority interest | 1,231 | 1,235 | - | - |
| Hybrid capital | 39,580 | 39,552 | - | - |
| Total equity | 131,941 | 162,640 | 106,155 | 136,468 |
| TOTAL LIABILITIES AND EQUITY | 2,648,902 | 2,623,820 | 2,919,674 | 2,460,095 |

| | Group | | | |
|--|--|-----------------|--|--|
| | From 1 st January to 30.06.2009 | 30.06.2008 | From 1 st January to 30.06.2009 | From 1 st April to 30.06.2008 |
| Net interest income | 7,028 | 23,228 | 4,987 | 11,191 |
| Net fee and commission income | 9,464 | 12,338 | 5,357 | 5,827 |
| Net trading profit/(loss) | 1,817 | (808) | 815 | 147 |
| Other income | 4,905 | 5,756 | 2,140 | 2,916 |
| Impairment losses on loans and advances | (16,112) | (10,791) | (10,506) | (8,747) |
| Other provisions | (250) | - | (250) | - |
| Staff costs | (22,498) | (32,749) | (11,628) | (21,023) |
| Depreciation and amortization | (6,147) | (5,798) | (3,087) | (2,959) |
| General administrative and other expenses | (15,927) | (17,835) | (9,084) | (10,601) |
| Loss before income tax | (37,220) | (26,967) | (23,165) | (23,249) |
| Income tax | 715 | 719 | 392 | 692 |
| Loss for the period (A) | (36,505) | (19,493) | (18,244) | (17,192) |
| -Shareholders of the Bank | (36,473) | (19,440) | (17,550) | (17,205) |
| -Minority interest | (32) | (53) | (74) | (87) |
| Changes in fair value of Available for Sale securities transferred to profit or loss | 7 | - | 12 | - |
| Changes in fair value of Available for Sale securities | 1,163 | (4,894) | 1,415 | (765) |
| Other comprehensive income after tax (B) | 1,170 | (4,894) | 1,427 | (765) |
| Total comprehensive income after tax (A)+(B) | (29,397) | (24,333) | (16,817) | (17,957) |
| -Shareholders of the Bank | (29,303) | (24,334) | (16,129) | (17,700) |
| -Minority interest | (94) | 1 | (688) | 13 |
| Basic and diluted earnings/(loss) per share (in Euro) | (0.4711) | (0.3034) | (0.2848) | (0.2886) |

| | Group | | Bank | |
|--|--|---------------|--|--|
| | From 1 st January to 30.06.2009 | 30.06.2008 | From 1 st January to 30.06.2009 | From 1 st April to 30.06.2008 |
| Cash flow from operating activities | 141,210 | 39,134 | (434,549) | 28,685 |
| Cash flow from investing activities | (11,179) | (4,797) | (6,638) | (2,209) |
| Cash flow from financing activities | (12,954) | (7,491) | 410,035 | (1,123) |
| Net increase/(decrease) in cash and cash equivalents for the period | 117,077 | 26,838 | (33,152) | 25,303 |
| Effect of exchange rates changes on cash and cash equivalents | (110) | (12,121) | (12,121) | (12,121) |
| Net increase/(decrease) in cash flow | 116,967 | 14,667 | (33,262) | 13,182 |
| Cash and cash equivalents at the beginning of the period | 340,201 | 588,935 | 316,748 | 566,904 |
| Cash and cash equivalents at the end of the period | 457,168 | 603,602 | 283,496 | 580,106 |

| | Group | | | |
|--|--|-----------------|--|--|
| | From 1 st January to 30.06.2009 | 30.06.2008 | From 1 st January to 30.06.2009 | From 1 st April to 30.06.2008 |
| Net interest income | 4,068 | 19,648 | 3,096 | 9,429 |
| Net fee and commission income | 9,902 | 11,660 | 5,593 | 5,511 |
| Net trading profit/(loss) | 1,781 | (694) | 782 | 158 |
| Other income | 667 | 1,813 | 228 | 562 |
| Impairment losses on loans and advances | (15,427) | (10,038) | (10,028) | (8,038) |
| Other provisions | (250) | - | (250) | - |
| Staff costs | (21,216) | (31,478) | (10,858) | (20,336) |
| Depreciation and amortization | (3,504) | (3,078) | (1,720) | (1,723) |
| General administrative and other expenses | (14,832) | (16,868) | (8,240) | (10,204) |
| Loss before income tax | (38,811) | (29,125) | (21,927) | (24,641) |
| Income tax | 1,328 | 1,295 | 123 | 6,172 |
| Loss for the period (A) | (31,483) | (21,830) | (17,804) | (18,469) |
| Changes in fair value of Available for Sale securities transferred to profit or loss | 7 | - | 12 | - |
| Changes in fair value of Available for Sale securities | 1,163 | (4,894) | 1,415 | (765) |
| Other comprehensive income after tax (B) | 1,170 | (4,894) | 1,427 | (765) |
| Total comprehensive income after tax (A)+(B) | (30,313) | (26,724) | (16,377) | (19,234) |
| Basic and diluted earnings/(loss) per share (in Euro) | (0.4914) | (0.3408) | (0.2779) | (0.2883) |

| | Group | | Bank | |
|--|--|----------------|--|--|
| | From 1 st January to 30.06.2009 | 30.06.2008 | From 1 st January to 30.06.2009 | From 1 st April to 30.06.2008 |
| Equity at the beginning of the period | 162,640 | 224,662 | 136,468 | 197,780 |
| Total comprehensive income after tax | (29,397) | (24,333) | (30,312) | (26,724) |
| Dividends paid | - | (1,281) | - | (1,281) |
| Hybrid capital changes | (1,317) | (1,873) | - | - |
| Other transfers | 15 | (1) | (1) | - |
| Equity at the end of the period | 131,941 | 197,174 | 106,155 | 169,774 |

Notes to the financial data and information

- The consolidated financial statements include the following companies (are fully consolidated): ASPIS BANK S.A. Athens, ASPIS INTERNATIONAL HF SA, Athens, ASPIS CREDIT SA, Athens, ASPIS BACKSPACE SA Athens, ASPIS LEASING SA Athens, BYZANTINIUM FINANCE PLC, London UK, ASPIS FINANCE PLC, London UK, ASPIS JERSEY, Jersey UK, BYZANTINIUM II FINANCE PLC, London UK
*Special Purpose Entities (SPE) for securitization of loans
The Bank's holding in the subsidiaries listed above has not changed during the period. The method of consolidation has not changed during the period.
In October 2008, Aspis Steagaska SA was founded (Registered: Athens Municipality, 4 Othonos Str, 105 57 Athens, Main activity: Bonds management services for bonds issued by organizations other than banks) with a share capital of € 60 thousand. The Bank participates with 100% ownership interest on the share capital of the entity. The SPE remains dormant up to the date of the Financial Report.
In February 2009 Byzantium II Finance Plc, a Special Purpose Entity for mortgage loans securitization was founded.
2. Tax authorities have not performed a tax audit for the following fiscal years:
Aspis Bank SA from 2005 to 2008, Aspis Leasing SA from 2006 to 2008, Aspis Insurance Brokerage SA from 2007 to 2008, Aspis International HF SA from 2007 to 2008, Aspis Credit SA from 2007 to 2008. A provision amounting to € 729 thousand has been formed for this purpose by the Group (Bank € 700 thousand). The Bank is under a tax audit for the years 2005, 2006 and 2007 and it is estimated to be completed within 2009.
- The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. The accumulated provisions that have been raised are the ones listed below (€ '000):
Provisions for litigations 240
Provisions for tax issues 729
Restructuring provision 2,622
3,891
3,622
- The total number of employees as at 30.06.2009 (30.06.2008) was 1,013 (1,053) for the Bank and 1,053 (1,104) for the Group.
- The related party transactions and balances between the Bank and the Group and its Directors, Senior Management, subsidiaries and other related parties for the period are as follows (€ '000):
a) Income 956
b) Expense 6,480
c) Loans 611
27,115
682,078
d) Liabilities 48,943
611,301
1,248
1,109
e) BoD members and key management personnel fees 1,157
1,157
f) Receivables from BoD members and key management personnel 2,653
2,440
- The amount of € 1,170 thousand recognized directly in equity, refers to a gain from the fair value change of available for sale securities.
- Neither the Bank nor the Group hold treasury shares.
- The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2008 have been followed.
- As for the Bank and the Group certain amounts in prior years have been reclassified to conform to the current presentation. The reclassifications in the statement of financial position which relate to "Loans and advances to customers" (€ 5,900 thousand for the Group, 5,900 thousand for the Bank), "Due to customers" (€ 15,187 thousand for the Group and the Bank) and "Debt securities and other borrowed funds" (€ 3,172 thousand for the Group, 2,356 thousand for the Bank) are stated in Note 13.
- On February 2009, the issuance of € 377 million bond loans, through Bank's subsidiary Byzantium II Finance Plc was completed. The Bonds are collateralized with mortgage loans of total value € 424 million of the Bank. The Bonds rated as AAA by the credit rating agency Fitch have been retained by the Bank and will be used for refinancing purposes through repos agreements.
Byzantium II issued additional Notes for € 33.25 million, purchased from the Bank aiming to establish reserves for protection against losses. These Notes are unsecured and classified in "Available for Sale portfolio".
As of 30 June 2009 the above bonds are included in "Available for Sale portfolio" with a total value of € 406.98 million and the respective liability of € 409.93 million is classified in "Other borrowed funds".
The Bank granted a loan to Byzantium II of € 30.5 million in order to retain reserves for the protection against losses arising from the potential off-set of receivables with obligations of the borrowers.

Athens, 10 August 2009

D.I.Savvopoulos
ID No. P.562936
CHAIRMAN OF THE BOARD OF DIRECTORS

C.G.Sorotos
ID No. A2.096924
**VICE CHAIRMAN OF THE BOARD OF DIRECTORS
& CHIEF EXECUTIVE OFFICER**

N.G.Voultychris
ID No. AE.075057
CHIEF FINANCIAL OFFICER

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



ASPIBANK S.A.
Reg. No 26699/06/B/92/12
4th Othonos Str, 105 57 Athens

Financial data and information for the period from 1st January 2009 to 30th September 2009
(In accordance with the Decisions 4/07/08, 04/2009 of Hellenic Capital Market Commission)
(Amounts in thousand of Euro)

The financial information listed below aims to provide an overview of the interim financial position and financial results of Aspis Bank SA and its Group. Consequently readers are advised to visit the web-site of the Bank where the condensed interim financial statements under IFRS are available as well as the auditor's review report of the condensed interim financial statements if required, before any investment decision or transaction with the Bank is conducted

| | | | |
|---|--|---|--|
| <p>Information of Aspis Bank</p> <p>Registered office: Supervising authority: Company's web-site: Certified Public Auditor: Audit Firm: Auditor's review report of the condensed interim financial statements : Date of approval of the Financial Statements by the Board of Directors (from which the financial statements and Information were derived):</p> | <p>4 Othonos Street, 105 57 Athens Ministry of Development/ Bank of Greece www.aspibank.gr Harry Sironis KPMG Certified Auditors SA Unqualified opinion - Emphasis of matter 3 November 2009</p> | <p>Members of the Board of Directors</p> <p>Dimitrios I Stavroulakis Christos G. Sorotos Nikolaos E. Mabochos Vasilios M. Dalakidis Dimitrios G. Goumas Feston D. Tarnavakidis Vasilios I. Apostolopoulos Stavros V. Androutsopoulos</p> | <p>Chairman (Non-executive Member) Vice Chairman & Managing Director (Executive Member) Executive Member Non-executive, Independent member Non-executive, Independent member Non-executive, Independent member Non-executive, Independent member Non-executive, Independent member</p> |
|---|--|---|--|

| FINANCIAL POSITION STATEMENT | Group | | Bank | |
|---|------------------|------------------|------------------|------------------|
| | 30.09.2009 | 31.12.2008 | 30.09.2009 | 31.12.2008 |
| ASSETS | | | | |
| Cash & cash equivalents | 51,890 | 79,326 | 51,887 | 79,323 |
| Loans and advances to banks | 386,667 | 260,875 | 256,580 | 237,424 |
| Loans and advances to customers (net of impairment) | 1,948,799 | 2,135,704 | 1,939,432 | 1,974,414 |
| Trading securities | 4,959 | 2,471 | 2,899 | - |
| Available-for-sale investment securities | 29,523 | 19,620 | 408,783 | 22,120 |
| Held-to-maturity investment securities | 10,535 | 3,210 | 10,535 | 3,210 |
| Investment in subsidiaries | - | - | 30,549 | 30,549 |
| Property and equipment | 48,320 | 50,251 | 42,617 | 44,876 |
| Intangible assets | 7,975 | 8,470 | 5,033 | 5,282 |
| Other assets | 87,695 | 63,602 | 132,944 | 62,887 |
| TOTAL ASSETS | 2,576,174 | 2,623,829 | 2,881,259 | 2,460,095 |
| LIABILITIES AND EQUITY | | | | |
| Due to banks | 266,890 | 176,183 | 262,822 | 156,183 |
| Due to customers | 1,924,198 | 1,986,128 | 1,974,478 | 1,993,094 |
| Debt securities in issue | 196,631 | 261,833 | 90,274 | 141,568 |
| Other borrowed funds | - | - | 926,911 | 3,210 |
| Provisions/Other liabilities | 59,620 | 37,045 | 50,723 | 37,782 |
| Total liabilities | 2,447,339 | 2,461,189 | 2,805,108 | 2,323,627 |
| Share capital | 36,438 | 173,614 | 36,438 | 173,614 |
| Other reserves | 49,570 | (51,861) | 37,213 | (37,146) |
| Total equity attributable to Bank equity holders | 88,008 | 121,753 | 76,151 | 136,468 |
| Minority interest | 1,237 | 1,325 | - | - |
| Hybrid capital | 39,990 | 39,662 | - | - |
| Total equity | 128,835 | 162,640 | 76,151 | 136,468 |
| TOTAL LIABILITIES AND EQUITY | 2,576,174 | 2,623,829 | 2,881,259 | 2,460,095 |

| COMPREHENSIVE INCOME STATEMENT | Group | | | |
|--|--|-----------------|--|--|
| | From 1 st January to 30.09.2009 | 30.09.2008 | From 1 st January to 30.09.2009 | From 1 st April to 30.09.2008 |
| Net interest income | 17,257 | 33,011 | 10,329 | 9,803 |
| Net fee and commission income | 13,465 | 17,657 | 4,001 | 5,318 |
| Net trading profit/(loss) | 17,787 | (1,375) | 15,970 | (5,577) |
| Other operating income | 5,808 | 8,097 | 903 | 2,331 |
| Impairment on loans and advances | (37,280) | (13,078) | (21,168) | (2,287) |
| Provisions | (2,839) | - | (2,589) | - |
| Staff expenses | (35,398) | (44,151) | (12,810) | (11,402) |
| Depreciation and amortization | (9,302) | (9,992) | (3,155) | (3,386) |
| Other operating expenses | (26,216) | (26,621) | (10,289) | (8,786) |
| Loss before income tax | (56,218) | (35,532) | (18,808) | (8,966) |
| Income tax | 14,490 | 8,289 | 7,337 | 1,161 |
| Loss for the period (A) | (42,038) | (27,243) | (11,471) | (7,805) |
| -Shareholders of the Bank | (41,950) | (27,190) | (11,477) | (7,751) |
| -Minority interest | (88) | (53) | 6 | (54) |
| Transfer of impairment loss of Available for sale securities to profit of loss | 8,338 | - | 8,331 | - |
| Changes in fair value of Available for sale securities | 1,749 | (5,633) | 586 | (739) |
| Other comprehensive income after tax (B) | 10,087 | (5,633) | 8,917 | (739) |
| Total comprehensive income after tax (A)+(B) | (31,951) | (32,876) | (2,554) | (8,544) |
| -Shareholders of the Bank | (31,863) | (32,823) | (2,560) | (8,490) |
| -Minority interest | (88) | (53) | 6 | (54) |
| Basic and diluted earnings/(loss) per share (in Euro) | (0.6548) | (0.4244) | (0.1791) | (0.1210) |

| CASH FLOW STATEMENT | Group | | Bank | |
|--|--|-----------------|--|-----------------|
| | From 1 st January to 30.09.2009 | 30.09.2008 | From 1 st January to 30.09.2009 | 30.09.2008 |
| Cash flow from operating activities | (50,071) | (1,383) | (194,108) | (16,156) |
| Cash flow from investing activities | (13,704) | (5,785) | (9,827) | (2,800) |
| Cash flow from financing activities | (68,146) | (4,433) | 375,517 | (20,157) |
| Net increase/(decrease) in cash and cash equivalents for the period | 98,221 | (20,521) | (6,416) | (20,083) |
| Foreign exchange differences on cash and cash equivalents | 135 | (1,281) | 135 | (1,281) |
| Net increase/(decrease) in cash flow | 98,356 | (21,802) | (6,281) | (21,364) |
| Cash and cash equivalents at the beginning of the period | 340,201 | 603,602 | 316,748 | 580,306 |
| Cash and cash equivalents at the end of the period | 438,557 | 581,800 | 308,467 | 558,942 |

| CHANGES IN EQUITY STATEMENT | Group | | Bank | |
|--|--|----------------|--|----------------|
| | From 1 st January to 30.09.2009 | 30.09.2008 | From 1 st January to 30.09.2009 | 30.09.2008 |
| Equity at the beginning of the period | 62,640 | 224,662 | 136,468 | 197,780 |
| Total comprehensive income after tax | (31,951) | (32,876) | (60,317) | (35,985) |
| Dividends paid | (1,869) | (2,804) | - | (1,281) |
| Hybrid capital changes | 13 | - | - | (41) |
| Other transfers | - | - | - | - |
| Equity at the end of the period | 128,835 | 187,724 | 76,151 | 160,513 |

Notes to the financial data and information

- The consolidated financial statements include the following companies (are fully consolidated):
ASPIBANK SA, Athens, ASPIBANK INTERNATIONAL HF SA, Athens, ASPIBANK CREDIT SA, Athens, ASPIBANK BROKERAGE SA, Athens, ASPIBANK LEASING SA, Athens, BYZANTINIUM FINANCE PLC, London UK, ASPIBANK FINANCE PLC, London UK, ASPIBANK JERSEY, Jersey UK, BYZANTINIUM II FINANCE PLC, London UK
*Special Purpose Entities (SPE) for securitization of loans
The Bank's holding in the subsidiaries listed above has not changed during the period. The method of consolidation has not changed during the period as at 31 December 2008.
In October 2008, Aspis Strategia SA was formed (Registered: Athens Municipality, 4 Othonos Str, 105 57 Athens, Main activity: Bonds management services for bonds issued by organizations other than banks) with a share capital of € 40 thousand. The Bank participates with 100% ownership interest on the share capital of the entity. The SPE remains dormant up to the date of the financial report.
In February 2009 Byzantium II Finance PLC, a Special Purpose Entity for mortgage loans securitization was founded.
- Tax authorities have not performed a tax audit for the following fiscal years:
Aspis Bank SA 2008, Aspis Leasing SA from 2006 to 2008, Aspis Insurance Brokerage SA from 2007 to 2008, Aspis International HF SA from 2007 to 2008, Aspis Credit SA from 2007 to 2008. The tax audit of the Bank for the fiscal years 2005, 2006 and 2007, was concluded in September 2009 and resulted in an additional tax amounting to € 852 thousand. Due to the fact that the Bank's management established provision for open tax years amounting € 700 thousand on 30 September 2008.
- During the third quarter of 2009 the Group repurchased Subordinated bond loans (Subordinated lower Tier 2) amount € 30,250 thousand issued from Aspis Jersey 100% Subsidiary. For these bonds Aspis Bank had provided guarantee to the Group. The acquisition of these bonds was approved by the Bank of Greece and the benefit from this was € 27,638 thousand.
- The outcome of pending lawsuits is not expected to have significant impact on the Group's financial position. The accumulated provisions that have been raised are the ones listed below (€ '000):

| | | |
|---|-------|-------|
| Restructuring provision | 939 | 939 |
| Contingent indemnification of labour legal disputes | 1,000 | 1,000 |
| Impairment of claims against Bank loans | 259 | 211 |
| Provisions for tax issues | 25 | 25 |
| Provisions for litigation | 311 | 261 |
| | 2,514 | 2,461 |
- The total number of employees as at 30.09.2009 (30.09.2008) was 1,021 (1,017) for the Bank and 1,060 (1,066) for the Group.
- The related party transactions and balances between the Bank and the Group and its Directors, Senior Management, subsidiaries and other related parties for the period are as follows (€ '000):

| | | |
|--|--------|---------|
| | Group | Bank |
| a) Income | 1,229 | 5,103 |
| b) Expense | 2,301 | 7,174 |
| c) Assets | 25,940 | 654,429 |
| d) Liabilities | 50,060 | 617,956 |
| e) BoD members and key management - personnel fees | 1,885 | 1,656 |
| f) Receivables from BoD members and key management - personnel | 1,398 | 1,398 |
| g) Liabilities to BoD members and key management - personnel | 1,334 | 1,063 |
- The amount of € 10,087 thousand recognized directly in equity, refers to a gain from the fair value change of available for sale securities amount of € 1,749 and amount of € 8,338 transfer of impairment loss of available for sale securities to profit of loss.
- Neither the Bank nor the Group hold treasury shares.
- The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2008 have been followed.
- As for the Bank and the Group certain amounts in prior years have been reclassified to conform to the current presentation. The reclassifications in the statement of financial position which relate to "Loans and advances to customers" (€ 5,900 thousand for the Group, 5,908 thousand for the Bank), "Due to customers" (€ 15,187 thousand for the Group and the Bank) and "Debt securities and other borrowed funds" (€ 3,172 thousand for the Bank) are stated in Note 2.5.
- On February 2009, the issuance of € 377 million bond loans (maturity: 15 October 2013, 3 month Euribor plus 6.25% spread), through Bank's subsidiary Byzantium II Finance PLC was completed. The bonds are collateralized with mortgage loans of total value € 424 million of the Bank. The Bonds rated as AAA by the credit rating agency Fitch have been retained by the Bank and will be used for refinancing purposes through repo agreements.
Byzantium II issued additional Notes for € 33.25 million (maturity: 15 October 2013, 3 month Euribor plus 3% spread) purchased from the Bank aiming to establish reserves for protection against losses. These Notes are unrated and classified in "Available for Sale portfolio".
As of 30 September 2009 the above bonds are included in "Available for Sale portfolio" with a total value of € 377.52 million (Class A 362.17 and Class B 15.34) and the respective liability of € 401.87 million is classified in "Other borrowed funds".
The Bank granted a loan to Byzantium II of € 30.5 million in order to retain reserves for the protection against losses arising from the potential off-set of receivables with obligations of the borrowers.

Athens, 4 November 2009

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