



ANNUAL FINANCIAL REPORT

For the period from 1st January to 31st December 2009

According to Law 3556/ 2007

March, 2010

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STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS

(In accordance with article 4 of Law 3556/2007)

To the best of our knowledge, the annual financial statements, for the fiscal year January 1st, 2009 to December 31th, 2009 that have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity and financial performance of TT HELLENIC POSTBANK S.A. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 4 of Law 3556/2007,

and the Board of Directors' Annual Report presents fairly the information required by article 4 paragraphs 2 and 7 of Law 3556/2007 and the related decisions of the Hellenic Capital Market Commission.

Athens, March, 30th 2010

Chairman
of the BoD

Vice-Chairman
of the BoD

Member
of the BoD

Kleanthis Papadopoulos

Spyros Pantelias

Ioannis Tsagdis



ANNUAL MANAGEMENT REPORT

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

**“TT HELLENIC POSTBANK
SOCIÉTÉ ANONYME”**

ON AN INDIVIDUAL AND CONSOLIDATED BASIS

TO THE

**ORDINARY GENERAL SHAREHOLDERS ASSEMBLY
FOR THE OPERATIONS OF THE FISCAL YEAR
FROM 1/1/2009 TO 31/12/2009**

MARCH 2010

Dear Shareholders,

The fiscal year that ended on December 31, 2009 was the seventh consecutive fiscal year of Hellenic Postbank (“Postbank”) in the form of a Société Anonyme, as it was incorporated on the basis of Law 3082 of the 16th of December 2002.

As we all know, both during 2009 and in the current period for a second consecutive year, we are experiencing an unprecedented financial crisis in our country that follows a very long period of continuous growth. It was expected that the long-term accumulation of very high liquidity, excessive business and household loans and the very high accumulation of wealth in non-productive activities would lead to a financial crisis. What was probably not expected was the scale, duration and global extent of this crisis, which makes it unprecedented.

Dealing with this crisis still requires joint efforts by all of us: the citizens, employees, businesses, their shareholders and, of course, the government. Intervention by the government to increase liquidity and capital adequacy of the banks with the amount of 28 billion Euros is, of course, a step in the right direction. However, all of us should also take steps in the right direction and I believe that the following are the basic elements of this direction:

- First of all, we must maintain a healthy banking and financial system with strong capital adequacy and adequate liquidity,
- Secondly, a continuous effort should be made to channel the liquidity of the banks to the real economy, especially small and mid-size businesses, while maintaining a satisfactory credit expansion rate,
and
- Finally, each one of us should demonstrate responsibility in the face of the adverse financial conditions we are currently experiencing.

However, it is important and must be noted that this crisis finds Postbank in a stronger position compared to the overall credit system, since the ratio of loans to deposits, according to balances as at December 31, 2009, was just 63.85%, that is, one of the lowest on an international level, thus ensuring our adequate liquidity. Our capital adequacy ratio exceeds, by far, the international limit of 8% and, according to a report by Citigroup in regards to the capital adequacy of European banks, Postbank held the third place in Europe and the first in Greece in the year 2009. It is worth noting that on December 31, 2009, the capital adequacy ratio of the Bank was 17.10%, including the capital stock of preferred stock shares of Law 3723/2008, while without including this capital, the ratio would be approximately 14.14%, which is a very satisfactory level for business growth and the expansion of the activities of the Bank, especially during the specific time period.

At the same time, the fact that the business activities of the Bank in the area of loans has not been significantly extended to businesses to this day, but mostly to retail clients, is an additional safety factor when compared to the expected delinquencies in the system due to the economic recession.

However, Postbank, through decisions of its Board of Directors, has also proceeded to recent measures to strengthen the liquidity in the economy in order to further strengthen its own liquidity and capital adequacy and to be in a position to directly and competitively leverage the business opportunities that may arise and, on the other hand, to support, through its liquidity, potential business needs in the real economy, depending on how they will form.

Dear Shareholders,

From the beginning of the previous year, the Bank, remaining committed to the decisions made by its officers and committees, had planned and faithfully followed a policy of self-restraint, controlled and more strict expansion of its loan portfolio with the criteria of maintaining the highest possible liquidity.

It consciously differentiated itself from the tactics employed by most banks of the competition, thus ensuring significant liquidity, which it utilized in the best possible manner.

By possessing this high liquidity and despite the adverse international economic conditions, the Bank continued at a satisfactory growth rate throughout 2009 on the basis of the prudent and safe credit expansion policy, the strengthening of the repeated (operating) sources of income to the highest degree possible, the reduction of assumed risk, particularly in the investment portfolio and, finally, the most appropriate possible leverage of said high liquidity.

Given the continuous decrease of interest rates in the interbank market throughout the first semester of 2009, the Bank already, from the end of the fiscal year of 2008, continued to position part of its available liquidity, for investment purposes, in bond issuances of selected companies with a high credit rating in neutral sectors of the economy that invest or operate in the field of ecologic development and technologies, as well as in the development of renewable energy sources.

In this manner, we attempted the control and further improvement of the average interest rate margin of the Bank by offsetting reduced revenues with the interest margin of the interbank market, but mainly, we attempted to offset the increased cost of the 15-month certificates of deposit, which the Bank offered during the last quarter of 2008 and

until February of 2009, in order to limit the transfer of our deposits to other credit institutions that offered higher interest rates in order to attract customers.

At the same time, the effort to restructure the Bank's portfolio continued in 2009, especially in regard to alternative investments, by significantly reducing said investments through gradual liquidations, thus limiting possible losses that would be much higher today due to the crisis in the markets.

In regard to the Greek reality, our goal is to exit the current financial crisis by limiting, as much as possible, any probable losses, by maintaining protection of capital and, if possible, by strengthening the basis of our business activities. That is the reason that the increase of the common share capital was decided upon by inviting the shareholders to support this goal, in addition to the adaptation of the 1st measure of Law 3723/2008 by the Bank, that is, the increase of its capital stock by the issuance of preferred shares. The following few years should be characterized by the adaptation of a different rationale as compared to that of the past. Business profits may not be the most important goal of enterprises any longer, when compared to safe and prudent activities.

In this adverse economic environment, we at Postbank aspire to be the ALTERNATIVE BANK, with the main shareholder, the Greek government, and to play important roles both in the business environment as well as a pillar of support of the Greek economy and the Greek society in general.

Dear Shareholders,

During 2009, conditions in the international markets, and especially in the banking sector, continued to be adverse, despite a noted relevant positive sentiment in the markets during the first semester. The continued international financial crisis caused difficulties in the Greek banking system as well and led to significant fluctuations in the money and capital markets. During the first six-month period, the European Central Bank continued to lower its discount rate to 1%, a level at which it remains to this day, a fact which led to a significant reduction in interest rates, initially in the interbank market, and subsequently to a more restricted decrease of interest rates of deposits and loans, especially those that were directly correlated with said discount rate. At the same time, the continuous international financial crisis, while affecting the Greek economy as well, created the need for further allowances by the banks, in order to deal with possible delinquencies in the loan sector while, at the same time and until the end of last year, difficulties were observed in liquidity as well as in the cost of liquidity by credit institutions.

The Greek economy, being an integral part of the international economy, was not unaffected by said developments, despite the fact that it had one of the lowest negative

growth rates, which was at -2.0% annualized in 2009 (according to Eurostat information), compared to a positive growth of 2.0% the year before, but visibly better than that of the Eurozone, which was at -4.3%, according to the same information. It is worth noting that throughout the European Union, only Poland had a positive growth rate in 2009 (1.7%), while Greece had the lowest negative growth rate, after Cyprus (-0.7%) and Malta (-1.9%).

The average inflation rate (January 2009 - December 2009), on the basis of the consumer price index, was 1.2% compared to 4.2% (January 2008 - December 2008), while the annualized increase of said rate in December of 2009 was 2.6%.

In this adverse economic environment, the Board of Directors of the Bank, during its meeting on December 19, 2008, decided to participate in all provisions of Law 3723/2008, which provides the “Increase of the liquidity in the economy in order to manage the effects of the international financial crisis [...]”, something that most credit institutions of the country did as well.

The Bank, not facing liquidity problems but in order to strengthen its capital adequacy, finally adopted only the first measure of Law 3723/2008 by increasing its preferred shares of the capital stock.

Within the scope of this decision of January 28, 2009, the required Extraordinary General Shareholders Assembly took place, which approved the adoption of article 1 of Law 3723/2008 by the Bank, that is, the increase of its capital stock in the amount of two hundred twenty four million, nine hundred sixty thousand Euros (€224,960,000) with the issuance of sixty million, eight hundred thousand (60,800,000) preferred shares in stock certificates, mandatorily redeemable within five years by the Bank, under the conditions of article 1 of Law 3723/2008, and with a nominal value and sale price of three Euros and seventy cents (3.70€) each, which were all bought by the Greek government on consideration of government bonds of equal value and upon the annulment of the preemptive rights of the older common stock holders.

Furthermore, the Board of Directors of the Bank, during its meeting on March 6, 2009, decided to call an Extraordinary General Shareholders Assembly for the common shareholders, in order to increase the capital stock of common shares.

Within the scope of this decision and on the 22nd of April 2009, the Second Repeated Extraordinary General Shareholders Assembly took place, which approved the increase of the common stock shares by the amount of five hundred twenty six million, two hundred sixty two thousand, thirty three Euros and forty cents (€526,262,033.40) through the payment of cash and the issuance of one hundred forty two million, two hundred thirty two thousand, nine hundred eighty two (142,232,982) new common

registered voting shares with “preemptive rights” for the older shareholders and “subscription warrants” for the acquisition of any unsold shares. The sale price was three Euros and seventy cents (€3.70) per share.

The abovementioned increase was covered with an amount of five hundred seven million, nine hundred forty eight thousand, seventeen Euros and sixty cents (€507,948,017.60), which corresponded to a percentage of 96.52% through the exercise of one hundred thirty seven million, two hundred eighty three thousand, two hundred forty eight (137,283,248) “preemptive rights” by their holders, while four million, nine hundred forty nine thousand, seven hundred thirty four (4,949,734) shares remained unsold due to non-exercise of an equal number of preemptive rights.

The Board of Directors of the Bank, at its 144th/6th July 2009 meeting, and according to article 13, paragraph 8 of Codified Law 2190/1920, decided the disposition of four million, nine hundred forty nine thousand, seven hundred thirty four (4,949,734) unsold shares, exclusively to the first holders of “subscription warrants”, that is, to the old shareholders who exercised their preemptive rights, partially or fully, by also proceeding to a proportional distribution of said shares (given that the number of unsold shares was inadequate to satisfy the demand exhibited, of fifty three million, ten thousand nine hundred forty nine (53,010,949) shares (both from this category of preemptive right holders, as well as the other categories), which resulted in the full coverage of the capital stock increase.

The new shares were listed in the Athens Stock Market on July 13, 2009.

Dear Shareholders,

In 2009, the organizational restructuring was continued, which had started in the beginning of 2008, thus constituting a year of significant changes for Postbank. These changes essentially set the course of the Bank to this day and marked its current image, both internally and in the external environment of the market and the Greek society in general.

In this effort, we must especially thank our personnel for its contribution, as well as the basic and other shareholders for their trust in the Bank.

A summary of the most important facts of the past year, as well as developments in the most important sectors of our activities, are as follows:

- On **January 28, 2009**, the required Extraordinary General Shareholders Assembly took place, which approved the adoption of article 1 of Law 3723/2008 by the Bank, that is, the increase of its capital stock in the amount of two hundred twenty four million, nine hundred sixty thousand Euros (€224,960,000) with the issuance of

sixty million, eight hundred thousand (60,800,000) preferred shares in stock certificates and mandatorily redeemable within five years by the Bank, under the conditions of article 1 of Law 3723/2008, and with a nominal value and sale price of three Euros and seventy cents (€3.70) each, which were all bought by the Greek government with consideration of government bonds of equal value and upon the annulment of the pre-emptive rights of the older common stock shareholders. Following the abovementioned increase, which was completed in May of 2009 with the ratification of the payment of the capital stock (the preferred shares) by the Board of Directors (meeting 136/25.05.2009), the Capital Stock of the Bank increased to 751.222.033,40 Euros and was divided into 142.232.982 common registered voting shares with a nominal value of 3.70 Euros each and 60.800.000 preferred shares with a nominal value of 3.70 Euros each.

Due to the abovementioned increase, the Board of Directors of the Bank, also following its 134/14.05.2009 meeting, proceeded, pursuant to article 2, paragraph 3, case (c) of the relevant contract, but also pursuant to the more specific decision number 12039/B 702/05.03.2009 of the Minister of Economics and the Economy, to the appointment of Mr. Angelos Androulidakis as an additional member of the Board in the capacity of representative of the Greek government and with a term equal in duration to the participation of the Bank within the specific measure.

- On **February 3, 2009**, the Bank acquired certification ISO 9001:2000 in regard to the procedures of the General Services Administration in the Commissions Unit of Postbank by the certification agency “Bureau Veritas Certification Hellas S.A.”, an international compliance firm for the evaluation of quality management systems.
- On **February 29, 2009**, the Bank suspended the “Program for the purchase of own shares” (“treasury stock”), which had been decided since May 2nd of 2008 by the Ordinary General Shareholders Assembly, pursuant to article 16 of Codified Law 2190/1920 on public limited companies. The program concerned the acquisition of own shares by the Bank up to a maximum limit of ten million shares with a price range between 3.70 Euros (nominal value) and 19 Euros, respectively. These acquisitions could have been conducted within twenty four (24) months, that is, from the 2nd of May of 2008, the date when the relevant decision was made by the Shareholders General Assembly, until the 2nd of May of 2010.

The Board of Directors of the Bank was authorized to implement the “Program for the purchase of own shares” (article 16, paragraph 2 of Codified Law 2190/20) by modifying the basic terms for its implementation.

Within the scope of the implementation of the abovementioned decision of the general assembly and during the time period from the 9th of June of 2008 up until the 30th of June of 2009, the Bank acquired 3,433,020 own shares in total, which corresponded to 1.21% of the common shares of the capital stock. It is noted that this position has been held since the 19th of February 2009, the date on which the

Bank proceeded to the last acquisition, following the restriction in the acquisition of own shares from credit institutions that participate in the liquidity increase measures of Law 3723/2008 (article 28 of Law 3756/2009).

- On **February 21, 2009**, the second written exam for the hiring of personnel with banking experience was successfully conducted. The written examinations were organized and implemented in an exemplary manner by the Hellenic Bank Association. The hiring and inclusion of new employees in the workforce of the Bank strengthened, both operationally and productively, the branch network, as well as its central services. During 2009, the Bank proceeded to the hiring of 848 employees and executives in total, 644 of which were hired through the examination process and 114 of which resigned for various reasons (retirement, voluntary resignation, transfers, etc.).
- On **March 5, 2009**, the Bank published the results of the examinations it had announced on the 20th of October 2008 with subject “A Society of Responsibility - Economy and Environment”, in order to provide an opportunity for the students of the School of Fine Arts of Athens and the Aristotelian University of Thessaloniki, School of Visual and Applied Arts, to imprint their own artistic views and opinions of the environment. A total of 129 young artists participated, with works that stood out for their social messages, as well as their authenticity, sensitivity and liveliness. A common point of reference for all these works, without exception, was the symbol of savings, the traditional piggy bank, which is so closely connected with the historical and commercial reputation of Postbank. The goal was to promote savings in any form, under both the literal and metaphorical meanings, such as the saving of energy.
From the 129 participants, 40 were chosen and received monetary awards and their works were displayed in the main room of the old Athens Stock Market and were used in the calendar for Postbank, as well as for posters that promote the spirit of savings.
- On **March 22, 2009**, the Bank acquired certification ISO 9001:2008 in regard to the procedures of the Administration of Delinquencies of Postbank with subject of the certification being the “Delinquent Loan Claims Management (Collections)” by the certification agency “Bureau Veritas Certification Hellas S.A.”, an international compliance firm for the evaluation of quality management systems.
- On **April 22, 2009**, the second Repeated Extraordinary General Shareholders Assembly took place, which approved the increase of the capital stock of the Bank, specifically common shares, by the amount of five hundred twenty six million, two hundred sixty two thousand, thirty three Euros and forty cents (€526,262,033.40) through the payment of cash and the issuance of one hundred forty two million, two

hundred thirty two thousand, nine hundred eighty two (142,232,982) new common registered voting shares, with a nominal value and sale price of three Euros and seventy cents (€3.70) each, with “preemptive rights” for the older shareholders.

- On **April 23, 2009**, the Bank, within the scope of the corporate citizenship and strategic cooperation with the Hellenic Post, decided upon the installation, maintenance and operation of an ATM machine at the branch of the postal service in Agathonisi, in order to serve the needs of the residents of this remote island.
- On **April 29, 2009**, the Bank was rewarded at the Athens Opera House as one of the companies with the best working environment, according to the survey “Best Work Places”, which constitutes the most reliable survey in the specific sector. The Bank was distinguished in the category “companies with 250+ employees” after satisfying criteria concerning two areas. First, the “trust index”, which is determined by employee responses to a specifically designed questionnaire and, second, the “culture audit”, that is, the report of the company in regard to the human resources management.
- On **May 29, 2009**, the Bank received ISO 9001:2008 certification for the procedures of the Security Administration of the Bank with the following certification objectives: a) Design, Implementation and Application of the Security Policy, and b) Development of Procedures and Mechanisms for the Prevention and Limitation of Risks by the certification agency “Bureau Veritas Certification Hellas S.A.”, an international compliance firm for the evaluation of quality management systems.
- On **June 11, 2009**, the Bank, within the scope of Corporate Citizenship and the development of the savings mentality from an early age, took the initiative in cooperation with the Ministry of National Education to offer a school bag to first grade students throughout Greece, which included a full set of writing supplies and a Postbank piggy bank which the students received at the beginning of the school year. In total, 109,260 school sets were delivered throughout Greece.
- On **July 2, 2009**, the Bank, in cooperation with the Hellenic Post, extending its activities in the insurance sector, proceeded to the incorporation of the subsidiary insurance brokerage firm “Post Insurance Brokerage - Insurance Brokers S.A.” and its integration in the structure of the Group (Official Gazette, incorporation of T.A.E. - LLC 8444/14.07.2007), based in the City of Athens. The initial capital stock of the company is 1 million Euros (Official Gazette T.A.E. - LLC 11212/18.09.2009) and its duration has been set to 50 years. The Bank participates in the capital stock of the company with a percentage of 50.01%. The company will conduct businesses in the sector of branded Bankassurance and traditional insurance products and through its cooperation with major insurance companies, it will provide its services through the

extended branch and agency network of the Hellenic Post and the Postbank, throughout Greece, and this way it will claim a larger portion of the market and will aim to the further growth of its clientele development prospects.

- On **July 13, 2009**, the 142,232,982 new, common registered voting shares of the Bank were listed in the Athens Stock Market with a nominal value of 3.70 Euros each, which derived upon the full coverage of the capital stock increase (per 133.79%) of the common shares of the Bank, something that was decided by the second (B') Repeated Extraordinary Shareholders Assembly on April 22, 2009. The increase of the capital stock in the amount of 526,262,033.40 Euros was made by payment in cash, with the provision of “preemptive rights” for the old shareholders and “subscription warrants” for the acquisition of unsold shares. The sale price was 3.70 Euros per share.

The abovementioned increase was covered by an amount of 507,948,017.60 Euros, corresponding to a percentage of 96.52% from the exercise of a total of 137,293,248 “preemptive rights” by said shareholders, while 4,949,734 shares remained unsold due to non-exercise of an equal number of preemptive rights. The Board of Directors of the Bank, at its 144th/6th July 2009 meeting, and according to article 13, paragraph 8 of Codified Law 2190/1920, decided the disposal of 4,949,734 unsold shares exclusively to the first holders of “subscription warrants”, that is, to the old shareholders who exercised their preemptive rights, partially or fully, by also proceeding to a proportional distribution of said shares (given that the number of unsold shares was inadequate to satisfy the demand exhibited of 53,010,949 shares both from this category of preemptive right holders, as well as the other categories, which resulted in the full coverage of the capital stock increase. Following this increase, the capital stock is currently one billion two hundred seventy seven million four hundred eighty four thousand sixty six Euros and eighty cents (**€1,277,484,066.80**), divided, respectively, to two hundred eighty four thousand four hundred sixty five nine hundred sixty four (284,465,964) common registered voting shares with a nominal value of three Euros and seventy cents (€3.70) each, and in sixty million eight hundred thousand (60,800,000) preferred shares in stock certificates, mandatorily redeemable by the Bank within five years, pursuant to the conditions of article 1, Law 3723/2008, with a nominal value of three Euros and seventy cents (€3.70) each, which were bought, in their entirety, by the Greek government in exchange of Government bonds of equal value.

- In its meeting of **July 24, 2009**, the Board of Directors of the Bank decided originally the establishment of three (3) new subsidiaries, which would be conducting business in Real Estate, Leasing, and communication services, strategic planning and management of projects for the environment and sustainable growth. Within the scope of the abovementioned decision, the company “Post Bank Green Institute, Communication Services, Strategic Planning and Environmental Projects

Management, Societé Anonyme” was incorporated (Official Gazette for the incorporation of T.A.E. - LLC 9847/11.08.2009 and 13278/13.11.2009), based in Metamorphosi.

The initial capital stock of the company, in the amount of 500 thousand Euros, was fully paid and said payment was certified during the fourth quarter of 2009, when the Official Gazette of the incorporation of the company was republished (Official Gazette T.A.E. - LLC 13265/13.11.2009). The Bank participates in the capital stock of the company with a percentage of 50%.

The purpose of the company is the provision of consultation services in matters of strategic planning, coordination and project management in the areas of Sustainable Growth and the Environment, the provision of educational services, the implementation of communication programs, the conducting of lectures, seminars and conferences for environmental subjects and the implementation of projects for the environment according to the performance in areas of the environment, sustainable growth, and emissions control.

- On **December 11, 2009**, following a request of the major shareholder “Greek Government”, an Extraordinary Shareholders’ General Assembly was called for the common shareholders, which decided on the appointment of a new Board of Directors with nine (9) members, with a tenure of five years, and two Independent Non-Executive Members, pursuant to the provisions of Law 3016/2002 “On corporate governance, payroll matters and other provisions”.

Upon its appointment, the new Board of Directors was incorporated the same day by electing Mr. Kleanthis Papadopoulos as the new Chairman of the Board of Directors of the Bank and Mr. Spyridon Pantelias as the new Executive Vice-President, by assigning anew, in view of the new composition, the authorities and the representation and binding rights of the Bank.

Dear Shareholders,

During the time period of the fiscal year under review, Postbank continued on a course of organization restructuring and growth of its economic indicators, at a smaller pace, of course, but still higher than that of the market. The course of this growth was based on the solid basis of strong capital adequacy, portfolio quality and a growing clientele basis, both in loans as well as in deposits.

In line with this policy, we hereby report the following:

Consolidated assets amounted to €17.96 billion, which was an increase by 20.52% compared to 31.12.2008. Loans and claims against clients amounted to €8.07 billion, increased by 13.18%. Deposits and Repos amounted to €12.63 billion, an increase by 12.67%, while the total net position amounted to €1,224.49 million. Net profits of the

fiscal year before income tax, on a consolidated basis, amounted to €47.74 million, while profits after taxes amounted to €22.65 million.

The capital adequacy ratio was strengthened in 2009 from the increases of capital stock and at the end of the fiscal year, it was 17.10% compared to 8.59% at the end of 2008.

➤ **In the area of consumer credit**, the policy of prudent and stricter, in terms of quality, credit expansion was maintained with increased creditworthiness criteria of the lenders, however, without abandoning the basic principle that Postbank is a Bank aimed toward serving the financial needs of the Greek market and its clients with modern and needs adjusted products, which should also be simple and understandable and with the most favorable terms possible. During the fiscal year under review, the Bank also promoted new home and consumer loan products, now based on the Euribor interest rate rather than the European Central Bank (ECB) discount rate, thus improving the corresponding rate margin. From these actions, a small increase in interest rate revenues is expected, derived mainly from the new disbursements, which, however, are not expected to follow the same growth rate, largely due to adverse economic conditions.

More specifically,

a) New types of home loans were introduced and promoted that were adjusted to the special and continuously changing needs of the clientele, as well as to the changing and very competitive market conditions, such as home loans with a period of fixed interest rates or with small down payments or with a provision of a grace period, etc.

At the same time, the expansion of the beneficiary market of Home Credit loans was continued with the provision of loans for the purchase, construction or improvement of commercial real estate for individuals who are merchants.

A result of this effort was the net increase of the total portfolio of home loans by approximately 3.03%, as compared to the previous fiscal year, reaching the amount of an increase net of repayments of €135.65 million. Specifically, more than 8,000 home loans were made in the year 2009 for a total amount of approximately 360 million Euros.

b) The provision of personal - consumer loans was continued, as well as the provision of pre-approved personal loans to employees of organizations of the public sector. Specifically during the year 2009, approximately 5.2 thousand personal consumer loans were issued for a total amount of approximately 77 million Euros and approximately 33.5 thousand pre-approved personal loans for an amount of approximately 406 million Euros, which was a small net decrease of approximately -0.33% or an amount of €6.31 million.

c) Loans to large enterprises and public organizations slightly increased in 2009, although no emphasis has been placed on such types of loans since they do not constitute, for the time being, the main portion of the Postbank strategic development.

d) A part of the remaining liquidity of the Bank was also channeled to the issuance of bond loans of selected companies with high credit ratings, irrespective of sectors, mainly for investment purposes in order for the Bank to substitute, to whatever degree possible, the reduction in its interest rate revenues from the interbank market, given the continuous reduction and maintenance of market interest rates to low levels.

e) During 2009, credit card sales continued the course started in 2005 with an increase compared to the previous fiscal year, mainly due to the continuation of promotional activities and through the subsidiary company Post Credit, but also due to combined sales by the branches of the Postbank network and the alternative network of the Hellenic Post.

Balances of credit cards on 31/12/2009 were 242.85 million Euros compared to 191.27 million Euros of the previous fiscal year, which was an increase by 26.97%.

The increase of the “T.T. Visa Electron” debit cards was also significant, which were cards given to Bank account holders. Their number at the end of the year was 328,046 compared to 258,090 in the previous fiscal year, an increase by 27.11%.

On the basis of the abovementioned information, the total, net of repayments, increase of the loan portfolio of the Bank in the fiscal year 2009 increased by 13.18% or an amount of €939.40 million.

These changes in the independent portfolios are deemed satisfactory, given the current financial conditions and the growth rate of the market, which was, in the year 2009, 3.7% for home loans and 2.0% for consumer loans (source: Bank of Greece, Economic Conditions Bulletin), but also the application of the new policy regarding credit expansion.

We should also note that Postbank continues to provide Subsidized Home Loans in cooperation with the Workers’ Housing Organization and the Greek government.

➤ **In the area of development of our relationship with the Hellenic Post**, which constitutes an important area of the management strategy, a significant development was the cooperation between the two organizations for the improvement of the time necessary to provide financial information regarding transactions executed only through the Hellenic Post, aiming at the real time communication and connectivity of the systems of the two organizations. The connection and real-time communication with the computer system of the Bank has already been completed for the connection of 439

branches of the Hellenic Post network, while the savings accounts of the remaining 404, from a total of 843 branches of the Hellenic Post network with which the Bank cooperates, have been transferred to the computer system of the Bank and online - real time transactions are executed through a specially assigned Help Desk.

At the same time, 81 discretionary areas (Shop in the Shop) have been established within the branches of the Hellenic Post network, according to the plan and scheduling set in 2008.

In the area of loans, the cooperation that had commenced since the summer of 2006 in the form of a pilot program for the provision of loan products continued in the fiscal year under review and its development was satisfactory. The branches of the Hellenic Post network which provide loan products of the Bank were 310 at the end of 2009.

The success of this effort is considered significant, given that it may contribute to the growth rate of the retail loan portfolio, of course, under the scope of the new credit expansion policy. Nevertheless, it is important to mention that the system of loan application approval, both for the applications that originate from the network of the Bank and those that originate from the network of the Hellenic Post, is centralized and relevant decisions are made by the approval service of the Bank.

➤ **In the area of cash management**, the previous year was another difficult year, especially during the last quarter. The active management of the Greek government bond portfolio was a priority in 2009, since the Bank has significant holdings. At the same time, the effort for restructuring and reduction of the low liquidity portfolio (structured products) was continued through their liquidation, as well as the increase of protective measures of the Bank through the offsetting of remaining investments through the use of derivatives, which also continued in 2009, in order to achieve a reduction of portfolio risk, as well as a partial reduction of required supervisory funds due to risk offsetting.

In regard to the stock share portfolio, it must be mentioned that the Bank offsets assumed risk with the use of derivatives in indices of mainly the Greek, German or other international stock markets, a practice that is absolutely necessary in a crisis environment, and liquidations also took place in this portfolio with the basic criteria being the limitation of further reductions in value.

During 2009, hedge accounting of interest rate risk for the portfolio of fixed rate loans continued through the use of interest rate swaps, while for part of the portfolio of the Available for Sale (AFS) bonds and loan bonds, through the use of interest rate swaps and futures. In this way, we ensured the normalization of results and the effect of the

fluctuation of results was limited, as much as possible, a practice which is also followed by other international and Greek banks.

The strategy of the Bank's cash management was focused, throughout the previous year, in the development of operations that would help to create a full leveraging of the comparative advantages of Postbank, in order to achieve:

- the most sufficient risk offset possible,
- the increase of the Bank's synergies with its clientele, and
- the maximization of liquidity leveraging in order to assure interest rate revenues.

The Cash Management Administration continued to operate throughout the fiscal year, especially on the basis of this last practice and given the continued decrease of rates in the interbank market throughout the first semester of 2009, by investing part of the available liquidity of the Bank in selected corporate bonds for investment purposes, something that it had already begun at the end of the fiscal year 2008.

➤ In the area of Risk Management, the Bank, due to the nature of its operations and activities, is exposed to a series of risks: The main risks are the credit risk, including concentration risk, market risk, liquidity risk and operational risk. Therefore, the effective management of these risks by the Bank is a decisive factor for the efficient and safe operation, as well as its growth.

The management and control of assumed risks is an integral part of the Bank's commitment to its shareholders, thus, general directives have been established to ensure full compliance with the continuously changing institutional environment and the corresponding obligations in regard to the management of risks, aiming mainly at:

- ✓ The achievement of business objectives,
- ✓ The creation of added value for the shareholders through constant and repeated profitability sources,
- ✓ The full compliance with the requirements of regulatory authorities, and
- ✓ The maintenance of a strong capital base and satisfactory liquidity,

in order to ensure the efficient growth of the Bank.

The year 2009 was the third year after the Bank's shares were listed in the Athens Stock Market as a Credit Institution Regulated by the Central Bank of Greece, as well as a listed Enterprise Regulated by the Capital Market Commission.

The effort to adapt to legal requirements was and is ongoing in all the levels of activities of the Bank. On the basis of the provisions of an Institutional Framework and the best

practices in the banking industry, the following independent units have been incorporated and in operation since 2006 and they have been staffed with specialized personnel and with the use of systems to measure and manage risks:

- Risk Management Administration
- Internal Control Administration
- Regulatory Compliance Administration

The Board of Directors has the overall responsibility for the continuous development and supervision of the risk management framework, while a Risk Management Committee has been appointed, according to the provisions of the institutional framework, which has the responsibility of supervising and seamlessly applying the risk management policy.

At the same time, specialized committees were appointed by the Board of Directors for the establishment of a credit policy, the assumption of risks through approval procedures and the monitoring and supervision of the mechanisms for the management of assumed risks.

Within the year 2009, the Bank commenced operations for the installation and operation of new risk management systems to cover Market Risk and Asset Liability Management, which systems complement the system of capital adequacy management and measurement according to the regulatory provisions of Basel II and the Bank of Greece, which was installed and successfully operated in the year 2008.

Finally, it must be mentioned that within 2009, amid strong fluctuations in the money and capital markets due to the economic recession, two stress tests were conducted by the Risk Management Administration, the results of which were submitted to the Bank of Greece. The models used complied with the directives of the Bank of Greece and were based on internal standards of the Risk Management Administration in order to measure and evaluate the most significant risks in the portfolios of the Bank, and they further exhibited the strong capital bases and the quality of its balance sheet.

- **In the area of information technology** and prior to the reports regarding the most important projects of the last year, it must be noted that within the framework of development and upgrading of infrastructure projects, the Bank adopted a very ambitious two-year plan, which had already begun in 2008. A total of approximately 65 projects were scheduled, planned and started without counting the concurrent subprojects and actions required and those required to support the main projects for a total of more than 100 projects.

As it is known, the upgrading of infrastructure and systems affects many administrations in a Bank. They are mainly intense projects for the Information and Organization Administration of each Bank. This is the reason for which both the Information Administration and the Organization Administration were strengthened, as much as possible, by the necessary personnel in order to complete the implementation of these projects.

The most important projects of the last year were the following:

- ✓ Further development and utilization of the Comprehensive Information System “PROFITS” was continued, both through the improvement of current applications as well as the development and incorporation of new products.
- ✓ The electronic check balancing system was implemented and set into operation, which is also known as DHSSE, our information system was properly adjusted, the required procedures were planned and the necessary connections with the company DIAS for the electronic exchange of files were installed.
- ✓ The procedure for the automatization of financial transactions through the alternative network of the Hellenic Post branches was continued at a fast pace and all the accounts had been transferred, until the end of the fiscal year, to the computer system of the Bank and 439 branches from the Hellenic Post network had been fully connected with the computer system of the Bank, while the remaining 404 non-automated branches have been incorporated in a transaction service system through a call center of the Bank.
- ✓ The infrastructure projects were completed, the proper equipment was acquired and the backup information center, also known as the Disaster Recovery Center, was set into operation on the basis of the requirements and specifications set by the Bank of Greece. Currently, the Bank has full computer coverage for the recovery of data in case of destruction.
- ✓ The program of modernization and relocation of the branches of the Bank was further supported.
- ✓ Within the framework of alternative sales networks, the maintenance of 188 of the Bank’s ATMs continued, of which 143 were placed in its branches and the others were placed in branches of the Hellenic Post (43 units and 2 offsite), mainly in Athens and other large cities. Also, 59 new technology ATM units will be installed, which have the capability of taking deposits and paying bills. As it is known, the objective for the development of this network is the online service of clients throughout Greece without the need to wait in line, which also

reduces the operational cost of the Bank. This effort seems to be effective if one considers that in the first quarter of 2010, approximately 664 thousand transactions took place compared to 530 thousand of last year, which was an increase by approximately 25% and the transactions covered approximately 153 million Euros compared to 100 million Euros during the same period of 2009. The abovementioned transactions include withdrawals of cash and deposits, withdrawals of cash through credit cards, account balances and summary account statements. With the installation of 59 new units, we expect to increase the functionality of the ATM network with the capability of immediate finalization of deposits and payments.

We hereby mention, briefly, the other very important projects of the last year:

- Continuous upgrading of our Intranet and establishment of communication via e-mail,
 - Upgrading of the users' work station security systems through the installation of Active Directory software in five (5) pilot branches,
 - Completion of the communication network upgrading - MPLS,
 - Implementation of a records digitization system - Land Registry,
 - Implementation of a monitoring system for the ATM network,
 - Implementation of an Anti-Money Laundering (AML) - embargo system for the transactions through the electronic payment system Swift,
 - Operation of a system for the Management And Evaluation of Human Resources (Cezanne),
 - Development, operation and connectivity with the interbank systems "DIAS" for the operations DIAS CHECK, DIAS DEBIT and DIAS TRANSFER with the development of the corresponding interbank transactions,
 - Redesigning of the manner of operation and management of Prime Loans,
 - Development of procedures for the operation of Central Services and the branch network,
 - Technical support of the subsidiary POST INSURANCE and the electronic connectivity of said company with the systems of the Bank,
- ✓ Finally it must be mentioned that the operation of the subsystems of General Accounting, the subsystems of the Dealing Room (BTS Vision) and the subsystem of Personnel Management and Payroll continued smoothly. Specifically for the new version of the Dealing Room system (BTS Vision), according to the international accounting standards, its operation was efficient throughout 2009 and fully supported the financial services department in the production of the financial reports of the Bank.

As it is known, the efforts for continuous improvement never stop and some of the most important projects that have been scheduled or are in progress are mentioned below and they will be completed in the following fiscal year of 2010 due to their size.

1. Installation of banking transaction electronic platform (**e-banking**),
2. Installation of a business data utilization platform (**Data Warehouse**),
3. A project for the cleansing of duplicate client information (**Data Cleansing**),
4. **Installation of a custody management system (Custody)**,
5. Installation of a system for the administration of financial enterprise resources and planning (**Financial ERP**),
6. Installation of a system for the reconciliation of correspondent and intermediate accounts (**Reconciliation**),
7. **ATM** network expansion,
8. Installation of two basic **Risk Management** systems for the monitoring of Market Risk and the management of Assets/Liabilities.
9. Expansion of the entire network of the users' work station management and security system (**Active Directory**),
10. Implementation of a system of electronic collaboration of the branch network,
11. Upgrade of the overall security of the network and its systems, pursuant to certified procedures for access control.

Dear Shareholders,

All the efforts for the development and expansion of the activities of each enterprise are based on its people. For this purpose, in the area of Human Resources the effort for the rationing of the support and improvement of the personnel was also continued in 2009. Two aptitude tests were organized and took place with complete success and timeliness, during which 644 people were tested to cover positions both in the central service and the branch network. The written test portion was organized and implemented by the Greek Bank Association and thus, the Bank obtained 644 new young colleagues, with prior banking experience of at least 1 year for most, who are helping us in our daily efforts.

At the same time, the Bank offered a program of voluntary termination in the year 2009, which was opted by 44 colleagues, while 35 other colleagues chose to exercise their right to be transferred to services and/or organizations of the public sector.

Throughout the year and within the framework of relevant decisions of the Board of Directors, the Bank obtained 204 specialized employees with prior experience in other banks in all specialties and ranks of the organizational chart, while 35 employees resigned for various reasons (retirement, etc.).

Dear Shareholders,

The course of the independent recognition of Postbank as a modern alternative and competitive credit institution with a high rate of performance requires the continuous efforts of all of us, including the management, the employees and the shareholders. It is an effort that does not stop and is not completed in one year, especially under the adverse economic conditions of our time. The recently appointed Board of this Bank is already processing new areas of business activities in order to expand the activities of the organization and to strengthen its efficiency and profitability.

In regard to the results of fiscal year 2009, the main points are as follows:

- **Interest and similar income** were approximately 625.26 million Euros compared to 757.54 million Euros of the prior fiscal year, which is a decrease by 17.46%. This decrease is mainly due to the decrease of interest rates, thus the decrease of revenues through interest in the interbank market.
- **Interest expense and similar charges** were approximately 361.96 million Euros compared to 435.75 million Euros of the prior fiscal year, which is a decrease by 16.93%. This decrease is mainly due to the decrease of interest rates in the interbank market.
- **Net interest income** due to the above were approximately 263.30 million Euros compared to 321.78 million Euros of the prior fiscal year, which is a decrease by 18.18%.
- **Fee and commission income** was 17.75 million Euros compared to 18.62 million Euros of the prior fiscal year, which is a decrease by 4.67%.
- **Fee and commission expenses** were approximately 1.87 million Euros compared to 1.83 million Euros of the prior fiscal year, which is a small increase by 1.77%.
- **Net fee and commission income** due to the above were 15.88 million Euros compared to 16.78 million Euros of the prior fiscal year, which is a decrease by 5.37%.
- **Dividend income** was 7.70 million Euros compared to 8.17 million Euros of the prior fiscal year, which is a decrease by 5.71%.
- The results **from financial instruments designated at fair value through profit and loss** showed a profit of 48.94 million Euros compared to losses of 51.93 million Euros in the prior fiscal year. This result, given the conditions and size of the Bank's

portfolios, is deemed satisfactory and reflects the efforts for timely liquidation, offsetting and restructuring of the portfolios.

- The **results of the investment portfolio** were profits of 31.62 million Euros compared to 4.51 million Euros of the prior fiscal year.
- **Other operating income amounted to** 1.56 million Euros compared to 2.58 million Euros of the prior fiscal year, which is a decrease by 39.65%.
- **Personnel expenses** amounted to 124.20 million Euros compared to 102.88 million Euros for the prior fiscal year 2008, which is an increase by 20.73%. This increase is mainly due to the addition of 734 new employees, net of the resigned employees, and partially offsets the decrease of the account of Other Compensation and Third Party Expenses, which included, in the past, the cost of added personnel for projects of the Bank.
- **Other operating expenses** were 118.17 million Euros compared to 112.05 million Euros of the prior fiscal year, which is an increase by 5.47%. This increase is mainly due to the implementation of an extended advertising program of the Bank, the new logo and its products.
- **Depreciation** was 11.36 million Euros compared to 10.91 million Euros of the prior fiscal year, which is a small increase by 4.13%.
- **Other expenses from operations** were 12.44 million Euros compared to 6.39 million Euros of the prior fiscal year, which is an increase by 94.81%, mainly due to the variance in the efficiency of accounting offsets, which was 8.88 million Euros.
- The **allowance for the impairment of loans** were approximately 40.61 million Euros compared to 36.07 million Euros of the prior fiscal year, which is an increase by 12.58%, mainly due to the increase of loans. The calculation of allowances complies with the minimum requirements set by the Bank of Greece.
- **Allowances for other assets and investments** were 16.18 million Euros compared to 31 million Euros of the prior fiscal year. This amount includes an amount of approximately 6.87 million Euros, which concerns the conducting of forecasts by the Bank in the case of delinquent claims by third parties which have been recorded in the asset account “Other Assets”, specifically in the account “Claims from Third Party Guarantees” in the amount of 33.72 million Euros in the prior fiscal year and an amount of 9.30 million Euros, which is a forecast of the depreciation of the value of holdings in an affiliate enterprise.

➤ The **equity of the Bank**, after income tax for the fiscal year, was 1,224.49 million Euros compared to 532.16 million Euros for the prior fiscal year. The increase in equity is mainly due to the inclusion of the Bank within the provisions of article 1, Law 3723/2008 and the increase of its capital stock of the preferred stock shares by an amount of 224.96 million Euros, due to the abovementioned provisions, as well as the increase of its capital stock of the common stock shares by 526.26 million Euros.

➤ Finally, the **transactions and balances of related parties**, including subsidiary enterprises, the members of the Board of Directors and the officers of the Bank who participate in committees, were as follows:

<i>Amounts in €</i>	THE GROUP		The Bank	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Claims				
Loans	6,590,763.97	7,782,843.15	6,349,937.76	7,687,622.42
Other claims	-	-	-	-
Total	6,590,763.97	7,782,843.15	6,349,937.76	7,687,622.42
Liabilities				
Deposits	3,840,410.81	3,779,798.15	3,122,132.07	3,499,798.15
Other liabilities	-	-	-	-
Total	3,840,410.81	3,779,798.15	3,122,132.07	3,499,798.15
<i>Amounts in €</i>	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Expenses				
Fees and other provisions to members of the BoD and officers	7,673,057.63	4,936,556.74	5,584,574.29	4,875,356.74
Deposit interest	97,950.36	108,286.67	85,779.37	104,889.34
Total	7,771,007.99	5,044,843.41	5,670,353.66	4,980,246.08
Revenues				
Loan Interest	138,947.71	183,225.22	128,528.97	177,243.56
Other revenues and commissions	-	-	-	-
Total	138,947.71	183,225.22	128,528.97	177,243.56

b) BALANCES WITH SUBSIDIARIES AND AFFILIATES

<i>Amounts in €</i>	THE GROUP		The Bank:	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Claims				
Loans and claims in the interbank market	100,000,000.00	159,000,000.00	100,000,000.00	159,000,000.00
Loans to Subsidiaries	-	-	208,278,517.45	-

Other claims.	-	-	209,711.04	-
Total	100,000,000.00	159,000,000.00	308,488,228.49	159,000,000.00
Liabilities				
Deposits and liabilities in the interbank market	-	-	25,506,025.38	19,860,943.17
Other liabilities	-	-	2,992,790.48	294,517.86
Total	0.00	0.00	28,498,815.86	20,155,461.03
-				
-				
Amounts in €	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Expenses				
Deposit and loan interest in the interbank market	191,288.54	-	223,604.70	11,041.67
Misc. expenses	-	-	13,650,787.34	1,293,259.31
Total	191,288.54	0.00	13,874,392.04	1,304,300.98
Revenues				
Loan and claims interest in the interbank market	55,917.69	-	55,917.69	-
Subsidiary Loan Interest	-	-	543,111.59	-
Other revenues	-	-	1,237,046.78	210,057.95
Total	55,917.69	0.00	1,836,076.06	210,057.95

EXPLANATORY REPORT OF ARTICLE 4 § 7 OF LAW 3556/2007

Dear Shareholders,

within the scope of paragraph 7, article 4, Law 3556/2007, further “detailed information” is mentioned below for your information, which relates to the Bank in regard to the fiscal year 2009:

a. Structure of the capital stock of the Bank.

The capital stock of the Bank on December 31st 2009 was one billion, two hundred seventy seven million, four hundred eighty four thousand, sixty six Euros and eighty cents (1,277,484,066.80 €). The capital stock is divided, respectively, into a) two hundred eighty four thousand four hundred sixty five nine hundred sixty four (284,465,964) common registered voting shares with a nominal value of three Euros and seventy cents (€3.70) each (hereinafter “common stock shares”) and b) in sixty million eight hundred thousand (60,800,000) preferred shares in stock certificates, mandatorily redeemable by the Bank within five years, pursuant to the conditions of article 1, Law 3723/2008, with a nominal value of three Euros and seventy cents (€3.70) each, which belong, in their entirety, to the Greek government (hereinafter “preferred stock shares”). Preferred stock shares may not be listed in an organized market.

The common stock shares of the Bank have been listed in the Athens Stock Market with code ISIN GRS 492003009. They have not been listed for trade in an organized market of another Member State. The unit of trading of common stock shares is the electronic title of one (1) share. Common shares are traded in Euros. Each common share of the Bank incorporates all rights and obligations set forth in applicable laws and the Articles of Incorporation of the Bank, without exception, and the Articles of Incorporation do not contain provisions that are more restrictive than the provisions of applicable laws. The responsibility of the shareholders of the Bank, also according to its Articles of Incorporation, is limited to the nominal value of the stock shares they hold. The shareholders participate in the administration and profits of the Bank according to the law and the provisions of its Articles of Incorporation.

With the decision of the Extraordinary General Shareholders Assembly of 28.01.2009, the capital stock of the Bank was increased pursuant to the provisions of article 1 of Law 3723/2008 (Official Gazette 250 A'/09.12.2008) “Increase of the liquidity in the economy in order to manage the effects of the international financial crisis” by an annulment of the preemptive rights of all shareholders in the amount of two hundred twenty four million, nine hundred sixty thousand Euros (€224,960,000) with the issuance of sixty million, eight hundred thousand (60,800,000) preferred stock shares in certificates, mandatorily redeemable by the Bank

within five years under the conditions of article 1 of Law 3723/2008, with a nominal value of €3.70 each, which were purchased in their entirety by the Greek government as the sole preferred shareholder in exchange for government bonds of equal value.

Pursuant to article 1 of Law 3723/2008 and article 7 of the Articles of Incorporation of the Bank, preferred shares are issued with voting rights only by the General Assembly of preferred shareholders, may not be transferred by the Greek government to third parties, may not be traded in an organized market, incorporate the general properties on the basis of which they will be accepted as main elements of own funds of credit institutions, pursuant to the provisions of Law 3601/2007 and the relevant decisions of the Bank of Greece, and incorporate the following privileges:

- a) Drawing rights with a fixed return calculated with a percentage of 10% of the total contributed capital, before common shares, before dividends distributed pursuant to paragraph 3 of article 1 of Law 3723/2008, that is, 35% of the profits, regardless of the distribution of dividends to the other shareholders of each Bank and provided that upon payment of said return, the capital adequacy ratios on a simple and consolidated basis shall satisfy the minimum indices set forth by the Bank of Greece.

The fixed return is calculated on a realized annual basis proportionate to the time period during which the Greek government was a preferred shareholder, is paid within one month from the approval of the annual financial statements of the corresponding fiscal year by the ordinary general shareholders' assembly, is subject to the condition of the existence of distributable amounts pursuant to the provisions of article 44a of Codified Law 2190/1920, and specifically in regard to profits and/or cash reserves of the latter and/or prior fiscal years, however, upon prior relevant decision on their distribution by the General Shareholders Assembly of the Bank and in the case of insufficiency of the abovementioned distributable amounts, the right of preferential drawing, before the common shareholders of the provided return is provided, until said amounts are depleted.

- b) Voting right in the preferred shareholders' general assembly in the cases set forth by Codified Law 2190/1920.
- c) Right of participation of the Greek government in the Board of Directors through its representative, who may be appointed as an additional member.
- d) Veto right for the representative of the Greek government who participates as an additional member in the Board of Directors against decisions relevant to the distribution of dividends and the provision policy of the credit institution for provisions to the members of management, upon decision of the Minister of Economy and Economics or if said member deems that said decision may put the interests of the depositors at risk, or it may substantially affect the creditworthiness and smooth operation of the Bank.

- e) Right for the presentation of the Greek government, through its representative in the shareholders' general assembly, with the abovementioned veto rights, during the discussion and making of decisions for the abovementioned subjects.
- f) Right of the Greek government, through its representative, to free access to the books and records of the Bank for the purposes of Law 3723/2008.
- g) Right of preferential satisfaction of the Greek government above all other shareholders in regard to the liquidation product in the case of liquidation of the Bank.

b. Limitations in the transfer of the Bank's shares.

The transfer of the common stock shares of the Bank is made pursuant to the applicable provisions of the applicable laws, is not otherwise regulated by the Articles of Incorporation of the Bank and no limitation is provided in regard to said transfer. It is further noted that all common shares are listed in the Athens Stock Market and are freely traded.

Pursuant to article 1, paragraph 1 of Law 3723/2008, the preferred shares that belong to the Greek government may not be transferred by the Greek government to third parties.

c. Significant holdings pursuant to the provision of articles 9 through 11 of Law 3556/2007.

Significant holdings of shareholders, holders of common shares in the common capital stock of the Bank on December 31st 2009.

- The Greek government held 34.043% of the capital stock of the Bank, corresponding to 96,841,396 common registered voting shares.
- The Société Anonyme "HELLENIC POST S.A." held 10% of the capital stock of the Bank, corresponding to 28.446.598 common registered voting shares.
- The Société Anonyme "E.F.G. EUROBANK ERGASIAS S.A." held 6.803% of the capital stock of the Bank, corresponding to 19,353,298 common registered voting shares.
- The Société Anonyme "NATIONAL BANK OF GREECE S.A." held 6.693% of the capital stock of the Bank, corresponding to 19,040,000 common registered voting shares.

d. Stock shares with special control rights for their shareholders.

There are no stock shares of the Bank which may provide special control rights to their shareholders pursuant to provisions of the Articles of Incorporation.

e. Limitations of voting rights - Deadlines for the exercise of voting rights.

Common shares: The Articles of Incorporation of the Bank do not provide limitations in regard to voting rights, nor do they impose a limited exercise only to shareholders with a certain number of shares or voting rights. Pursuant to provisions of Codified Law 2190/1920 "on public limited companies", as well as the Articles of Incorporation of the Bank, each share provides one voting right.

Pursuant to article 28 of Codified Law 2190/1920 "on public limited companies", as applicable, and article 20 of the Articles of Incorporation of the Bank, shareholders who deposited their share titles at least five (5) days prior to the date set for the assembly at the Offices of the Bank or the with the Loans and Consignment Fund or at any Bank legally operating in Greece, have the right to be present and to vote at the General Assembly. The receipts for the submission of shares must be deposited at the Offices of the Company at least five (5) days prior to the General Assembly. The shareholders with rights to participate in the General Assembly may be represented by duly authorized proxies. Minors, prohibited persons and legal persons shall be represented by their legal representatives. The representation documents must be deposited at the Offices of the Company at least five (5) days prior to the General Assembly. The Greek government shall be represented at the General Assembly by the Minister of Economy and Economics or by a duly authorized representative. Shareholders who did not comply with the provisions of the abovementioned article of Codified Law 2190/1920 "on public limited companies" shall participate at a General Assembly only with permission by the company.

Also, pursuant to articles 27, par. 2 and 28, par. 5 of Codified Law 2190/1920 "on public limited companies", as well as article 21 of the Articles of Incorporation of the Bank, a list of all persons with voting rights at the General Shareholders Assembly, including their representatives, the number of shares and votes of each, as well as their addresses and representatives, must be posted in a prominent place at the branch of the company forty eight (48) hours prior to each General Assembly. The Board of Directors is obliged to register, in this table, all shareholders who complied with the provisions of article 28 of Codified Law 2190/1920. If a shareholder or his/her representative objects to the table, he/she may submit his/her objection, subject to being deemed unacceptable, only at the beginning of the assembly and prior to the commencement of the discussion on subjects of the agenda. Subsequently, the General Assembly decides on the participation of said shareholder for each relevant subject.

Preferred shares: Pursuant to article 25, paragraph 4 of the Articles of Incorporation of the Bank, the Articles of Incorporation (chapter D) and Codified Law 2190/1920, as applicable, in regard to the holding of the General Assembly, the participation in the assembly, the provision of information, the voting procedure and the annulment of decisions, are also applied in the special General Assembly of the preferred shareholders.

f. Agreements between the shareholders of the Bank in regard to the transfer of its stock shares or the exercise of voting rights deriving from its stock shares.

The Bank is not aware of agreements between its shareholders that would entail limitations in the transfer of its shares or the exercise of voting rights deriving from its shares, except the preemptive rights of the Greek government on the shares of the Bank, the holdings of the Société Anonyme “HELLENIC POST S.A.”, as explicitly contained in the Prospectus of the Bank, issued on May 12th 2006, and the Prospectus issued in June 5th 2009 for the listing of its shares in the Athens Stock Market, as well as for the increase of its common shares of the capital stock, respectively.

f. Rules on the appointment/replacement of members of the Board of Directors and the amendment of the Articles of Incorporation that conflict with the provisions of Codified Law 2190/1920.

The rules provided in the Articles of Incorporation of the Bank for the appointment and replacement of the members of its Board of Directors, as well as the amendment of its provisions, do not conflict and do not deviate from the provisions of Codified Law 2190/1920 “on public limited companies”, as applicable.

g. Authorities of the Board of Directors in regard to the right of issuance of new shares and the purchase of own shares, pursuant to article 16 of Codified Law 2190/1920 “on public limited companies”.

aa) In regard to the authorities of the Board of Directors regarding the right of issuance of new shares the same apply, as set forth in article 13 of Codified Law 2190/1920 “on public limited companies”.

The first Repeated Ordinary General Assembly of May 16th 2008 decided the renewal of the authority of the Board of Directors, as provided in the Articles of Incorporation, in order to decide on the increase of the capital stock, partially or in full, through the issuance of new shares pursuant to article 13, paragraph 1b of Codified Law 2190/1920 “on public limited companies”. It is noted that the Board of Directors of the Bank has not yet exercised the abovementioned assigned authority.

bb) In regard to the authorities of the Board of Directors regarding the right of purchase of own shares the same apply, as set forth in article 16 of Codified Law 2190/1920 “on public limited companies” and the regulation (EC) number 2273/2003 of the COMMISSION of December 22nd 2003 “on the application of the directive 2003/6/EC of the European Parliament and of the Council in regard to exceptions provided for repurchase programs and for the actions for the stabilization of financial instruments”.

The ordinary General Assembly of May 2nd 2008 decided the application of an “Own shares purchase program”, pursuant to article 16 of Codified Law 2190/1920 “on public limited companies”, as applicable. In specific, it decided the acquisition of own shares by the Bank up to a maximum limit of 10 million shares with a price range between a minimum and a maximum of: 3.70 Euros (nominal value) to 19 Euros. Said acquisitions

may be made within twenty four (24) months, that is, from May 2nd 2008 to May 2nd 2010. The Board of Directors of the Bank was authorized to implement the “own shares purchase program” (article 16, paragraph 2 of Codified Law 2190/1920) by modifying the basic terms and the relevant details for its implementation.

Within the scope of the implementation of the abovementioned decision of the General Assembly, the Board of Directors decided, at its meeting of May 30th 2008, that the Bank shall proceed to the acquisition of own shares during the time period approved by the General Assembly, according to the procedure set forth in the relevant laws.

Pursuant to article 28 of Law 3756/2009 (Official Gazette A’ 53/31.3.2009) “system of electronic titles, provisions regarding the capital markets, tax issues and other provisions” for the time period of the participation of credit institutions in the programs for the strengthening of liquidity of Law 3723/2008, the purchase of own shares was prohibited by said credit institutions. On February 19th 2009, the Bank, in view of the application of the above law, suspended its “own shares purchase program”.

i. Agreements entered into by the Bank which may be applicable, modified or terminated in the case of change of control of the Bank upon public motion.

No agreements have been entered into by the Bank which may be applicable, modified or terminated in the case of change of control of the Bank upon public motion.

j. Agreement entered into by the Bank with members of the Board of Directors regarding indemnification in the case of resignation or dismissal, without material reason, or termination of the tenure or their employment due to public motion.

No agreement has been entered into between the Bank and members of the Board of Directors or its personnel which provided the payment of indemnification in the case of resignation or dismissal, without material reason, or termination of the tenure or their employment due to public motion.

<p>The Chairman of The Board Of Directors of the Banking Company “HELLENIC POSTBANK Société Anonyme”</p>
<p>_____</p> <p>Kleanthis Papadopoulos</p>

CERTIFICATE

It is hereby certified that the abovementioned report of the Board of Directors, which consists of 29 pages, is the one cited in the Auditing Report of the Financial Statements, which was issued on March 30, 2010.

Athens, March 30, 2010
The Certified Auditors - Accountants

PRICEWATERHOUSECOOPERS 

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

Constantinos Michalatos
SOEL Reg. No. 17701

Dimitrios Sourbis
SOEL Reg. No. 16891

Independent Auditor's Report (Translation from the original text in Greek)

To the Shareholders of "TT HELLENIC POSTBANK S.A."

Report on the Company and Consolidated Financial Statements

We have audited the accompanying company and consolidated financial statements of Hellenic Postbank S.A. (the "Bank") and its subsidiaries (the "Group"), which comprise the company and consolidated statement of financial position as of 31 December 2009 and the company and consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Company and Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these company and 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 about whether the company and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the company and 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 company and 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 accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Bank and the Group as of 31 December 2009 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal Matters

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a, 107 and 37 of Law 2190/1920.

Athens, 30 March 2010
The Certified Auditors - Accountants

PRICEWATERHOUSECOOPERS 

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268 Kifissias Avenue
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Financial Statements
on Consolidated and Stand Alone Basis
December 31st, 2009
in accordance with
International Financial Reporting Standards

MARCH 2010

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<i>Amounts in €</i>	Note	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
		From January 1st to		From January 1st to	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
Interest and similar income		625.261.053,53	757.535.386,94	621.661.290,69	757.515.559,20
Interest expense and similar charges		(361.963.082,79)	(435.750.659,83)	(361.994.382,80)	(435.750.282,54)
Net interest income	6	263.297.970,74	321.784.727,11	259.666.907,89	321.765.276,66
Fee and commission income		17.745.870,48	18.615.165,77	13.282.426,61	13.996.711,11
Fee and commission expense		(1.865.358,07)	(1.832.870,68)	(1.719.580,89)	(1.626.630,00)
Net fee and commission income	7	15.880.512,41	16.782.295,09	11.562.845,72	12.370.081,11
Dividend income	8	7.704.115,05	8.171.011,84	8.575.315,05	8.171.011,84
Net income from financial instruments designated at fair value through profit and loss	9	48.938.353,14	(51.925.201,09)	48.937.387,43	(51.860.085,35)
Net income from investment securities	10	31.621.824,23	4.513.016,41	31.621.824,23	4.513.016,41
Other operating income		1.558.264,06	2.582.034,56	1.677.984,95	2.650.049,91
Total operating income		369.001.039,63	301.907.883,92	362.042.265,27	297.609.350,58
Personnel expenses	11	(124.197.810,62)	(102.876.130,71)	(119.977.439,12)	(101.573.847,29)
Other operating expenses	12	(118.171.668,63)	(112.046.160,46)	(127.627.275,51)	(109.763.544,74)
Depreciation and amortization charges	24,25	(11.358.391,56)	(10.907.543,73)	(10.552.151,43)	(10.765.045,17)
Allowance for the impairment of loans	20	(40.611.635,85)	(36.072.911,43)	(35.686.718,17)	(36.072.911,43)
Allowance for the impairment of other assets and investments	14	(16.176.988,45)	(31.004.512,03)	(14.991.041,40)	(30.989.506,39)
Other expenses	13	(12.442.441,31)	(6.387.079,73)	(12.412.447,17)	(5.785.097,37)
Total operating expenses		(322.958.936,42)	(299.294.338,09)	(321.247.072,80)	(294.949.952,39)
Share of profit/(losses) from associates		697.354,85	-	-	-
Profit/(loss) before tax		46.739.458,06	2.613.545,83	40.795.192,47	2.659.398,19
Income tax	15	(16.807.218,36)	233.464,74	(13.534.623,17)	267.350,86
Extraordinary tax contribution L.3808/2009	16	(7.285.323,26)	-	(7.285.323,26)	-
Profit/(loss) for the year after tax		22.646.916,44	2.847.010,57	19.975.246,04	2.926.749,05
Attributable to :					
Non- controlling interest		2.016.547,60	(38.195,83)	-	-
Owners of the parent		20.630.368,84	2.885.206,40	19.975.246,04	2.926.749,05
Earnings per share					
- Basic and diluted	17	0,0476	0,0187	0,0445	0,0190

Athens, March 30th 2010

CHAIRMAN	EXECUTIVE VICE-CHAIRMAN	CHIEF FINANCIAL OFFICER	DEPUTY GENERAL MANAGER OF FINANCE	DIRECTOR OF FINANCIAL SERVICES
KLEANTHIS PAPADOPOULOS	SPYROS PANTELIAS	GEORGE XIFARAS	ALEXANDROS TOPALOGLOU	ATHANASIOS DIONAS

<i>Amounts in €</i>	On consolidated basis	
	January 1st to	
	31.12.2009	31.12.2008
Profit / (loss) for the year (after tax)	22.646.916,44	2.847.010,57
Other comprehensive income:		
Change in Available for Sale Reserve (after tax)	(72.795.705,31)	(160.090.381,57)
Other comprehensive income of the year (after tax):	(72.795.705,31)	(160.090.381,57)
Total comprehensive income of the year (after tax)	(50.148.788,88)	(157.243.371,00)
Attributable to :		
Non- controlling interest	2.016.547,60	(38.195,83)
Owners of the parent	(52.165.336,48)	(157.205.175,17)

<i>Amounts in €</i>	On stand-alone basis	
	January 1st to	
	31.12.2009	31.12.2008
Profit / (loss) for the year (after tax)	19.975.246,04	2.926.749,05
Other comprehensive income:		
Change in Available for Sale Reserve (after tax)	(73.257.326,73)	(160.090.381,57)
Other comprehensive income of the year (after tax):	(73.257.326,73)	(160.090.381,57)
Total comprehensive income of the year (after tax)	(53.282.080,69)	(157.163.632,52)

Athens, March 30th 2010

CHAIRMAN	EXECUTIVE VICE- CHAIRMAN	CHIEF FINANCIAL OFFICER	DEPUTY GENERAL MANAGER OF FINANCE	DIRECTOR OF FINANCIAL SERVICES
KLEANTHIS PAPADOPOULOS	SPYROS PANTELIAS	GEORGE XIFARAS	ALEXANDROS TOPALOGLOU	ATHANASIOS DIONAS

STATEMENT OF FINANCIAL POSITION



December 31st, 2009

Amounts in €	Note	Consolidated Basis From January 1st to		Stand alone basis From January 1st to	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
ASSETS					
Cash and balances with Central bank	18	109.688.152,51	179.942.241,94	109.683.785,19	179.940.858,54
Due from banks	19	2.339.367.903,83	3.008.413.256,28	2.334.818.210,09	3.005.468.460,00
Financial assets designated at fair value through profit and loss	21	446.088.908,46	456.020.049,10	445.588.886,78	455.048.886,94
Derivative financial assets	22	6.104.895,79	5.134.308,41	6.104.895,79	5.134.308,41
Loans and advances due from customers	20	8.065.470.635,75	7.126.074.640,00	8.057.520.578,47	7.126.074.640,00
Less: Allowance for impairment of loans and advances, due from customers	20	(162.874.705,50)	(122.098.296,00)	(146.731.495,83)	(122.098.296,00)
Investment securities available for sale	23	5.773.764.441,36	2.439.197.833,49	5.773.764.441,36	2.439.197.833,49
Investment securities held to maturity	23	450.736.603,03	1.143.282.566,59	450.736.603,03	1.143.282.566,59
Investment in subsidiaries	26	-	-	20.722.928,00	20.136.128,00
Investment in associates	27	125.683.029,22	94.585.030,36	125.710.000,00	94.585.030,36
Property, plant and equipment	24	130.449.962,88	115.248.028,61	130.316.833,77	115.131.606,94
Goodwill and other Intangible assets	25	25.450.672,96	19.813.801,87	12.408.893,12	11.904.740,40
Deferred tax assets	28	157.392.016,04	101.541.198,31	157.301.572,92	101.463.286,44
Current income tax assets	29	25.754.374,42	21.485.825,85	25.754.374,42	21.485.825,85
Other assets	30	462.439.768,60	309.119.383,83	456.319.891,76	307.781.050,50
Total assets		17.955.516.659,35	14.897.759.868,64	17.960.020.398,87	14.904.536.926,46
LIABILITIES					
Due to banks	31	3.666.970.541,44	2.804.677.138,50	3.666.970.541,44	2.804.677.138,50
Due to customers	32	12.632.215.337,20	11.211.237.678,79	12.657.721.362,58	11.231.098.621,96
Derivative financial liabilities	22	158.304.124,32	87.643.655,04	158.304.124,32	87.643.655,04
Deferred tax liabilities	28	35.811.505,68	9.504.176,12	34.012.050,50	9.466.011,69
Current income tax liabilities	29	10.059.203,65	521.411,83	7.285.323,26	-
Retirement benefit obligations	33	20.146.187,57	20.490.862,35	19.644.199,23	20.085.320,00
Other liabilities	34	190.208.551,51	219.733.971,07	191.812.053,23	218.587.076,18
Total liabilities		16.713.715.451,37	14.353.808.893,70	16.735.749.654,56	14.371.557.823,37
EQUITY					
Share capital	35	1.277.484.066,80	526.262.033,40	1.277.484.066,80	526.262.033,40
Share premium		16.904.259,06	16.904.259,06	16.904.259,06	16.904.259,06
Treasury shares	36	(23.507.018,24)	(21.639.036,60)	(23.228.778,24)	(21.444.296,60)
Available for sale reserve	36	(227.854.811,88)	(155.059.106,57)	(228.316.433,30)	(155.059.106,57)
Other reserves	36	86.848.062,87	85.663.547,54	86.662.309,84	85.663.547,54
Retained earnings	36	94.613.271,49	80.031.247,83	94.765.320,15	80.652.666,26
Capital and reserves attributable to the owners of the parent		1.224.487.830,10	532.162.944,66	1.224.270.744,31	532.979.103,09
Non- controlling interest		17.313.377,88	11.788.030,28	-	-
Total equity		1.241.801.207,98	543.950.974,94	1.224.270.744,31	532.979.103,09
Total equity and liabilities		17.955.516.659,35	14.897.759.868,64	17.960.020.398,87	14.904.536.926,46

Athens, March 30th 2010

CHAIRMAN	EXECUTIVE VICE-CHAIRMAN	CHIEF FINANCIAL OFFICER	DEPUTY GENERAL MANAGER OF FINANCE	DIRECTOR OF FINANCIAL SERVICES
KLEANTHIS PAPAPOPOULOS	SPYROS PANTELIAS	GEORGE XIFARAS	ALEXANDROS TOPALOGLOU	ATHANASIOS DIONAS

STATEMENT OF CHANGES IN EQUITY

(ON CONSOLIDATED BASIS)



December 31st, 2009

Statement of changes in equity as at December 31st, 2008 on consolidated basis

Amounts in €	Attributable to the owners of the parent company							Non - controlling interest	Total
	Share Capital	Share premium	Statutory and other reserves	Available for Sale Reserve	Treasury shares	Retained earnings	Total		
Balance at January, 1st 2008	526.262.033,40	16.904.259,06	85.517.210,08	5.031.275,00	(126.700,00)	112.850.624,39	746.438.701,93	586.224,67	747.024.926,60
Changes in equity 1/1-31/12/2008									
Profit/ (loss) for the year (after tax)	-	-	-	-	-	2.885.206,40	2.885.206,40	(38.195,83)	2.847.010,57
Other comprehensive income of the year after tax									
Changes in Available for Sale Reserve	-	-	-	(160.090.381,57)	-	-	(160.090.381,57)	-	(160.090.381,57)
Total comprehensive income of the year after tax	0,00	0,00	0,00	(160.090.381,57)	0,00	2.885.206,40	(157.205.175,17)	(38.195,83)	(157.243.371,00)
Purchases of treasury shares	-	-	-	-	(21.512.336,60)	-	(21.512.336,60)	-	(21.512.336,60)
Dividends	-	-	-	-	-	(35.558.245,50)	(35.558.245,50)	-	(35.558.245,50)
Fair value of employee stock option plan	-	-	-	-	-	-	-	11.195.901,44	11.195.901,44
Share capital increase of subsidiary	-	-	-	-	-	-	-	44.100,00	44.100,00
Legal reserve	-	-	146.337,46	-	-	(146.337,46)	-	-	-
Balance at December 31st, 2008	526.262.033,40	16.904.259,06	85.663.547,54	(155.059.106,57)	(21.639.036,60)	80.031.247,83	532.162.944,66	11.788.030,28	543.950.974,94

STATEMENT OF CHANGES IN EQUITY

(ON CONSOLIDATED BASIS)



December 31st, 2009

Statement of changes in equity as at December 31st, 2009 on consolidated basis

Attributable to the owners of the parent company

<i>Amounts in €</i>	Share Capital	Share premium	Statutory and other reserves	Available for Sale Reserve	Treasury shares	Retained earnings	Total	Non - controlling interest	Total
Balance at January 1st, 2009	526.262.033,40	16.904.259,06	85.663.547,54	(155.059.106,57)	(21.639.036,60)	80.031.247,83	532.162.944,66	11.788.030,28	543.950.974,94
Changes in Equity 1/1-31/12/2009									
Profit for the year (after tax)	-	-	-	-	-	20.630.368,84	20.630.368,84	2.016.547,60	22.646.916,44
Other comprehensive income of the period after tax									
Changes in Available for Sale Reserve	-	-	-	(72.795.705,31)	-	-	(72.795.705,31)	-	(72.795.705,31)
Total comprehensive income of the year after tax	0,00	0,00	0,00	(72.795.705,31)	0,00	20.630.368,84	(52.165.336,47)	2.016.547,60	(50.148.788,87)
Increase of share capital (common shares)	526.262.033,40	-	-	-	-	-	526.262.033,40	-	526.262.033,40
Increase of share capital (preference shares)	224.960.000,00	-	-	-	-	-	224.960.000,00	-	224.960.000,00
Share capital increase expenses (common and preference shares)	-	-	-	-	-	(8.881.122,62)	(8.881.122,62)	-	(8.881.122,62)
Deferred tax on share capital increase expenses	-	-	-	-	-	1.822.906,45	1.822.906,45	-	1.822.906,45
Deferred tax on subsidiary's intangible assets	-	-	-	-	-	-	-	(949.200,00)	(949.200,00)
Purchases of treasury shares	-	-	-	-	(1.867.981,64)	-	(1.867.981,64)	-	(1.867.981,64)
Income from treasury shares' preemptive rights disposal	-	-	-	-	-	2.194.386,32	2.194.386,32	-	2.194.386,32
Dividends	-	-	-	-	-	-	-	(871.200,00)	(871.200,00)
Share capital increase of subsidiary	-	-	-	-	-	-	-	583.200,00	583.200,00
Minority interest after acquisition of subsidiary	-	-	-	-	-	-	-	4.746.000,00	4.746.000,00
Transfer to Legal Reserve	-	-	1.184.515,33	-	-	(1.184.515,33)	-	-	-
Balance at December 31st, 2009	1.277.484.066,80	16.904.259,06	86.848.062,87	(227.854.811,88)	(23.507.018,24)	94.613.271,49	1.224.487.830,10	17.313.377,88	1.241.801.207,98

The notes in pages 12 to 98 are an integral part of these Financial Statements at December 31st, 2009

STATEMENT OF CHANGES IN EQUITY
(ON STAND ALONE BASIS)



December 31st, 2009

Statement of changes in equity as at December 31st, 2008 on stand alone basis

<i>Amounts in €</i>	Share Capital	Share premium	Statutory and other reserves	Available for Sale Reserve	Treasury shares	Retained earnings	Total
Balance at January 1st, 2008	526.262.033,40	16.904.259,06	85.517.210,08	5.031.275,00	0,00	113.430.500,17	747.145.277,71
Changes in equity 1/1-31/12/2008							
Profit/ (loss) for the year (after tax)	-	-	-	-	-	2.926.749,05	2.926.749,05
Other comprehensive income of the year after tax							
Changes in Available for Sale Reserve	-	-	-	(160.090.381,57)	-	-	(160.090.381,57)
Total comprehensive income of the year after tax	0,00	0,00	0,00	(160.090.381,57)	0,00	2.926.749,05	(157.163.632,52)
Purchases of treasury shares	-	-	-	-	(21.444.296,60)	-	(21.444.296,60)
Dividends	-	-	-	-	-	(35.558.245,50)	(35.558.245,50)
Transfer to Legal reserve	-	-	146.337,46	-	-	(146.337,46)	
Balance at December 31st, 2008	526.262.033,40	16.904.259,06	85.663.547,54	(155.059.106,57)	(21.444.296,60)	80.652.666,26	532.979.103,09

STATEMENT OF CHANGES IN EQUITY (ON STAND ALONE BASIS)



December 31st, 2009

Statement of changes in equity as at December 31st, 2009 on stand alone basis

<i>Amounts in €</i>	Share Capital	Shares premium	Statutory and other reserves	Available for Sale Reserve	Treasury shares	Retained earnings	Total
Balance at January 1st, 2009	526.262.033,40	16.904.259,06	85.663.547,54	(155.059.106,57)	(21.444.296,60)	80.652.666,26	532.979.103,09
Changes in equity 1/1-31/12/2009							
Profit for the year (after tax)	-	-	-	-	-	19.975.246,04	19.975.246,04
Other comprehensive income of the year after tax							
Changes in Available for Sale Reserve	-	-	-	(73.257.326,73)	-	-	(73.257.326,73)
Total comprehensive income of the year after tax	0,00	0,00	0,00	(73.257.326,73)	0,00	19.975.246,04	(53.282.080,69)
Increase of share capital (common shares)	526.262.033,40	-	-	-	-	-	526.262.033,40
Increase of share capital (preference shares)	224.960.000,00	-	-	-	-	-	224.960.000,00
Share capital increase expenses (common and preference shares)	-	-	-	-	-	(8.881.122,62)	(8.881.122,62)
Deferred tax on share capital increase expenses	-	-	-	-	-	1.822.906,45	1.822.906,45
Transfer to Legal Reserve	-	-	998.762,30	-	-	(998.762,30)	-
Purchase of treasury shares	-	-	-	-	(1.784.481,64)	-	(1.784.481,64)
Income from treasury shares' pre-emptive rights disposal	-	-	-	-	-	2.194.386,32	2.194.386,32
Balance at December 31st, 2009	1.277.484.066,80	16.904.259,06	86.662.309,84	(228.316.433,30)	(23.228.778,24)	94.765.320,15	1.224.270.744,31

STATEMENT OF CASH FLOWS



December 31st, 2009

Amounts in €	Note	On Consolidated basis From January 1st to		On Stand alone basis From January 1st to	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
Operating activities					
Profit/(loss) before tax		46.739.458,06	2.613.545,83	40.795.192,47	2.659.398,19
<i>Adjustments to profits for:</i>					
Depreciation of tangible assets	24	7.446.037,49	8.184.443,89	7.354.352,45	8.150.422,35
Amortization of intangible assets	25	3.912.354,07	2.648.009,94	3.197.798,98	2.614.622,82
Share in (profits) / losses of associates		(697.354,85)	-	-	-
Allowance for impairment of loans	20	40.611.635,85	36.087.917,07	35.686.718,17	36.072.911,43
Allowance for impairment of other assets and investments	14	6.874.189,78	30.989.506,39	6.874.189,78	30.989.506,39
Allowance for impairment of associate	14	9.302.798,67	-	8.116.851,62	-
Amortization of premium / discount of investment and loans portfolio		27.636.171,82	15.170.533,91	27.636.171,82	15.170.533,91
Allowance for retirement benefit obligations	11	2.940.451,85	4.752.301,29	2.867.772,23	4.728.206,62
Contribution to Hellenic Deposit and Investment Guarantee Fund		6.373.746,35	5.448.918,65	6.373.746,35	5.448.918,65
(Profit)/ loss due to hedging	9	9.291.051,42	(80.478.847,32)	9.291.051,42	(80.478.847,32)
Currency exchange differences		4.270.904,85	(6.607.641,43)	4.270.904,85	(6.607.641,43)
Net income from investment securities	10	(31.621.824,23)	(4.513.016,41)	(31.621.824,23)	(4.513.016,41)
Movement of income tax		(20.662.463,83)	(18.693.962,34)	(19.492.696,70)	(18.476.467,34)
		112.417.157,30	(4.398.290,53)	101.350.229,21	(4.241.452,13)
Net change ((increase)/decrease) of operations related to assets and liabilities					
Mandatory deposits to Bank of Greece		72.396.644,13	(57.519.219,48)	72.396.644,13	(57.519.219,48)
Financial assets designated at fair value through profit or loss		155.862.357,32	(342.815.324,31)	155.391.216,84	(342.662.192,36)
Loans and receivables from customers		(961.744.408,26)	(957.107.608,13)	(964.412.642,97)	(957.092.602,49)
Other assets		(165.627.032,43)	(139.416.485,87)	(155.413.031,04)	(140.089.179,66)
Due from / to banks (net amount)		2.144.455.597,00	1.042.583.800,52	2.144.455.597,00	1.062.444.743,69
Derivative financial instruments (net amount)		69.689.881,90	94.609.010,43	69.689.881,90	94.609.010,43
Due to customers		1.420.977.658,41	75.420.100,28	1.426.622.740,62	75.407.706,02
Other liabilities		(34.024.393,60)	3.968.304,31	(36.459.021,24)	3.109.931,28
		2.701.986.304,47	(280.277.422,26)	2.712.271.385,24	(261.791.802,57)
Cash flow from operating activities		2.814.403.461,77	(284.675.712,79)	2.813.621.614,45	(266.033.254,71)
Investing activities					
Purchases of tangible and intangible assets	24,25	(26.501.996,92)	(15.064.145,25)	(26.241.530,98)	(15.041.957,34)
Investments in subsidiaries and associated companies	26,27	(39.241.821,26)	2.318.521,13	(39.828.621,26)	(18.946.100,00)
Purchases of investment securities		(5.242.709.027,82)	(2.316.611.260,98)	(5.242.709.027,82)	(2.316.611.260,98)
Income from disposal and maturity of investment securities	23	2.736.949.481,78	2.237.889.089,22	2.736.949.481,78	2.237.889.089,22
Income from disposal of assets	24	-	9.000,00	-	9.000,00
		(2.571.503.364,22)	(91.458.795,88)	(2.571.829.698,28)	(112.701.229,10)
Financing Activities					
Increase of Share capital	35	526.845.233,40	44.100,00	526.262.033,40	-
Purchases of treasury shares		(1.867.981,64)	(21.512.336,60)	(1.784.481,64)	(21.444.296,60)
Income from treasury shares' pre-emptive rights disposal		2.194.386,32	-	2.194.386,32	-
Share capital increase expenses (common and preference shares)		(8.881.122,62)	-	(8.881.122,62)	-
Dividends paid to shareholders of the parent company		-	(35.558.245,50)	-	(35.558.245,50)
		518.290.515,46	(57.026.482,10)	517.790.815,46	(57.002.542,10)
Net increase of cash and cash equivalents		761.190.613,01	(433.160.990,77)	759.582.731,63	(435.737.025,91)
Cash and cash equivalents at the beginning of the year		1.430.380.266,20	1.863.541.256,97	1.427.434.086,52	1.863.171.112,43
Cash and cash equivalents at the end of the year	39	2.191.570.879,21	1.430.380.266,20	2.187.016.818,15	1.427.434.086,52

1. Information for the Bank

General information

- “TT Hellenic Postbank S.A.” (“Bank” or “Hellenic Postbank”) is a Société Anonyme, which in 2002 has substituted in all its rights and obligations the decentralized public entity “Postal Savings Bank”, which was established by virtue of Law GYMST/1909, as subsequently supplemented and amended by Compulsory Law 391/1936, Law 1118/1938 and other provisions. The General Assembly of Shareholders of May 2nd, 2008, and after the amendment of the relative article 2 of the Bank’s Articles of Association, decided the change in the trade name and the distinctive title used by the Bank in its international transactions as “TT HELLENIC POSTBANK S.A.” and “HELLENIC POSTBANK”, respectively, or an accurate translation of them in any foreign language.
- The Governor’s Act of the Bank of Greece No 2579/19.4.2006 was issued according to provisions of article 9 paragraph 5 of Law 3082/2002, which constitutes as a banking license. Therefore, the Bank is under the supervisory role of Bank of Greece according to Law 3601/2007 as amended.
- The Bank’s headquarters are located in the Municipality of Athens (2-6 Pasmazoglou Street, 101 75). By resolution of the Board of Directors, the Bank can establish and close down branches, correspondence offices, safe deposit boxes or/and agencies anywhere in Greece and abroad. The Bank is registered with the Registry of Société Anonyme registration number 54777/06/B/03/7 and its website is www.ttbank.gr.
- As at December 31st, 2009, «HELLENIC POSTBANK’s» branch network comprises of 146 branches located in 67 cities throughout Greece.
- The term of the bank is set to 100 years from its establishment and may be extended by resolution of the General Assembly of the shareholders.
- These financial statements for the fiscal year ended at December 31st, 2009, were approved by the Board of Directors on March 30th, 2010.
- Apart from the ATHEX Composite Index, Hellenic Postbank’s share is included in a series of other indices, such as DTR, FTSEA, FTSE, FTSE1 and FTSE/ATHEX-20.

Collaboration Agreement with the TT Hellenic Post S.A.

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

• Major terms and conditions of the agreement

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

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

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

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

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

• Financial Cost

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

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

• Network used

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

Based on the terms of the agreement, the Bank's products/ services are sold at 843 EL.TA branches and 895 postmen delivering in rural areas, who act as EL.TA subcontractors in remote areas where there are no branches or agencies, while the EL.TA products/ services can be sold through the Bank's network comprising of 146 branches.

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

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

• **Products/ Services**

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

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

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

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

Especially, in the sector of loans, the collaboration which started in the summer of 2006 in the form of a pilot plan, continues with satisfactory results. As a result, the program was applied in a larger number of branches, which amounted to 310 until the end of December 2009.

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

Bank's participation in ELTA's share capital

The total number of the shares of EL.TA held by the Bank amounts to 20.047.900 shares (10% of the total shares) and the value of the participation after impairment reaches the amount of € 26.808.357,65 at 31/12/2009.

Likewise, at 31/12/2009 EL.TA. was the second biggest owner of the Bank after the "Hellenic Public Sector" with 28.446.598 shares which represents the 10% of HELLENIC POSTBANK's share capital.

Mortgage Savings

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

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

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

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

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

Hellenic Postbank has assigned a specialized actuarial firm to prepare a valuation study in order to calculate the cost of implementing the specific scheme.

The result of such study has been recorded in the financial statements bearing a negative sign under Note 20 of the financial statements "Loans and advances to customers" and specifically under item "Mortgage Loans". The respective result of the study amounted to approximately € 82.826 thousand as at 31st December 2009 and to approximately € 84.908 thousand as at 31st December 2008. In order to calculate the present value of the scheme, the discount rates of 5,6% and 5,8% were used for the years 2009 and 2008 respectively.

Structure and activities of the Bank

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

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

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

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

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

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

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

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

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

- ❖ The provision of purification and financing restructuring purification services

- ❖ Corporate factoring

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

- ❖ The leasing of safe deposit boxes

- ❖ Pawnshop Operations

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

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

- ❖ The provision of intermediary services in the interbank market;

- ❖ leasing

- ❖ prepaid cards

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

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

- ii. exchange

- iii. future contracts (or forwards) or options

- iv. interest rate swaps and currency swaps

- v. securities

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

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

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

Composition of the Bank's Board of Directors

The Board of Directors of «HELLENIC POSTBANK», after its February 9th 2010 session and General Assembly on December 11th, is as follows:

Papadopoulos Kleanthis	Chairman, Executive Board Member
Pantelias Spyros	Executive Vice-Chairman
Michos Ioannis	Non Executive Board Member
Oikonomopoulou Antouanetta	Non Executive Board Member
Katsimi Margarita	Non Executive Board Member
Tsagdis Ioannis	Non Executive Board Member
Kotsiris Konstantinos	Non Executive Board Member
Siamidis Michalis	Non Executive, Independent Board Member
Pittas Aristides	Non Executive, Independent Board Member

The new Board of Directors is composed of 9 members, the term of which lasts 5 years, until the 11th of December 2014.

It is noted that an additional member of the Bank's Board of Directors is Aggelos Androulidakis as a Greek State's representative according to Law 3723/2008 "For the enhancement of liquidity of the economy in

response to the impact of the international financial crisis".

On February 5th 2010, Mr. David Samuel an independent, non executive member of the Board, resigned his position and has been replaced by Mr. Pittas Aristides, who was elected as an independent, non executive member according to No. 158/09.02.2010 meeting of the Board of Directors.

2. Significant accounting policies

2.1 Basis of presentation

The consolidated and stand alone financial statements of the Bank as of 31st December 2009 are prepared in accordance with International Financial Reporting Standards (I.F.R.S.) and International Accounting Standards (I.A.S.), issued by the International Accounting Standards Board (I.A.S.B.), as well as their interpretations, which have been issued by the International

Financial Reporting Interpretations Committee (I.F.R.I.C.), as these have been endorsed by the European Union, through the procedure of adoption which the European Committee follows. The Bank's consolidated and stand alone financial statements have been prepared under the historic cost convention, as adjusted by the fair valuation of certain assets and liabilities, the

going concern principle, and comply with the Framework for Preparation and Presentation of financial statements.

“HELLENIC POSTBANK” made use of the amendments of International Accounting Standard (I.A.S.)39 and International Financial

New standards, amendments to standards and interpretations:

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

Standards effective for year ended 31 December 2009

I.A.S.1 (Revised) “Presentation of Financial Statements”

I.A.S.1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard induces changes in terminology and prohibits the presentation of items of income and expenses (that is ‘non-owner transactions’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be presented in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements.

Reporting Standard (I.F.R.S.)7, which were published during October 2008 and are effective since 1/7/2008. The effects of applying the above amendments are set out in Note 23.

I.A.S.23 (Amendment) “Borrowing Costs”

This standard replaces the previous version of I.A.S.23. The main change is the removal of the option of immediately recognising as an expense, borrowing costs that relate to assets that need a substantial period of time to be ready for use or sale. This amendment does not have a significant effect in the Group.

I.A.S.39 (Amendment) “Financial Instruments: Recognition and Measurement”

This amendment clarifies that entities should no longer use hedge accounting for transactions between segments in their separate financial statements. This amendment is not applicable to the Group.

I.F.R.S.8 “Operating Segments”

This standard replaces I.A.S.14, under which segments were identified and reported based on a risk and return analysis. Under I.F.R.S.8 segments are components of an entity regularly reviewed by the entity’s chief operating decision maker and are reported in the financial statements based on this internal component classification. This amendment had no impact on the number of segments presented on the financial statements.

I.F.R.S.2 (Amendment) “Share Based Payment” – Vesting Conditions and Cancellations

This amendment does not impact the Group’s financial statements.

I.F.R.S.7 (Amendment) “Improvement on disclosure requirements for financial instruments”

The improvement inducts additional disclosure requirements regarding fair value measurements and reinforces existing principles for disclosures about the liquidity risk associated with financial instruments.

Specifically, this amendment requires notifications about the methods used to measure fair value, through a three level of segregation.

I.A.S.32 (Amendment) “Financial Instruments: Presentation” and I.A.S.1 (Amendment) “Presentation of Financial Statements” – Puttable Financial Instruments

This amendment does not impact the Group’s financial statements.

Interpretations effective for year ended 31st December 2009

I.F.R.I.C.13 “Customer Loyalty Programmes”

This interpretation is not relevant to the Group’s operations.

I.F.R.I.C.15 “Agreements for the construction of real estate”

This interpretation is not relevant to the Group’s operations.

I.F.R.I.C.16 “Hedges of a net investment in a foreign operation”

This interpretation is not relevant to the Group as the Group does not have any investments in a foreign operation.

I.F.R.I.C.18 “Transfers of assets from customers” (effective for transfers of assets received on or after 1st July 2009)

This interpretation is not relevant to the Group.

Standards effective after year ended 31st December 2009

I.A.S.39 (Amended) “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items”

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

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

The revised I.F.R.S.3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended I.A.S.27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the

loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

I.F.R.S.2 (Amendment) “Group Cash-settled Share-based Payment Arrangements”

The amendment clarifies how an individual subsidiary in a group, in its own financial statements, should account for some share-based payment arrangements that are settled in cash on group level. The amendment is effective for periods beginning on or after January 1st 2010. This amendment is not expected to impact the Group’s financial statements and it has not yet been adopted by the European Union.

I.F.R.S.9 “Financial Instruments”

In the primary issuance of I.F.R.S.9 from I.A.S.B. at November 12th, 2009, the standard replaces I.A.S.39 only in the stipulations regarding classification and measurement of financial assets. In its final form, which is expected to be completed by the end of 2010, the new standard will lead to complete replacement of I.A.S.39. The above standard has not yet been adopted by European Union.

I.A.S.24 (Amendment) “Related Party Disclosures”

The aforementioned amendment clarifies the definition of related parties and reduces disclosures regarding transactions of related parties of the State. In particular, it rescinds the obligation of State entities to disclose details of all transactions with other State parties, it clarifies and simplifies the definition of a related party and endorses the disclosure not only of transactions and balances between related parties, but also

undertakings, both in separate and consolidated statements. The aforementioned amendment has not been endorsed yet by the European Union and has obligatory adoption from January 1st 2011. This amendment is not expected to have significant impact on the financial statements of the Group.

I.A.S.32 (Amendment) “Financial instruments: Presentation - Classifications of rights issues”

The amendment revises the definition of financial liability of I.A.S.32 in order to classify options or rights on stocks as debt instruments. The amendment is effective for periods beginning on or after February 1st 2010. This amendment is not expected to impact the Group’s financial statements.

I.F.R.S.1 (Amendment) ”First time adoption – Additional exemptions for first time adopters”

(effective for annual periods beginning on or after 1st January 2010).

This amendment will have no impact on the Group’s financial statements, since the Group has already adopted the I.F.R.S. This amendment has not yet been adopted by European Union.

Interpretations effective after year ended 31st December 2009

I.F.R.I.C.14 (Amendment) “Prepayments of a Minimum Funding Requirement”

(effective date for mandatory adoption 1st January 2011)

This amendment does not apply to the Group.

I.F.R.I.C.17 “Distributions of non-cash assets to owners”

(effective for annual periods beginning on or after 1st July 2009)

This interpretation provides guidance on accounting for the following types of non-

reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Group will apply this interpretation from its effective date.

I.F.R.I.C.19 “Extinguishing Financial Liabilities with Equity Instruments”

I.F.R.I.C.19 considers the accounting treatment when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity’s shares or other equity instruments to settle the financial liability fully or partially. This interpretation is not applicable to the Group. The amendment has not yet been adopted by European Union.

I.F.R.I.C.12 “Service Concession Arrangements” (EU endorsed for periods beginning on 30th March 2009)

This interpretation applies to companies that participate in service concession arrangements. This amendment does not apply to the Group.

Annual improvements 2009

During 2009, IASB issued the annual improvements to IFRS for 2009, a series of adjustments in 12 Standards, as a part of the annual improvement program. The annual improvement program of IASB aims to make necessary but not urgent adjustments to IFRS’s that will not be part of a bigger revision program. Most adjustments are effective for annual periods beginning on or after January 1st 2010, with early adoption allowed. The Group has no intention of early adoptions.

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

Critical accounting policies and estimates

The preparation of financial statements in accordance with International Financial Reporting Standards (I.F.R.S.) requires management to make a number of judgments, estimates and assertions that affect the reported amount of assets, liabilities, income and expenses in consolidated and stand alone Financial Statements and the accompanying notes. The Bank’s management believes that the judgments, estimates and assertions used in the preparation of financial statements, which have not changed in comparison with the previous fiscal year, present appropriately the factual circumstances as at December 31st, 2009.

2.2 Consolidation

The consolidated financial statements as at December 31st, 2009 include the financial statements of the Bank, its subsidiaries and its associates which are referred to in note 2.2.3

2.2.1 Business combinations and subsidiaries

Subsidiaries, which are those entities in which the Bank has an interest of more than one half of the voting rights or otherwise has power to govern the financial or operating policies, are consolidated with the method of full consolidation. The existence of potential voting rights that are presently exercisable or presently convertible are considered when assessing

whether the parent controls another entity. Subsidiaries are consolidated with the method of full consolidation from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiary from the Group. The acquisition cost is measured as the sum of the fair value, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquire plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

For disposals of ownership interests that result in a loss of control, the Group recognises gains and losses in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the asset transferred.

The Group's subsidiaries are in accordance with the same accounting policies with the Group.

The Bank accounts for investments in subsidiaries in its stand alone financial statements at cost less any impairment which is recognized in the income statement.

2.2.2 Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method.

Investments in associates include the goodwill which arises from the acquisition less any impairment.

Using the equity method, the investment in associate is carried on the statement of financial position at cost plus accumulated changes of profits or losses and reserves related to the Group after the acquisition date. The Group's portion of profits or losses of the associates after the acquisition, is recognized in the income statement and the portion from the reserves is recognized in the Group's reserves.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate while unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In case the Group's share over the losses of the associate exceed the value of the investment, any further losses are not recognized unless

payments have been made or assumed any further obligations on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Bank accounts for investments in associates in its stand alone financial statements at cost less any impairment which is recognized in the income statement.

2.2.3 Consolidation Basis

The financial statements of the subsidiaries and associates are prepared as of the same reporting date as that of the Bank, using consistent accounting policies.

Non-controlling interest represents the portion of profit or loss and net assets not held by the Group and is presented separately in the consolidated income statement and within equity separately from the Bank shareholders' equity.

As at December 31st, 2009 the Bank consolidated its subsidiaries and associates:

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

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

company is located in Paiania Attiki. The aforementioned company was included in the consolidated financial statements of December 31st, 2008 for first time as it was acquired on October 2008.

c) TT HELLENIC POSTBANK S.A. in cooperation with Hellenic Post, has expanded its activities in the assurance market in 2009, by creating a subsidiary assurance brokerage company under the name "Post Insurance Brokerage S.A." (Government Gazette Issue No 8444/14.07.2009). The new company is located in Athens. The initial share capital of the company is € 1 million and paid in July 2009. The company will be activated in the market of branded bankassurance and traditional insurance products and in cooperation with major insurance companies will deliver services through the extended network of Hellenic Post and HELLENIC POSTBANK S.A. branches throughout Greece. TT HELLENIC POSTBANK S.A's participation in the new founded company's share capital and voting rights is 50,01%. The company's financial statements have been fully consolidated in the Group's financial statements.

d) The associate «ATTICA BANK S.A.», is located in Athens. The Bank's participation in its share capital increased up to 22,43% and is consolidated with the equity method since December 31st, 2008.

e) The associate "Post Bank Green Institute" was incorporated in 2009 (Government Gazette No 9847/11.08.2009 and No 13278/13.11.2009). The company is located in Metamorfofi, Attiki. Its initial share capital comes to € 500 thousand, the payment of which completed in the fourth quarter of 2009. The participation of the Bank in the share

capital and voting rights of the company arises to 50% and is consolidated with the equity method. The aim of the company is to provide consulting in issues of strategic planning, coordination and administration of projects regarding viable development and environment, to implement communication's plans, to organise lectures, seminars and congresses accordingly and to certify achievements on the aforementioned field.

2.3 Financial Instruments

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

2.3.1 Initial Recognition

The Bank records all of its financial assets and liabilities including derivative financial instruments in the Statement of Financial Position. The acquisition of financial instruments is recognized on the date of transaction. The financial assets and liabilities are initially recognized at their fair value plus transaction costs that are directly attributable to the acquisition.

2.3.2 Classification and Financial Asset Measurement

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

i) Financial assets designated at fair value

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

- ❖ Financial assets that are classified as held for trading. These assets are securities that are acquired with the objective of realizing profits from short-term changes in prices, except for derivatives that are designated as effective hedging instruments.
- ❖ Financial assets and liabilities at fair value through profit or loss. Upon initial recognition the Group may designate any financial assets and liabilities at fair value through profit or loss, when either:
 - It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or
 - a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, which determines the Management of the Group.
 - Derivatives meet the definition of this category, designated at fair value through profit or loss". In the Statement of Financial Position, they are presented separately

under the account “Derivatives” depending on the valuation result.

ii) Loans and Receivables

Loans and other claim, that include loans to customers, are measured at amortized cost using the effective interest method and are assessed at each balance sheet date in order to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If any such evidence exists, the entity calculates the recoverable amount of that financial asset or group of financial assets in order to determine the amount of any impairment loss which is then recognized through Profit & Loss. The impairment loss is the difference between the carrying and the net present value of its expected recoverable amount.

An asset is impaired when its carrying value exceeds the net present value of its expected recoverable amount. An impairment loss is incurred if, and only if, there is objective evidence that the Bank will not recover all amounts due according to the terms of the contracts. Objective evidence that a financial asset or group of assets is impaired or is not recoverable are the following:

- ❖ Significant financial difficulty of the borrower;
- ❖ A breach of contract, (such as a default or delinquency in interest or principal payments);
- ❖ The Bank, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a

concession that the lender would not otherwise consider;

- ❖ It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- ❖ Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - Adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments. or
 - National or local economic conditions that correlate with defaults on the assets in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area).

The entity first assesses whether objective evidence of impairment exists individually for loans and advances that are individually significant, and collectively on a group level for loans and advances that are not individually significant. For impairment policy and provisions there is an analytical reference in note 4.1.3.

The impairment losses are reversed in subsequent periods, if the decrease of the expected recoverable amount can be related objectively to an event occurring after the impairment was recognized, such as the improvement of a customer's creditworthiness.

Consumer Loans are characterized as past due after a 6-month non performing period during which no interest payment took place while mortgage loans after a 12-month period. However, after a 3-month non performing period for consumer loans and 6-month period for mortgage loans, these are assessed in memo accounts.

Loans to institutions, whose collateral is covered by the Greek State, are considered totally recoverable and are not examined for impairment.

iii) Held-to-Maturity financial assets

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

The Held-to-Maturity portfolio, which is kept up to the maturity date, is initially recognized at fair value (which includes the transaction cost) and then is carried at amortized cost using the effective interest method, less any accumulated impairment in value. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount for the impairment loss for assets carried at amortized cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial asset's effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed as long

as after the reversal the carrying amount of the financial asset does not exceed the amortized cost that would have been had the impairment not been recognized at the date the impairment is reversed.

If part of the Held-to Maturity-portfolio is sold or reclassified before maturity date by the Group, except for special occasions in which, for example, a small part of its portfolio is sold, then the entire held to maturity portfolio must be reclassified to the available for sale portfolio at its fair value transferring profit or loss to the available for sale reserve in equity. In such case, the Group will not be able to classify any financial assets as held to maturity for the next two years.

The amendments of I.A.S.39 "Reclassification of Financial Assets", issued in October 2008 permit an entity to reclassify non-derivative financial assets from Trading Portfolio to Held-to-Maturity Portfolio under particular circumstances. Reclassification is allowed if current market circumstances are considered rare and the Group intends and has the ability to hold the financial asset until its maturity. Financial asset shall be reclassified at its fair value on the date of reclassification. Any gain or loss recognised in profit or loss until amendment's effective date shall not be reversed.

Additionally, a financial asset may be reclassified from AFS Portfolio to HTM portfolio if the Group has the intention and the ability to hold that financial asset until its maturity. The financial asset shall be reclassified at its fair value on the date of reclassification. Profit or loss that had been recognized at AFS Reserve until amendments'effective date shall not be reversed

but incrementally amortized during the useful life of Held to Maturity financial instruments.

iv) Available for sale financial assets

This portfolio includes non-derivative financial assets, which are either classified in this category or cannot be classified in any of the portfolios mentioned above. These financial assets may be sold according to liquidity needs or changes in interest rates or prices. Financial assets of the available for sale portfolio are initially recognized at cost (including transaction costs) and then carried at fair values which are based either on market values or values that come from valuation model when there is no active market according to provisions of I.A.S.39. The unrealized gains or losses arising from changes in the fair value of securities classified as available for sale are recognized directly in equity up to the point where the financial assets are sold or if there is evidence of impairment, in which case the profit or loss is recognized in the Bank's Income Statement.

According to the revised I.A.S.39 "Reclassification of Financial Assets", reclassification of non-derivative financial assets from the Trading Portfolio to the Available for Sale Portfolio is allowed under certain conditions. In particular, reclassification is allowed when the Group has no intention to hold the assets until maturity and when rare circumstances are prevailing in the market. The financial assets shall be reclassified at their fair value on the date of reclassification. Any revaluation gain or loss already recognized in profit or loss shall not be reversed. Any revaluation gain or loss after the reclassification is recognized in the Available for Sale Reserve.

Moreover, a financial asset that meets the definition of loans and receivables can be transferred from the Available for Sale Portfolio to the Loans and Receivables Portfolio if the Group has the intention to hold that financial asset for the foreseeable future. In addition, any financial asset that does not meet the definition of loans and receivables can be transferred from the Available for Sale Portfolio to the Hold to Maturity Portfolio if the Group has the intention to hold that financial asset until maturity.

The financial assets shall be reclassified at their fair value on the date of reclassification. Any revaluation gain or loss already recognized in the Available for Sale Reserve shall not be reversed. This revaluation gain or loss is amortized throughout the remaining life of the asset and the future cash flows should be taken into consideration for the calculation of the effective rate of the loan.

When estimating the impairment of investments in shares recognized as available for sale, any significant or extended decrease in the fair value of the share below its cost is also taken into consideration (apart from any indication mentioned above).

When there is such an indication, the accumulated loss that is being estimated as the difference between the purchase cost and the current fair value, reduced by any previous impairment is being transferred from the equity to the income statement.

Impairment of shares, which was recognized on the Income Statement, is not reversed through the Income Statement.

Impairment of Available for sale securities can be reversed through the Income Statement, only if the increase of market value is relevant with the initial recognition of impairment to the Income Statement.

2.3.3 Measurement of Financial Liabilities

The Bank's financial liabilities include mostly customer deposits and intra-group deposits.

Financial liabilities are initially recognized at their acquisition cost which is the fair value of cash or other financial assets paid. After their initial recognition they are measured at amortized cost using the effective interest rate method. Interest expense is recognized in the Profit and Loss account of the fiscal year under consideration.

2.3.4 Derivatives and Hedge Accounting

The Bank holds derivative financial instruments both for trading or for hedging fair value changes of financial assets or liabilities.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair values on a daily basis. Fair values are obtained from quoted market prices in active markets and option pricing models, where market prices are not available. Changes in the fair values of derivative financial instruments are included in net trading income. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Embedded derivatives shall be recognized as separate derivatives when their characteristics and risks are not closely related to those of the host contract, and the host contract is not recognized at its fair value through profit or loss. Embedded derivatives are measured at their fair value and changes of fair value are recognized in income statement.

The Bank has adopted a hedge accounting policy according to the requirements of the revised I.A.S.39. The following, according to the requirements of the revised I.A.S.39, must be met in order for a hedge relationship to qualify for hedge accounting:

- ❖ The hedge should be effective at initiation.
- ❖ Ability to calculate the hedge effectiveness during the hedge relationship. The hedge effectiveness should be between 80% - 125% at all times.
- ❖ Detailed documentation must be in place for all recognised hedging relationships.

Hedges are classified as follows :

- ❖ Fair value hedge , when it is used against any changes in the fair value of the hedged asset or liabilities or contractual corporate obligations.
- ❖ Cash flow hedge, when it is used against any variance regarding recognized asset or liability or exchange risk liability.
- ❖ Hedge of net investment in a foreign operation

The Bank documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as the risk

management objective and strategy for undertaking various hedge transactions. The Bank also assesses, both at hedge inception and on an ongoing basis the hedge effectiveness of the hedging transaction.

Fair value hedge

For fair value hedges that meet the criteria for hedge accounting, any profits or losses from the revaluation of derivatives at fair value is recorded in to the income statement. Profits or losses on the hedging instrument due to hedging risk, adjust the value of the hedging instrument and are recorded in the income statement.

Hedge accounting shall be discontinued when the hedging instrument expires, is sold, terminated, exercised or when the hedge no longer meets the criteria of the hedge accounting.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity.

Since July 1st 2008, a part of fixed rate “Loans and receivables” portfolio has been hedged with interest rate swaps, according the to Bank’s hedge accounting policy. Moreover, since October 1st 2008 the Bank has hedged bonds that are part of the “Available for Sale” portfolio with interest rate swaps and futures.

2.3.5 Fair Value attributing methods

The fair value of financial assets traded on active markets is determined on a case by case basis

using prices provided by the specific markets, securities traders or future cash flow discounting models. For non traded assets the fair value is specified by the use of valuation techniques such as the recent transaction analysis, comparable trading items, derivative valuation models and discounted cash flows.

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

For shares not traded in an active market and fair value cannot be reliably estimated, as well as the derivatives which are related with those shares are valued at their historic cost.

2.3.6 Derecognition

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

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

2.3.7 Offsetting

A financial asset and a financial liability is offset and the net amount is presented in the statement

of financial position when, the Bank currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.3.8 Sale and Repurchase Agreements

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

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

2.4 Conversion into Foreign Currency

The consolidated and stand alone financial statements are presented in Euro, which is the functional and presentation currency of the Group.

The assets and liabilities of the financial statements are converted into euro and the foreign exchange rates of the balance sheet date.

Transactions in foreign currencies are converted into functional currency using the exchange rates as of the dates of the transactions. Gains and losses from currency translation differences that derive from such transactions and from the conversion of assets and liabilities denominated in foreign currencies into the functional currency

using the exchange rates on the balance sheet date, are transferred to the income statement.

2.5 Property, plant and equipment

Property, plant and equipment used for rendering services or administration purposes are presented in the financial statements at historic cost, less accumulated depreciation and any accumulated impairment losses. The historic cost includes all direct costs for the purchase of the assets. The property of the Bank was evaluated at their fair value on 31/12/2003 by independent evaluators (article 9, L.2190/1920) according to L.3082/2002, Chapter H, Article 3, para 3, which has been considered to be deemed cost according to IFRS 1.

Subsequent costs are added to the book value of the property, plant and equipment or as separate assets only to the extent that these costs increase future economic benefits that are estimated to arise from the use of the asset and their cost can be reliably measured. The cost of repairs and maintenance is charged to the income statement during the financial period in which they are incurred.

The depreciation of other property, plant and equipment (except land that is not depreciable) is calculated using the straight line method to allocate their cost to the residual value over their estimated useful lives as follows:

Buildings	50-60	Years
Mechanical Equipment	7	Years
Electrical Equipment	3-4	Years
Motor vehicles	8	Years
Furniture	5	Years

The residual values and the useful lives of the property, plant and equipment are reviewed at each balance sheet date. When the carrying values of the property, plant and equipment exceed their recoverable value, the difference (impairment) is recognized immediately as an expense in the income statement.

At the sale of the property, plant and equipment, the differences between the consideration received and the carrying amount are recognized in the income statement. Repairs and maintenance expenses are charged to the income statement during the financial period they are incurred.

2.6 Goodwill and Intangible Assets

Goodwill

Goodwill is the difference between the acquisition cost and fair value of the assets, liabilities and contingent liabilities of an acquired entity on the date of the acquisition.

In the case where a subsidiary is acquired, positive goodwill is presented as an intangible asset in the “Goodwill and other intangible assets”, whereas in the case of the acquisition of an associate, goodwill is included in the value of the Group’s investment in the associate. In case of

negative goodwill is recorded as income in the Income Statement.

On the date of acquisition (on the date of completion of the purchase price allocation), goodwill acquired is allocated to the cash generating units or to cash generating group of units expected to benefit from this business combination.

Following initial recognition, goodwill is measured at cost less the accumulated losses due to its impairment. Goodwill is not amortized, but is tested on an annual basis or more regular basis if events indicate that there might be possible impairment loss.

If part of a cash generating unit, to which goodwill has been allocated, is sold then the amount of goodwill corresponding to the sold element is included in the book value of the element sold in order to specify the profit or loss. The amount of goodwill of the sold element is assessed based on the values of the said element as well as on the remaining part of the cash generating unit.

Intangible assets

Intangible assets consist of the Bank’s computer software. The intangible assets are evaluated at historic cost less accumulated amortization. Intangible assets are amortized using the straight-line method over their useful lives, not exceeding a period of 7 years.

Software maintenance costs are expensed as incurred. Expenditure which enhance or extend the performance of computer software programs beyond their original specifications is recognized as a capital improvement and added to the

original cost of the software, provided that it can be reliably measured.

2.7 Foreclosed Assets

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

2.8 Impairment of Tangible and Intangible Assets

On each balance sheet date, the Group examines the book value of the tangible and intangible assets to determine whether there is an indication for impairment. The recoverable value of the asset is then calculated. When it is not possible to estimate the recoverable value of a specific asset, the Group estimates the recoverable value of the cash flow generating unit, to which the asset belongs. The recoverable value is the greater amount between the net sale price and the value in use. For the calculation of the value in use of the asset, the estimated future cash flows are discounted to their present value.

If the recoverable amount of an asset (or a cash flow generating unit) is estimated to be less than its carrying value, the carrying value of the asset

(or the cash flow generating unit) is reduced to the recoverable amount. An impairment loss is immediately recognized in the income statement as an expense. If, subsequently, an impairment loss reverses, the carrying value of the asset (or the cash flow generating unit) increases up to the lower of the revised estimated recoverable value and the carrying value of the asset if no impairment loss had been recognized (or the cash flow generating unit) in prior periods. The reversal of the impairment loss is recognized in the income statement.

2.9 Operating leases

Leases are classified as finance leases when, according to the terms of lease, the risks and rewards of ownership of the asset are transferred to the lessee. All other leases are classified as operating leases. The payments for operating leases (net from incentives offered from the lessor) are recognized in the income statement on a straight line basis throughout the duration of the lease.

Assets leased under an operational leasing, are included in the fixed assets and are depreciated during their expected useful life, according to similar own fixed assets. Rental revenues (after the deduction of motives given to tenants) are recognized according to the straight method applied during the lease period.

2.10 Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise of balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with Central Bank,

Treasury Bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.11 Income and Deferred Taxes

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

The taxable profit differs from the profit reported on the income statement as it does not include temporary taxable or allowable differences as well as balances which are permanent differences or are tax exempted.

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

Deferred taxation is calculated with the balance sheet method and is recognized for all temporary differences between accounting and tax base of assets and liabilities, which are included in the financial statements.

Liabilities from deferred taxation are generally recognized for all the temporary tax differences. Deferred tax assets are recognized to the extent at which there will be enough future taxable profits to utilize the temporary difference that

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

Deferred tax assets and liabilities are offset when the Bank has a legally enforceable right to offset current tax assets against current tax liabilities and when those are related with income taxes levied from the same tax authority and furthermore, the Group is willing to settle current tax liabilities and assets on a net basis. Differed tax related to fair value re-measurement of available for sale investments cash and flow hedges, which are charged or credited directly to equity is also credited or charged directly to equity and subsequently recognized in the income statement together with the differed gain or loss.

2.12 Employee Benefits

Short – term benefits: Cash paid to the short-term employee benefits (except for the post retirement benefits) and benefits in kind are

recognized as an expense when they are considered accrued.

Unpaid amounts are recognized as a liability, while in the case where the amount already paid exceeds the amount of the benefits, the Bank recognizes the excess amount as an asset (pre-paid expense) only to the extent that the prepayment will lead to a reduction of future payments or in a refund.

Employee benefits during and after the redundancy of the service

The Bank pays contributions to defined employee plans during the service and after retirement. The Bank has both defined benefit and defined contributions plans, which grant lump sum compensations upon termination, pension and other medical benefits.

a) Defined benefit plans

Defined benefit plans are pension plans that define an amount of pension benefit to be provided, usually as a function of one or more factors such as years of service, age and compensation. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses. The Bank has elected to use the “corridor approach” of I.A.S.19 “Employee Benefits”, according to which part of the actuarial gains/losses are not recognized and are amortized over the expected average remaining working lives of the employees participating in that plan. However, without disregarding the above, the

Bank at its transition date to I.F.R.S. has elected to take the exemption of paragraph 20 of I.F.R.S.1 in relation to Employee benefits and has recognized all the cumulative actuarial gains and losses up to the date of the transition to I.F.R.S.

The defined benefit obligation is calculated annually by independent certified actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds that have terms to maturity approximating the terms on the related pension liability.

b) Defined contribution plans

Defined contribution plans are pension plans to which the employer pays contributions to and has no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to pension obligations. The regular contributions constitute net periodic costs for the year in which they are due and as such they are included in line 'Staff Costs' of the Income Statement.

Share based compensation

The fair value of the employee services received in exchange for the grant of the options under a share option scheme is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

The proceeds received from the issue of new shares, net of any directly attributable transaction

cost, increase share capital and share premium when the options are exercised.

2.13 Provisions

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

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

2.14 Share Capital

Common shares

Share capital includes the common shares of the bank. Common shares are included in equity.

Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are included in the cost of acquisition of the new company.

The acquisition cost of treasury shares is deducted from the equity of the Bank, until the own shares are reissued or cancelled. Where such shares are subsequently reissued, any consideration received, net, of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Bank's equity reserves.

Preferred Securities

Preferred securities issued by the Group are classified as equity when there is no contractual obligation to deliver to the holder cash or another financial asset.

Incremental costs directly attributable to the issue of new preferred securities are shown in equity as a deduction from the proceeds, net of tax.

Dividend distribution on preferred securities is recognized as a deduction in the Group's equity on the date it is due.

Where preferred securities, issued by the Group, are repurchased, the consideration paid including any directly attributable incremental costs (net of income taxes), is deducted from shareholders' equity. Where such securities are subsequently called or sold, any consideration received is included in shareholders' equity.

2.15 Revenue Recognition

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

Revenue recognition policies are as follows:

i) Interest Income

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

ii) Income from commissions

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

iii) Income from dividends

Income from dividends is recognized when the right to receive payment is established.

2.16 Dividends Distribution

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

3. Critical accounting policies, estimates and judgments

The preparation of the financial statements in accordance with International Financial Reporting Standards (I.F.R.S.) requires management to make a number of judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses in consolidated and stand alone Financial Statements and the accompanying notes. The Bank's Management believes that the judgments, estimates and assumptions used in the preparation of the consolidated and stand alone Financial Statements are appropriate given the factual circumstances as of 31 December 2009 which have not changed in comparison with the previous fiscal year.

Various elements of the Bank's accounting policies, by their nature, are inherently subject to estimations, valuation assumptions and other subjective assessments. In particular, the Bank has identified five accounting policies which, due to the judgments, estimates and assumptions inherent in those policies, and the sensitivity of the financial statements to those judgments, estimates and assumptions, are critical to understanding the financial statements.

3.1 Recognition and measurement of financial instruments at fair value

Assets and liabilities that are classified as held for trading purposes are recorded at fair value on the balance sheet date, with changes in fair value reflected in "financial operation results". For listed financial instruments, fair value is based on quoted market prices for the specific instrument. Where no active market exists, or where quoted

prices are not otherwise available, fair value is determined using a variety of valuation techniques. These include present value methods, models based on observable input parameters, and models where some of the input parameters are unobservable.

Valuation methods are used primarily to value derivatives transacted in the over-the-counter market. Although a significant degree of judgment is, in some cases, required in establishing fair values, Management believes that the fair values recorded in the Statement of Financial Position and the changes in fair values recorded in the Income Statement are prudent and reflective of the underlying economics, based on the controls and procedural safeguards employed.

3.2 Allowance for impairment of loans

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

3.3 Retirement benefit obligations

The defined benefit obligation is actuarially determined using assumed discount rates and assumed rates of compensation increase. These

assumptions are ultimately determined by reviewing the Bank's salary increases each year.

3.4 Goodwill impairment testing

The Group tests for impairment of goodwill on acquired subsidiary and associate on an annual basis. In order to ascertain whether there is evidence for impairment, the value in use and the fair value of a business unit need to be calculated. Usually the methods used are the cash flows present value method, future dividends present value method and measurement on the basis of similar entity indicators. To apply the specific methods, Management needs to use data, such as the subsidiary's and associate's estimated future profitability, business plans and market data, such as interest rates.

3.5 Held-to-maturity financial assets

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

3.6 Impairment for available-for-sale financial assets

The Bank follows the I.A.S.39 guidance on determining when a share is other than temporarily impaired. This determination requires judgment and the Bank evaluates what is significant or prolonged decline in the fair value of the equity investments below their cost.

In making this judgment, the Group evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

3.7 Income Taxes

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

4. Financial Risk Management

The Bank's activities expose the Bank to a variety of financial risks, from which the most significant are : credit risk, market risk, liquidity risk, the change of fair value of financial assets due to change of prices and rates in the market and the sufficiency of capital resources for backing up Bank's activities. Market risk includes currency risk, interest rate and other price risk.

The Bank's risk management policies are designed to identify, monitor and analyze these risks, to set appropriate risk limits and controls. The Bank regularly reviews its risk management

policies and methods to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Risk Management Division under policies approved by the Board of Directors. The Risk Management Division identifies, evaluates, and hedges financial risks in close co-operation with the Bank's operating units. Apart from the Risk Management Division, there is also the Risk Management Committee, which has the following responsibilities :

- The strategic undertaking modulation of every risk type and capital management.
- The development of an internal risk management system and its integration in the business decisions procedure.
- Evaluation of the Risk Management Division's reports and notification to the Board of Directors.
- Annual valuation of the adequacy and effectiveness of the Bank's risk management policy.

4.1 Credit Risk

Credit risk is the risk of financial loss for the Bank that arises when the debtors are in no position to pay off their loans and to fulfill their contractual/transactional obligations. Credit risk is considered the most significant for the Bank's business; and its efficient monitoring and management constitutes a top priority for management.

The Bank's overall exposure to credit risk including the liquidation risk mainly arises from the retail banking allowances, the Bank's investment and transaction activities, the trading

activities in the derivative markets as well as from the settlement of financial instruments.

4.1.1 Credit risk measurement

There are various factors that affect the level of credit risk, some of which include general economic and market conditions, as well as the future expectations, counterparties' financial condition, type, duration and amount of exposure, as well as the presence of any collateral/security (guarantees).

The Bank's Board of Directors considers the efficient management of credit risk very important. Hellenic Postbank has created and developed all the needed infrastructure and procedures, in order to estimate and value the credit capacity of each counterparty.

a) Loans and advances

In measuring credit risk of loans and advances the Bank reflects : (i) a customer's creditworthiness and the probability of defaulting on their contractual obligations is systematically assessed, (ii) the Bank's current exposure to credit risk arising from the claim is monitored.

(i) Systematic evaluations of the customer's creditworthiness and assessment of the probability of defaulting on their contractual obligations

The Bank evaluates the creditworthiness of its borrowers and assesses the probability of defaulting on their contractual obligations. The Bank focusing on the application of modern credit risk measurement methods, evaluates applicants creditworthiness using applications scoring

models. The Bank regularly tests the predictive capability of the creditworthiness evaluation and rating models used both for Corporate and Retail Credit, thus ensuring its potential of accurately depicting any credit risk allowing for the timely implementations of measures addressing arising problems.

(ii) Monitoring the Bank's current credit risk exposure

The Bank monitors the credit risk exposure of its loans and advances to customers, based on their notional amount, as presented in the financial statements.

b) Securities and other bills

For the measurement and evaluation of the credit risk entailed in debt securities and other bills, external ratings from rating agencies are used, such as Standard and Poor's, Moody's or other similar organizations. The amount of the Bank's exposure to credit risk from debt securities and other bills is measured based on the market value of on or off balance sheet exposures and/or positions.

c) Stress Testing

Stress testing exercises constitute an integral part of the Bank's credit risk measurement and quantification, providing estimates of the size of financial losses that could occur under extreme financial market conditions. Hellenic Postbank systematically runs credit risk stress testing exercises, in accordance with the instructions issued by the Bank of Greece (Governor of the Bank of Greece Decree /2577/9.3.2006), the results of which are presented to and evaluated

by the Risk Management Committee. The stress tests are performed by the Risk Management Division and primarily make use of the sensitivity analysis technique.

4.1.2 Credit limits management and risk mitigation techniques

The Bank manages, controls and limits the concentration of credit risk per counterparty, per counterparty group, per product and per segment by applying limits to the counterparties and credit limits in order to ensure the maintenance of the maximum acceptable risk exposure and the protection of the Bank's funds. The Bank's total exposure to borrower credit risk is further controlled by the application of sub-limits that address on and off-balance sheet exposures, as well as daily positions of the trading book in financial instruments, such as foreign exchange profit/losses.

The following paragraphs describe further techniques applied by the Hellenic Postbank for credit risk control and limitation.

a) Collateral / Security

The Bank obtains collateral/security against its credit to customers, minimizing thus the overall credit risk and ensuring the timely repayment of its debt claims.

To this end, the Bank has established categories of acceptable collateral and has incorporated them in its credit policy. The main types are the following:

- Mortgages and certain consumer loans on real estate property

- Greek State letters of guarantee for loans to public institutions
- Pledged deposits and securities

The collateral/security associated with a credit is initially evaluated during the credit approval process, based on their current or fair value, and is re-evaluated at regular intervals. In general, no collateral/security is required against exposures to financial institutions, unless it has to do with resale agreements (reverse repos).

b) Derivatives

The Bank systematically monitors and controls the exposure and duration of its net open positions in the derivative markets. At any given moment, the overall credit risk exposure of the Bank to derivative products corresponds to the positive market value of its open positions. Credit exposures from positions in the derivative markets are part of the overall credit limits set for any counterparty and are taken into consideration during the approval procedure.

c) Netting arrangements

In cases where there is the legal right and the expressed intention to net the amounts owed to the Bank by counterparty, the Bank is entitled to proceed in netting a claim along with an associated obligation and record the net amount on the Statement of Financial Position.

d) Credit-related commitments

The Bank uses credit-related commitments to provide customers with funds as required. These credit-related commitments entail the same risk as the Bank's loans and advances and mainly

concern approved loan contracts for mortgage and loans that are related to certified construction of rising real estate.

4.1.3. Impairment and provisioning policy

Hellenic Postbank systematically examines whether there is valid and objective evidence that a claim's value has been impaired. To this end, as of the date of each published financial statement, it conducts an impairment test concerning the value of its loans, according to the general principles and methodology described in the International Accounting Standards, and proceeds with assuming the respective provisions.

A claim is considered impaired when its book value exceeds its anticipated recoverable amount. The recoverable amount is estimated by the sum of present value of future cash flows from anticipated repayments and the present value of liquidation of any collateral/guarantees in case the borrower fails to service the loan. In the event that there are indications that the Bank will not be able to receive all payments due, a specific provision is made for the impaired amount of associated with the loan. The amount of the provision equals the difference between the carrying amount and the present value of the estimated future cash flows.

The Bank, according to its I.A.S.39, considers the criteria stated in section 2.3.2 as reliable and objective evidence that a loan or group of loans has been impaired.

The estimation concerning the existence of impairment and any resulting provisioning is

conducted individually at a loan level for those considered by the Bank as significant, and collectively on the loan group level for those considered less significant. The estimation of impairment is conducted collectively for claims (portfolios of claims) with common risk characteristics, which are not considered significant on an individual basis. Also collective assessment includes loans that have been tested individually for impairment but no impairment has occurred.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, such as an improvement in the debtor's credit rating, the previously recognized loss is reduced and the difference is recognized in the Income Statement.

Write-offs

The Bank proceeds with write-offs of impaired loans against their respective provisions, after all necessary judicial and other procedures have been exhausted and once it is highly expected that these loans will not be collected. The Board of Directors of the Bank and its subsidiaries makes the decision for the write-offs.

The Bank continues the monitoring of the written-off loans, following their write off, in case that they may become collectable. Probable income from written-off loans is assessed in the income statement.

4.1.4 Maximum exposure to credit risk before collateral held or other credit enhancements

The following table presents the Group's maximum credit risk exposure at 31/12/2009 and 31/12/2008, without including collateral held or other credit enhancements. For balance sheet

items, credit exposures are based on their carrying amounts as reported on the Statement of Financial Position.

On consolidated basis

Maximum exposure in Credit Risk	31.12.2009	31.12.2008
Credit risk exposure relating to on-balance sheet assets		
Loans and advances to credit institutions	2.339.367.903,83	3.008.413.256,28
Loans and advances to consumers (net of provisions)		
Loans to individuals		
-Consumer loans	1.816.089.453,79	1.832.610.091,37
-Mortgages	4.556.669.304,99	4.434.457.162,66
-Credit cards	210.294.853,09	168.747.129,26
Loans to corporate entities		
-Public sector	596.362.277,54	519.079.681,44
-Debt securities	723.180.040,84	49.082.279,27
-Due from subsidiaries	-	-
Trade Portfolio		
-Bonds	357.304.366,56	316.667.815,06
Derivative financial instruments-assets	6.104.895,79	5.134.308,41
Financial instruments designated at fair value through profit & loss		
-Bonds	59.750.888,45	112.528.172,40
Investment portfolio		
Available for sale		
-Bonds	5.608.332.301,62	2.322.202.528,94
Held to maturity		
-Bonds	450.736.603,03	1.143.282.566,59
Other assets	462.439.768,60	309.119.383,83
Total	17.186.632.658,13	14.221.324.375,51
Credit risk exposure to off-balance sheet assets		
Loan commitments and other credit related liabilities	104.807.622,02	105.758.724,48
Total	17.291.440.280,15	14.327.083.099,99

On stand alone basis

Maximum exposure in Credit Risk	31.12.2009	31.12.2008
Credit risk exposure relating to on-balance sheet assets		
Loans and advances to credit institutions	2.334.818.210,09	3.005.468.460,00
Loans and advances to consumers (net of provisions)		
Loans to individuals		
-Consumer loans	1.816.089.453,79	1.832.610.091,37
-Mortgages	4.556.669.304,99	4.434.457.162,66
-Credit cards	10.209.488,03	168.747.129,26
Loans to corporate entities		
-Public sector	596.362.277,54	519.079.681,44
-Debt securities	723.180.040,84	49.082.279,27
-Due from subsidiaries	208.278.517,45	-
Trade Portfolio		
-Bonds	357.304.366,56	316.667.815,06
Derivative financial instruments-assets	6.104.895,79	5.134.308,41
Financial instruments designated at fair value through profit & loss		
-Bonds	59.750.888,45	112.528.172,40
Investment portfolio		
Available for sale		
-Bonds	5.608.332.301,62	2.322.202.528,94
Held to maturity		
-Bonds	450.736.603,03	1.143.282.566,59
Other assets	456.319.891,76	307.781.050,50
Total	17.184.156.239,94	14.217.041.245,90
Credit risk exposure to off-balance sheet assets		
Loan commitments and other credit related liabilities	196.724.025,18	105.758.724,48
Total	17.380.880.265,12	14.322.799.970,38

4.1.5 Loans and advances

Loans and advances to customers and to credit institutions are summarized as follows:

On consolidated basis

Amount in €	31.12.2009		31.12.2008	
	Loans and advances to consumers	Loans and advances to credit institutions	Loans and advances to consumers	Loans and advances to credit institutions
Neither past due nor impaired	7.403.224.787,49	2.339.367.903,83	6.356.709.220,69	3.008.413.256,28
Past due over 90 days but not impaired	308.482.576,59	-	393.751.474,89	-
Impaired loans and advances	353.763.271,67	-	375.613.944,42	-
Gross	8.065.470.635,75	2.339.367.903,83	7.126.074.640,00	3.008.413.256,28
Less: allowance for impairment	(162.874.705,50)	-	(122.098.296,00)	-
Net	7.902.595.930,25	2.339.367.903,83	7.003.976.344,00	3.008.413.256,28

On stand alone basis

Amount in €	31.12.2009		31.12.2008	
	Loans and advances to consumers	Loans and advances to credit institutions	Loans and advances to consumers	Loans and advances to credit institutions
Neither past due nor impaired	7.423.681.173,40	2.334.818.210,09	6.356.709.220,69	3.005.468.460,00
Past due over 90 days but not impaired	312.016.340,98	-	393.751.474,89	-
Impaired loans and advances	321.823.064,09	-	375.613.944,42	-
Gross	8.057.520.578,47	2.334.818.210,09	7.126.074.640,00	3.005.468.460,00
Less: allowance for impairment	(146.731.495,83)	-	(122.098.296,00)	-
Net	7.910.789.082,64	2.334.818.210,09	7.003.976.344,00	3.005.468.460,00

a) Loans without impairment

Loans and advances to customers

On consolidated basis

31.12.2009	Loans and advances to individuals (retail customers)			Loans and advances to corporate entities		Total loans and advances to customers
	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Debt Securities and corporate bond loans	
Standard monitoring	1.711.808.320,34	4.165.773.843,26	206.100.305,51	596.362.277,54	723.180.040,84	7.403.224.787,49
Total	1.711.808.320,34	4.165.773.843,26	206.100.305,51	596.362.277,54	723.180.040,84	7.403.224.787,49

31.12.2008	Loans and advances to individuals (retail customers)			Loans and advances to corporate entities		Total loans and advances to customers
	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Debt Securities and corporate bond loans	
Standard monitoring	1.691.671.357,94	3.977.250.187,77	119.625.714,27	519.079.681,44	49.082.279,27	6.356.709.220,69
Total	1.691.671.357,94	3.977.250.187,77	119.625.714,27	519.079.681,44	49.082.279,27	6.356.709.220,69

On stand alone basis

31.12.2009	Loans and advances to individuals (retail customers)			Loans and advances to corporate entities		Total loans and advances to customers
	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Debt Securities and corporate bond loans	
Standard monitoring	1.701.035.755,87	4.188.343.272,78	6.481.308,92	596.362.277,54	931.458.558,29	7.423.681.173,40
Total	1.701.035.755,87	4.188.343.272,78	6.481.308,92	596.362.277,54	931.458.558,29	7.423.681.173,40

31.12.2008	Loans and advances to individuals (retail customers)			Loans and advances to corporate entities		Total loans and advances to customers
	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Debt Securities and corporate bond loans	
Standard monitoring	1.691.671.357,94	3.977.250.187,77	119.625.714,27	519.079.681,44	49.082.279,27	6.356.709.220,69
Total	1.691.671.357,94	3.977.250.187,77	119.625.714,27	519.079.681,44	49.082.279,27	6.356.709.220,69

Loans and advances to credit institutions

On consolidated basis

	2009	2008
Investment grade	-	5.954.570,25
Special Monitoring	120.685.633,21	61.020.974,04
Standard Monitoring	2.218.682.270,62	2.941.437.711,99
Total	2.339.367.903,83	3.008.413.256,28

On stand alone basis

	2009	2008
Investment grade	-	5.954.570,25
Special Monitoring	120.685.633,21	61.020.974,04
Standard Monitoring	2.214.132.576,88	2.941.437.711,99
Total	2.334.818.210,09	3.008.413.256,28

b) Loans and advances past due up to 90 days but not impaired

On consolidated and stand alone basis

31.12.2009

	Loans and advances to individuals			Total
	Consumer loans	Mortgages	Credit Cards	
up to 30 days	24.300.073,68	131.299.640,01	955.573,51	156.555.287,20
31 - 60 days	11.974.596,08	100.459.527,97	266.262,41	112.700.386,46
61 - 90 days	8.348.488,44	30.712.655,64	165.758,85	39.226.902,93
Total	44.623.158,20	262.471.823,62	1.387.594,77	308.482.576,59

31.12.2008

	Loans and advances to individuals			Total
	Consumer loans	Mortgages	Credit Cards	
up to 30 days	34.223.793,85	153.641.592,16	33.059.893,34	220.925.279,35
31 - 60 days	15.976.801,21	100.905.986,89	6.366.105,48	123.248.893,58
61 - 90 days	10.558.164,52	35.128.686,87	3.890.450,57	49.577.301,96
Total	60.758.759,58	289.676.265,92	43.316.449,39	393.751.474,89

c) Loans and advances impaired

On consolidated basis

31.12.2009

	Loans and advances to individuals (retail customers)			Loans and advances to corporate institutions	Total
	Consumer loans	Mortgages	Credit cards	Debt Securities and corporate bond loans	
Impaired loans	124.060.232,09	187.240.374,11	35.366.444,48	7.096.220,99	353.763.271,67
Total	124.060.232,09	187.240.374,11	35.366.444,48	7.096.220,99	353.763.271,67

31.12.2008	Loans and advances to individuals (retail customers)			Loans and advances to corporate institutions	Total
	Consumer loans	Mortgages	Credit cards	Debt Securities and corporate bond loans	
Impaired loans	134.374.524,85	212.911.408,97	28.328.010,60	-	375.613.944,42
Total	134.374.524,85	212.911.408,97	28.328.010,60	0,00	375.613.944,42

On stand alone basis

31.12.2009	Loans and advances to individuals (retail customers)			Loans and advances to corporate institutions	Total
	Consumer loans	Mortgages	Credit cards	Debt Securities and corporate bond loans	
Impaired loans	135.985.935,90	159.983.330,16	18.757.577,04	7.096.220,99	321.823.064,09
Total	135.985.935,90	159.983.330,16	18.757.577,04	7.096.220,99	321.823.064,09

31.12.2008	Loans and advances to individuals (retail customers)			Loans and advances to corporate institutions	Total
	Consumer loans	Mortgages	Credit cards	Debt Securities and corporate bond loans	
Impaired loans	134.374.524,85	212.911.408,97	28.328.010,60	-	375.613.944,42
Total	134.374.524,85	212.911.408,97	28.328.010,60	0,00	375.613.944,42

The Bank receives for mortgages collateral securities that pertain to (A') attached property, plant and equipment as at 120% of the loans' value.

4.1.6 Investment in securities and treasury bills

Tables below present the credit rating of debt securities that the Bank and the Group have in their portfolio, according to announcements of international rating agencies.

December 31st , 2009					
	Trade Portfolio	Available for sale	Held to maturity	Debt securities	Total
AAA	6.891.000,00	94.520.405,76	-	-	101.411.405,76
AA- to AA+	-	-	-	-	-
A- to A+	40.027.786,15	889.452.584,01	63.467.713,68	8.573.347,58	1.001.521.431,42
Lower than A-	345.028.404,15	4.231.530.796,36	205.705.583,43	13.499.487,35	4.795.764.271,29
Unrated	25.105.000,00	392.828.515,49	181.563.305,92	1.203.731.676,42	1.803.228.497,83
Total	417.052.190,30	5.608.332.301,62	450.736.603,03	1.225.804.511,35	7.701.925.606,30

December 31st , 2008					
	Trade Portfolio	Available for sale	Held to maturity	Debt securities	Total
AAA	14.968.220,00	73.004.186,00	-	-	87.972.406,00
AA- to AA+	22.905.500,00	28.007.950,00	59.502.666,19	-	110.416.116,19
A- to A+	270.155.193,80	1.978.284.193,95	1.051.316.905,33	404.490.176,98	3.704.246.470,06
Lower than A-	121.164.008,95	242.906.198,99	32.462.995,07	40.580.447,72	437.113.650,73
Unrated	-	-	-	-	-
Total	429.192.922,75	2.322.202.528,94	1.143.282.566,59	445.070.624,70	4.339.748.642,98

4.1.7 Obtaining ownership of provided collaterals

During 2009, the Bank obtained assets after transferring the ownership of its assets' collaterals.

	2009	2008
Pledged assets	44.614,47	406.326,60
Total	44.614,47	406.326,60

4.1.8 Concentration of risks of financial assets with credit risk exposure per industrial sector

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by industrial sector as at 31st December 2009. The Bank has allocated exposures to sectors based on the industry sector of its counterparties.

On consolidated basis

31.12.2009	BANKING & OTHER FINANCIAL SERVICES	CONSTRUCTION	ENERGY	INSURANCE	TELECOMMUNICATIONS	OTHER INDUSTRIES	PUBLIC SECTOR	INDIVIDUALS	TOTAL
Loans and advances to credit institutions	2.339.367.903,83	-	-	-	-	-	-	-	2.339.367.903,83
Loans and advances due from customers									
-Consumer/personal loans	-	-	-	-	-	-	-	1.816.089.453,79	1.816.089.453,79
-Mortgages	-	-	-	-	-	-	-	4.556.669.304,99	4.556.669.304,99
-Credit Cards	-	-	-	-	-	-	-	210.294.853,09	210.294.853,09
Loans to corporate entities									
-Public Sector	-	397.147.477,03	-	-	-	-	199.214.800,51	-	596.362.277,54
-Debt securities	215.056.617,53	51.226.348,76	176.759.436,63	-	-	280.137.637,92	-	-	723.180.040,84
Trade Portfolio									
-Bonds	188.027.636,70	-	13.912.771,00	-	-	1.979.551,38	153.384.407,48	-	357.304.366,56
Derivative financial assets	6.104.895,79	-	-	-	-	-	-	-	6.104.895,79
Financial instruments designated at fair value through profit & loss									
-Bonds	59.750.888,45	-	-	-	-	-	-	-	59.750.888,45
Investment Portfolio									
-Available for sale	-	-	-	-	-	-	-	-	-
-Bonds	596.508.490,39	26.998.441,67	24.506.797,79	2.967.860,00	51.240.171,63	24.499.908,10	4.881.610.632,04	-	5.608.332.301,62
-Held to maturity									
-Bonds	189.460.410,69	-	-	-	-	-	261.276.192,34	-	450.736.603,03
Other assets	222.014.432,89	-	-	157.006,78	-	100.736.447,52	33.182,50	139.498.698,91	462.439.768,60
Loan commitments and other credit related liabilities	-	-	-	-	-	-	-	104.807.622,02	104.807.622,02
Total Exposure 31.12.2009	3.816.291.276,27	475.372.267,46	215.179.005,42	3.124.866,78	51.240.171,63	407.353.544,92	5.495.519.214,87	6.827.359.932,80	17.291.440.280,15
Total Exposure 31.12.2008	4.330.730.477,69	412.170.540,44	25.474.201,88	2.349.235,00	71.405.976,04	111.984.009,85	2.827.960.761,29	6.545.007.897,79	14.327.083.099,98

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On stand alone basis

31.12.2009	BANKING & OTHER FINANCIAL SERVICES	CONSTRUCTION	ENERGY	INSURANCE	TELECOMMUNICATIONS	OTHER INDUSTRIES	PUBLIC SECTOR	INDIVIDUALS	TOTAL
Loans and advances to credit institutions	2.334.818.210,09	-	-	-	-	-	-	-	2.334.818.210,09
Loans and advances due from customers									
-Consumer loans	-	-	-	-	-	-	-	1.816.089.453,79	1.816.089.453,79
-Mortgages	-	-	-	-	-	-	-	4.556.669.304,99	4.556.669.304,99
-Credit Cards	-	-	-	-	-	-	-	10.209.488,03	10.209.488,03
Loans to corporate entities									
-Public Sector	-	397.147.477,03	-	-	-	-	199.214.800,51	-	596.362.277,54
-Debt securities	215.056.617,53	51.226.348,76	176.759.436,63	-	-	280.137.637,92	-	-	723.180.040,84
-Corporate loans	208.278.517,45	-	-	-	-	-	-	-	208.278.517,45
Trade Portfolio									
-Bonds	188.027.636,70	-	13.912.771,00	-	-	1.979.551,38	153.384.407,48	-	357.304.366,56
Derivative financial assets	6.104.895,79	-	-	-	-	-	-	-	6.104.895,79
Financial instruments designated at fair value through profit & loss									
-Bonds	59.750.888,45	-	-	-	-	-	-	-	59.750.888,45
Investment Portfolio									
-Available for sale	-	-	-	-	-	-	-	-	-
-Bonds	596.508.490,39	26.998.441,67	24.506.797,79	2.967.860,00	51.240.171,63	24.499.908,10	4.881.610.632,04	-	5.608.332.301,62
-Held to maturity									
-Bonds	189.460.410,69	-	-	-	-	-	261.276.192,34	-	450.736.603,03
Other assets	294.321.809,82	-	969,30	-	-	5.435.283,78	33.182,50	156.528.646,36	456.319.891,76
Loan commitments and other credit related liabilities	-	-	-	-	-	-	-	196.724.025,18	196.724.025,18
Total Exposure 31.12.2009	4.092.327.476,91	475.372.267,46	215.179.974,72	2.967.860,00	51.240.171,63	312.052.381,18	5.495.519.214,87	6.736.220.918,35	17.380.880.265,12
Total Exposure 31.12.2008	4.330.730.477,69	412.170.540,44	25.474.201,88	2.349.235,00	71.405.976,04	111.984.009,85	2.827.960.761,29	6.545.007.897,79	14.327.083.099,98

4.2 Market Risk

Market risk is the risk of a loss arising from financial assets and liabilities management as well as from various portfolios management due to adverse changes in the prices of the related assets.

4.2.1 Currency Risk

Foreign currency risk is the investment risk deriving from unfavorable currency rate changes, when the Bank holds open foreign exchange positions. Management has set specific maximum currency exposure limits for intra-day and daily currency positions. Currency exposure limits are monitored daily.

The Bank's open foreign exchange positions for the years ended on December 31, 2009 and 2008 in stand alone and on a consolidated basis were as follows.

Currency Risk on consolidated basis

31.12.2009	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with Central Bank	39.719,26	2.151,64	5.926,13	802,10	19,51	226.734,56	109.412.799,31	109.688.152,51
Receivables to Credit Institutions	22.066.734,38	832.465,39	728.879,92	300.405,51	104.759,96	574.000,17	2.314.760.658,50	2.339.367.903,83
Financial assets designated at fair value through profit & loss	1.898.181,35	-	-	-	-	-	444.190.727,11	446.088.908,46
Derivative financial assets	-	-	-	-	-	-	6.104.895,79	6.104.895,79
Loans & advances, due from customers	11.578.972,00	-	-	-	-	-	8.053.891.663,75	8.065.470.635,75
Minus :Provisions	-	-	-	-	-	-	(162.874.705,50)	(162.874.705,50)
Investment securities Available for Sale	102.346.273,85	-	5.466.851,33	-	-	-	5.665.951.316,18	5.773.764.441,36
Investment securities Held to Maturity	13.561.408,11	-	-	-	-	-	437.175.194,92	450.736.603,03
Investment in Associates	-	-	-	-	-	-	125.683.029,22	125.683.029,22
Property, plant and equipment	-	-	-	-	-	-	130.449.962,88	130.449.962,88
Intangible Assets	-	-	-	-	-	-	25.450.672,96	25.450.672,96
Deferred tax assets	-	-	-	-	-	-	157.392.016,04	157.392.016,04
Current tax assets	-	-	-	-	-	-	25.754.374,42	25.754.374,42
Other Assets	1.175.192,07	2.335,96	84.134,76	663,12	496,65	983,98	461.175.962,06	462.439.768,60
Total Assets	152.666.481,02	836.952,99	6.285.792,14	301.870,73	105.276,12	801.718,71	17.794.518.567,64	17.955.516.659,35
Currency Risk concerning Liabilities								
Due to banks	118.700.541,44	-	-	-	-	-	3.548.270.000,00	3.666.970.541,44
Due to Customers	12.314.100,32	783.343,87	745.251,80	121.225,81	118.739,31	724.773,61	12.617.407.902,48	12.632.215.337,20
Derivative financial liabilities	958.588,49	-	-	-	-	-	157.345.535,83	158.304.124,32
Deferred Tax Liabilities	-	-	-	-	-	-	35.811.505,68	35.811.505,68
Current Tax Liabilities	-	-	-	-	-	-	10.059.203,65	10.059.203,65
Retirement Benefit Obligations	-	-	-	-	-	-	20.146.187,57	20.146.187,57
Other Liabilities	1.153.487,72	1.236,47	83.085,72	209,08	472,58	4.438,69	188.965.621,25	190.208.551,51
Total Liabilities	133.126.717,97	784.580,34	828.337,52	121.434,89	119.211,89	729.212,30	16.578.005.956,46	16.713.715.451,37
Net on financial position	19.539.763,05	52.372,65	5.457.454,62	180.435,84	(13.935,77)	72.506,41	1.216.512.611,18	1.241.801.207,98
Time contracts and other currency derivatives	(25.336.665,28)	-	(7.600.801,24)	(168.279,23)	-	105.081,08	33.000.664,67	-
Net currency position	(5.796.902,23)	52.372,65	(2.143.346,62)	12.156,61	(13.935,77)	177.587,49	1.249.513.275,85	1.241.801.207,98

NOTES TO THE CONSOLIDATED AND STAND ALONE BASIS FINANCIAL STATEMENTS



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Currency Risk on stand alone basis

31.12.2009	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with Central Bank	39.719,26	2.151,64	5.926,13	802,10	19,51	226.734,56	109.408.431,99	109.683.785,19
Receivables to Credit Institutions	22.066.734,38	832.465,39	728.879,92	300.405,51	104.759,96	574.000,17	2.310.210.964,76	2.334.818.210,09
Financial assets designated at fair value through profit & loss	1.898.181,35	-	-	-	-	-	443.690.705,43	445.588.886,78
Derivative financial assets	-	-	-	-	-	-	6.104.895,79	6.104.895,79
Loans & advances, due from customers	11.578.972,00	-	-	-	-	-	8.045.941.606,47	8.057.520.578,47
Minus: Provisions	-	-	-	-	-	-	(146.731.495,83)	(146.731.495,83)
Investment securities Available for Sale	102.346.273,85	-	5.466.851,33	-	-	-	5.665.951.316,18	5.773.764.441,36
Investment securities Held to Maturity	13.561.408,11	-	-	-	-	-	437.175.194,92	450.736.603,03
Investment in Subsidiary	-	-	-	-	-	-	20.722.928,00	20.722.928,00
Investment in Associates	-	-	-	-	-	-	125.710.000,00	125.710.000,00
Property, plant and equipment	-	-	-	-	-	-	130.316.833,77	130.316.833,77
Intangible Assets	-	-	-	-	-	-	12.408.893,12	12.408.893,12
Deferred tax assets	-	-	-	-	-	-	157.301.572,92	157.301.572,92
Current tax assets	-	-	-	-	-	-	25.754.374,42	25.754.374,42
Other Assets	1.175.192,07	2.335,96	84.134,76	663,12	496,65	983,98	455.056.085,22	456.319.891,76
Total Assets	152.666.481,02	836.952,99	6.285.792,14	301.870,73	105.276,12	801.718,71	17.799.022.307,16	17.960.020.398,87
Currency Risk concerning Liabilities								
Due to banks	118.700.541,44	-	-	-	-	-	3.548.270.000,00	3.666.970.541,44
Due to Customers	12.314.100,32	783.343,87	745.251,80	121.225,81	118.739,31	724.773,61	12.642.913.927,86	12.657.721.362,58
Derivative financial liabilities	958.588,49	-	-	-	-	-	157.345.535,83	158.304.124,32
Deferred Tax Liabilities	-	-	-	-	-	-	34.012.050,50	34.012.050,50
Current Tax Liabilities	-	-	-	-	-	-	7.285.323,26	7.285.323,26
Retirement Benefit Obligations	-	-	-	-	-	-	19.644.199,23	19.644.199,23
Other Liabilities	1.153.487,72	1.236,47	83.085,72	209,08	472,58	4.438,69	190.569.122,97	191.812.053,23
Total Liabilities	133.126.717,97	784.580,34	828.337,52	121.434,89	119.211,89	729.212,30	16.600.040.159,65	16.735.749.654,56
Net on financial position	19.539.763,05	52.372,65	5.457.454,62	180.435,84	(13.935,77)	72.506,41	1.198.982.147,51	1.224.270.744,31
Time contracts and other currency derivatives	(25.336.665,28)	-	(7.600.801,24)	(168.279,23)	-	105.081,08	33.000.664,67	-
Net currency position	(5.796.902,23)	52.372,65	(2.143.346,62)	12.156,61	(13.935,77)	177.587,49	1.231.982.812,18	1.224.270.744,31

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Currency Risk on consolidated basis

31.12.2008	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with Central Bank	8.379,37	2.329,10	3.042,52	350,17	-	3.233,21	179.924.907,57	179.942.241,94
Receivables to Credit Institutions	45.005.624,83	677.584,02	752.560,23	24.492,22	128.463,74	116.386,62	2.961.708.144,62	3.008.413.256,28
Financial assets designated at fair value through profit & loss	5.237.198,34	-	-	-	-	-	450.782.850,76	456.020.049,10
Derivative financial assets	-	-	-	3.628,87	-	-	5.130.679,54	5.134.308,41
Loans & advances, due from customers	11.949.700,98	-	-	-	-	-	7.114.124.939,02	7.126.074.640,00
Minus :Provisions	-	-	-	-	-	-	(122.098.296,00)	(122.098.296,00)
Investment securities Available for Sale	71.706.165,46	-	3.651.218,90	-	-	-	2.363.840.449,13	2.439.197.833,49
Investment securities Held to Maturity	28.162.030,13	-	-	-	-	-	1.115.120.536,46	1.143.282.566,59
Investment in Associates	-	-	-	-	-	-	94.585.030,36	94.585.030,36
Property, plant and equipment	-	-	-	-	-	-	115.248.028,61	115.248.028,61
Intangible Assets	-	-	-	-	-	-	19.813.801,87	19.813.801,87
Deferred tax assets	-	-	-	-	-	-	101.541.198,31	101.541.198,31
Current tax assets	-	-	-	-	-	-	21.485.825,85	21.485.825,85
Other Assets	1.233.430,46	1.966,65	77.658,21	0,02	184,00	0,01	307.806.144,48	309.119.383,83
Total Assets	163.302.529,57	681.879,77	4.484.479,86	28.471,28	128.647,74	119.619,84	14.729.014.240,58	14.897.759.868,64
Currency Risk concerning Liabilities								
Due to banks	123.807.573,47	-	14.569,85	-	-	-	2.680.854.995,18	2.804.677.138,50
Due to Customers	13.401.923,74	655.898,96	767.547,12	120.357,90	118.927,59	287.179,12	11.195.885.844,36	11.211.237.678,79
Derivative financial liabilities	770.358,11	-	-	4.568,46	-	3.682,04	86.865.046,43	87.643.655,04
Deferred Tax Liabilities	-	-	-	-	-	-	9.504.176,12	9.504.176,12
Current Tax Liabilities	-	-	-	-	-	-	521.411,83	521.411,83
Retirement Benefit Obligations	-	-	-	-	-	-	20.490.862,35	20.490.862,35
Other Liabilities	8.539.057,63	4.587,27	78.654,74	0,07	2.078,85	3.038,22	211.106.554,29	219.733.971,07
Total Liabilities	146.518.912,95	660.486,23	860.771,71	124.926,43	121.006,44	293.899,38	14.205.228.890,56	14.353.808.893,70
Net on financial position	16.783.616,62	21.393,54	3.623.708,15	(96.455,15)	7.641,30	(174.279,54)	523.785.350,02	543.950.974,94
Time contracts and other currency derivatives	(39.104.605,87)	-	(6.826.460,10)	55.408,76	-	231.824,01	45.643.833,20	-
Net currency position	(22.320.989,25)	21.393,54	(3.202.751,95)	(41.046,39)	7.641,30	57.544,47	569.429.183,22	543.950.974,94

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Currency Risk on stand alone basis

31.12.2008	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with Central Bank	8.379,37	2.329,10	3.042,52	350,17	-	3.233,21	179.923.524,17	179.940.858,54
Receivables to Credit Institutions	45.005.624,83	677.584,02	752.560,23	24.492,22	128.463,74	116.386,62	2.958.763.348,34	3.005.468.460,00
Financial assets designated at fair value through profit & loss	5.148.309,14	-	-	-	-	-	449.900.577,80	455.048.886,94
Derivative financial assets	-	-	-	3.628,87	-	-	5.130.679,54	5.134.308,41
Loans & advances, due from customers	11.949.700,98	-	-	-	-	-	7.114.124.939,02	7.126.074.640,00
Minus :Provisions	-	-	-	-	-	-	(122.098.296,00)	(122.098.296,00)
Investment securities Available for Sale	71.706.165,46	-	3.651.218,90	-	-	-	2.363.840.449,13	2.439.197.833,49
Investment securities Held to Maturity	28.162.030,13	-	-	-	-	-	1.115.120.536,46	1.143.282.566,59
Investment in Subsidiary	-	-	-	-	-	-	20.136.128,00	20.136.128,00
Investment in Associates	-	-	-	-	-	-	94.585.030,36	94.585.030,36
Property, plant and equipment	-	-	-	-	-	-	115.131.606,94	115.131.606,94
Intangible Assets	-	-	-	-	-	-	11.904.740,40	11.904.740,40
Deferred tax assets	-	-	-	-	-	-	101.463.286,44	101.463.286,44
Current tax assets	-	-	-	-	-	-	21.485.825,85	21.485.825,85
Other Assets	1.344.639,66	1.966,65	77.658,21	0,02	184,00	0,01	306.356.601,95	307.781.050,50
Total Assets	163.324.849,57	681.879,77	4.484.479,86	28.471,28	128.647,74	119.619,84	14.735.768.978,40	14.904.536.926,46
Currency Risk concerning Liabilities								
Due to banks	123.807.573,47	-	14.569,85	-	-	-	2.680.854.995,18	2.804.677.138,50
Due to Customers	13.401.923,74	655.898,96	767.547,12	120.357,90	118.927,59	287.179,12	11.215.746.787,53	11.231.098.621,96
Derivative financial liabilities	770.358,11	-	-	4.568,46	-	3.682,04	86.865.046,43	87.643.655,04
Deferred Tax Liabilities	-	-	-	-	-	-	9.466.011,69	9.466.011,69
Retirement Benefit Obligations	-	-	-	-	-	-	20.085.320,00	20.085.320,00
Other Liabilities	8.539.057,63	4.587,27	78.654,74	0,07	2.078,85	3.038,22	209.959.659,40	218.587.076,18
Total Liabilities	146.518.912,95	660.486,23	860.771,71	124.926,43	121.006,44	293.899,38	14.222.977.820,23	14.371.557.823,37
Net on financial position	16.805.936,62	21.393,54	3.623.708,15	(96.455,15)	7.641,30	(174.279,54)	512.791.158,17	532.979.103,09
Time contracts and other currency derivatives	(39.104.605,87)	-	(6.826.460,10)	55.408,76	-	231.824,01	45.643.833,20	-
Net currency position	(22.298.669,25)	21.393,54	(3.202.751,95)	(41.046,39)	7.641,30	57.544,47	558.434.991,37	532.979.103,09

Furthermore, in order to reduce the foreign exchange risk, the Bank follows the cash flows of the invested capitals in foreign currency and makes the appropriate placements in currency futures.

The Bank in order to assess the foreign exchange risk, calculates the negative effect to the annual result that a variance in the currency exchange rates would provoke. The related calculations that took into account balances at 31.12.2009 have shown that in the case of a variance in the currency market by +/- 6% for the main currencies and +/- 20% for the secondary ones would affect the Bank's results by € 0,12 million.

4.2.2 Interest Rate Risk

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

Interest Rate Risk on consolidated basis

31/12/2009	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- Interest Bearing Elements	Total
Assets							
Cash and Balances with Central Bank	74.942.596,12	-	-	-	-	34.745.556,39	109.688.152,51
Due from banks	1.767.289.832,38	482.815.598,22	89.262.473,22	-	-	-	2.339.367.903,83
Financial assets designated at fair value through profit & loss	156.932.008,77	91.784.576,35	14.140.609,39	140.635.356,34	13.562.704,16	29.033.653,45	446.088.908,46
Derivative Financial assets	-	3.230.492,77	376.583,98	489.798,47	310.392,72	1.697.627,85	6.104.895,79
Loans and Advances, due from Customers	3.623.826.871,46	539.494.269,73	647.796.364,60	1.859.256.110,94	1.233.612.896,53	161.484.122,49	8.065.470.635,75
Minus :Provisions							
Investment securities Available for Sale	65.361.567,04	733.957.020,88	1.694.107.682,70	1.263.510.078,03	1.851.395.952,97	(162.874.705,50)	(162.874.705,50)
Investment securities Held to Maturity	103.990.321,76	49.429.536,57	257.700.160,20	39.616.584,50	-	-	450.736.603,03
Investment in subsidiaries	-	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	125.683.029,22	125.683.029,22
Property, plant and equipment	-	-	-	-	-	130.449.962,88	130.449.962,88
Intangible Assets	-	-	-	-	-	25.450.672,96	25.450.672,96
Deferred Tax Asset	-	-	-	-	-	157.392.016,04	157.392.016,04
Current Tax Assets	-	-	-	-	-	25.754.374,42	25.754.374,42
Other Assets	-	-	-	-	-	462.439.768,60	462.439.768,60
Total Assets	5.792.343.197,53	1.900.711.494,52	2.703.383.874,09	3.303.507.928,27	3.098.881.946,38	1.156.688.218,54	17.955.516.659,35
Liabilities							
Due to banks	1.457.292.437,18	25.153.104,26	2.184.525.000,00	-	-	-	3.666.970.541,44
Due to Customers	7.604.329.003,43	1.764.038.231,92	3.101.218.346,26	162.629.755,59	-	-	12.632.215.337,20
Derivative financial liabilities	47.177.005,18	46.896.255,51	17.618.532,63	7.831.490,40	11.788.091,91	26.992.748,68	158.304.124,32
Deferred Tax Liabilities	-	-	-	-	-	35.811.505,68	35.811.505,68
Current Tax Liabilities	-	-	-	-	-	10.059.203,65	10.059.203,65
Retirement Benefit Obligations	-	-	-	-	-	20.146.187,57	20.146.187,57
Other Liabilities	-	-	-	-	-	190.208.551,51	190.208.551,51
Total Liabilities	9.108.798.445,78	1.836.087.591,69	5.303.361.878,90	170.461.245,99	11.788.091,91	283.218.197,09	16.713.715.451,37
Total Interest Sensitivity Gap	(3.316.455.248,25)	64.623.902,83	(2.599.978.004,81)	3.133.046.682,28	3.087.093.854,47		368.331.186,52

NOTES TO THE CONSOLIDATED AND STAND ALONE BASIS FINANCIAL STATEMENTS



December 31st, 2009

Interest Rate Risk on stand alone basis

31/12/2009	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- Interest Bearing Elements	Total
Assets							
Cash and Balances with Central Bank	74.942.596,12	-	-	-	-	34.741.189,07	109.683.785,19
Due from banks	1.762.740.138,64	482.815.598,22	89.262.473,22	-	-	-	2.334.818.210,09
Financial assets designated at fair value through profit & loss	156.932.008,77	91.784.576,35	14.140.609,39	140.635.356,34	13.562.704,16	28.533.631,77	445.588.886,78
Derivative Financial assets	-	3.230.492,77	376.583,98	489.798,47	310.392,72	1.697.627,85	6.104.895,79
Loans and Advances, due from Customers	3.623.826.871,46	531.544.212,45	647.796.364,60	1.859.256.110,94	1.233.612.896,53	161.484.122,49	8.057.520.578,47
Minus :Provisions							
Investment securities Available for Sale	65.361.567,04	733.957.020,88	1.694.107.682,70	1.263.510.078,03	1.851.395.952,97	(146.731.495,83)	(146.731.495,83)
Investment securities Held to Maturity	103.990.321,76	49.429.536,57	257.700.160,20	39.616.584,50	-	-	450.736.603,03
Investment in subsidiaries	-	-	-	-	-	20.722.928,00	20.722.928,00
Investment in Associates	-	-	-	-	-	125.710.000,00	125.710.000,00
Property, plant and equipment	-	-	-	-	-	130.316.833,77	130.316.833,77
Intangible Assets	-	-	-	-	-	12.408.893,12	12.408.893,12
Deferred Tax Asset	-	-	-	-	-	157.301.572,92	157.301.572,92
Current Tax Assets	-	-	-	-	-	25.754.374,42	25.754.374,42
Other Assets	-	-	-	-	-	456.319.891,76	456.319.891,76
Total Assets	5.787.793.503,79	1.892.761.437,24	2.703.383.874,09	3.303.507.928,27	3.098.881.946,38	1.173.691.709,08	17.960.020.398,87
Liabilities							
Due to banks	1.457.292.437,18	25.153.104,26	2.184.525.000,00	-	-	-	3.666.970.541,44
Due to Customers	7.619.683.096,39	1.767.600.046,11	3.107.480.094,63	162.958.125,44	-	-	12.657.721.362,58
Derivative financial liabilities	47.177.005,18	46.896.255,51	17.618.532,63	7.831.490,40	11.788.091,91	26.992.748,68	158.304.124,32
Deferred Tax Liabilities	-	-	-	-	-	34.012.050,50	34.012.050,50
Current Tax Liabilities	-	-	-	-	-	7.285.323,26	7.285.323,26
Retirement Benefit Obligations	-	-	-	-	-	19.644.199,23	19.644.199,23
Other Liabilities	-	-	-	-	-	191.812.053,23	191.812.053,23
Total Liabilities	9.124.152.538,74	1.839.649.405,89	5.309.623.627,27	170.789.615,85	11.788.091,91	279.746.374,90	16.735.749.654,56
Total Interest Sensitivity Gap	(3.336.359.034,95)	53.112.031,35	(2.606.239.753,18)	3.132.718.312,43	3.087.093.854,47		330.325.410,12

Interest Rate Risk on consolidated basis

31/12/2008	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- Interest Bearing Elements	Total
Assets							
Cash and Balances with Central Bank	147.339.240,25	-	-	-	-	32.603.001,69	179.942.241,94
Due from banks	2.948.906.373,76	59.489.382,16	17.500,36	-	-	-	3.008.413.256,28
Financial assets designated at fair value through profit & loss	208.029.328,96	137.891.153,97	57.174.302,30	20.449.557,52	5.651.644,71	26.824.061,64	456.020.049,10
Derivative Financial assets	83.974,72	695.777,77	327.181,47	2.830.692,61	330.947,63	865.734,21	5.134.308,41
Loans and Advances, due from Customers	53.612.241,15	24.347.389,75	3.363.582.475,67	1.941.323.009,47	1.610.671.038,28	132.538.485,67	7.126.074.640,00
Minus :Provisions	-	-	-	-	-	(122.098.296,00)	(122.098.296,00)
Investment securities Available for Sale	95.068.002,34	723.699.508,83	119.345.058,50	1.118.116.288,09	265.973.671,18	116.995.304,55	2.439.197.833,49
Investment securities Held to Maturity	255.912.714,42	41.524.263,72	593.156.781,62	252.688.806,83	-	-	1.143.282.566,59
Investment in Associates	-	-	-	-	-	94.585.030,36	94.585.030,36
Property, plant and equipment	-	-	-	-	-	115.248.028,61	115.248.028,61
Intangible Assets	-	-	-	-	-	19.813.801,87	19.813.801,87
Deferred Tax Asset	-	-	-	-	-	101.541.198,31	101.541.198,31
Current Tax Assets	-	-	-	-	-	21.485.825,85	21.485.825,85
Other Assets	-	-	-	-	-	309.119.383,83	309.119.383,83
Total Assets	3.708.951.875,60	987.647.476,19	4.133.603.299,92	3.335.408.354,52	1.882.627.301,80	849.521.560,60	14.897.759.868,64
Liabilities							
Due to banks	1.103.822.143,32	-	1.700.854.995,18	-	-	-	2.804.677.138,50
Due to Customers	8.691.345.481,01	1.307.004.603,77	1.053.545.416,42	179.203.120,76	-	(19.860.943,17)	11.211.237.678,79
Derivative financial liabilities	20.517.442,56	14.354.246,43	10.379.514,44	36.594.888,26	3.065.848,84	2.731.714,50	87.643.655,04
Deferred Tax Liabilities	-	-	-	-	-	9.504.176,12	9.504.176,12
Current Tax Liabilities	-	-	-	-	-	521.411,83	521.411,83
Retirement Benefit Obligations	-	-	-	-	-	20.490.862,35	20.490.862,35
Other Liabilities	-	-	-	-	-	219.733.971,07	219.733.971,07
Total Liabilities	9.815.685.066,89	1.321.358.850,21	2.764.779.926,04	215.798.009,02	3.065.848,84	233.121.192,70	14.353.808.893,70
Total Interest Sensitivity Gap	(6.106.733.191,29)	(333.711.374,02)	1.368.823.373,89	3.119.610.345,50	1.879.561.452,96		(72.449.392,95)

Interest Rate Risk on stand alone basis

31/12/2008	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- Interest Bearing Elements	Total
Assets							
Cash and Balances with Central Bank	147.339.240,25	-	-	-	-	32.601.618,29	179.940.858,54
Due from banks	2.945.961.577,48	59.489.382,16	17.500,36	-	-	-	3.005.468.460,00
Financial assets designated at fair value through profit & loss	208.029.328,96	137.891.153,97	57.174.302,30	20.449.557,52	5.651.644,71	25.852.899,48	455.048.886,94
Derivative Financial assets	83.974,72	695.777,77	327.181,47	2.830.692,61	330.947,63	865.734,21	5.134.308,41
Loans and Advances, due from Customers	53.612.241,15	24.347.389,75	3.363.582.475,67	1.941.323.009,47	1.610.671.038,28	132.538.485,67	7.126.074.640,00
Minus :Provisions	-	-	-	-	-	(122.098.296,00)	(122.098.296,00)
Investment securities Available for Sale	95.068.002,34	723.699.508,83	119.345.058,50	1.118.116.288,09	265.973.671,18	116.995.304,55	2.439.197.833,49
Investment securities Held to Maturity	255.912.714,42	41.524.263,72	593.156.781,62	252.688.806,83	-	-	1.143.282.566,59
Investment in Subsidiary	-	-	-	-	-	20.136.128,00	20.136.128,00
Investment in Associates	-	-	-	-	-	94.585.030,36	94.585.030,36
Property, plant and equipment	-	-	-	-	-	115.131.606,94	115.131.606,94
Intangible Assets	-	-	-	-	-	11.904.740,40	11.904.740,40
Deferred Tax Asset	-	-	-	-	-	101.463.286,44	101.463.286,44
Current Tax Assets	-	-	-	-	-	21.485.825,85	21.485.825,85
Other Assets	-	-	-	-	-	307.781.050,50	307.781.050,50
Total Assets	3.706.007.079,32	987.647.476,19	4.133.603.299,92	3.335.408.354,52	1.882.627.301,80	859.243.414,69	14.904.536.926,46
Liabilities							
Due to banks	1.103.822.143,32	-	1.700.854.995,18	-	-	-	2.804.677.138,50
Due to Customers	8.691.345.481,01	1.307.004.603,77	1.053.545.416,42	179.203.120,76	-	-	11.231.098.621,96
Derivative financial liabilities	20.517.442,56	14.354.246,43	10.379.514,44	36.594.888,26	3.065.848,84	2.731.714,50	87.643.655,04
Deferred Tax Liabilities	-	-	-	-	-	9.466.011,69	9.466.011,69
Retirement Benefit Obligations	-	-	-	-	-	20.085.320,00	20.085.320,00
Other Liabilities	-	-	-	-	-	218.587.076,18	218.587.076,18
Total Liabilities	9.815.685.066,89	1.321.358.850,21	2.764.779.926,04	215.798.009,02	3.065.848,84	250.870.122,37	14.371.557.823,37
Total Interest Sensitivity Gap	(6.109.677.987,57)	(333.711.374,02)	1.368.823.373,89	3.119.610.345,50	1.879.561.452,96		(75.394.189,23)

It is noted that interest rate risk analysis on 31/12/2008 has been restated in order to be comparable with interest rate risk analysis on 31/12/2009.

Furthermore, the Bank, for measuring interest rate risk, estimates the negative impact on the annual interest rate income arising from the parallel change in interest rates in all the currencies as by 100 basis points. The

amendments that were made to the balances at the end of December 2009 indicated that in case the interest rate falls by 100 basis points, the Bank will suffer losses amounting to € 14,3 million.

4.3 Liquidity Risk

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

Regarding the management of liquidity risk, the Bank classifies asset and liability elements to time bands according to the remaining period at the balance sheet date in order to meet all of its payment obligations as they fall due.

The following tables analyze financial assets and liabilities, according to the contractual non discounted cash flows and discounted cash flows for derivatives settled on a net basis, in time bands according to the remaining period upon maturity, on December 31st, 2009 and 2008 on stand alone and on consolidated basis.

Consolidated basis

As at 31st December 2009

Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Due to banks	1.564.863.697,43	77.994.179,01	2.930.874.881,78	-	-	4.573.732.758,22
Due to customers	7.680.986.025,28	2.042.658.462,31	3.015.587.790,36	70.589,25	-	12.739.302.867,20
Retirement benefit obligations	67.101,97	135.450,68	634.774,80	4.103.594,64	33.651.967,42	38.592.889,51
Other liabilities	32.008.136,16	6.021.512,03	58.758.963,14	169.780,79	-	96.958.392,13
Total liabilities (contractual maturity dates)	9.277.924.960,84	2.126.809.604,03	6.005.856.410,09	4.343.964,68	33.651.967,42	17.448.586.907,07
Total assets (expected maturity dates)	2.082.677.838,52	953.280.880,54	1.496.629.551,20	7.887.831.865,63	10.592.451.530,40	23.012.871.666,29

Stand-alone basis

As at 31st December 2009

Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Due to banks	1.564.863.697,43	77.994.179,01	2.930.874.881,78	-	-	4.573.732.758,22
Due to customers	7.680.986.025,28	2.042.658.462,31	3.041.093.815,74	70.589,25	-	12.764.808.892,58
Retirement benefit obligations	67.101,97	135.450,68	634.774,80	4.103.594,64	33.149.979,08	38.090.901,17
Other liabilities	33.611.637,88	6.021.512,03	58.758.963,14	169.780,79	-	98.561.893,85
Total liabilities (contractual maturity dates)	9.279.528.462,56	2.126.809.604,03	6.031.362.435,47	4.343.964,68	33.149.979,08	17.475.194.445,83
Total assets (expected maturity dates)	2.078.123.777,46	952.780.858,86	1.496.629.551,20	7.887.831.865,63	10.633.897.386,40	23.049.263.439,55

Consolidated basis

As at 31st December 2008

Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Due to banks	2.043.493.178,75	618.489.932,99	151.814.583,33	-	-	2.813.797.695,07
Due to customers	9.094.929.019,41	1.316.245.974,20	1.308.912.091,76	-	-	11.720.087.085,36
Retirement benefit obligations	68.608,78	138.492,30	649.029,00	4.195.743,01	34.299.921,56	39.351.794,63
Other liabilities	178.495.283,16	4.997.724,67	36.004.850,76	236.112,47	-	219.733.971,07
Total liabilities (contractual maturity dates)	11.316.986.090,10	1.939.872.124,16	1.497.380.554,85	4.431.855,48	34.299.921,56	14.792.970.546,14
Total assets (expected maturity dates)	1.870.898.821,12	1.358.127.895,89	1.313.702.072,44	6.558.235.047,31	8.512.065.390,10	19.613.029.226,85

Stand-alone basis

As at 31st December 2008

Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Due to banks	2.043.493.178,75	618.489.932,99	151.814.583,33	-	-	2.813.797.695,07
Due to customers	9.094.929.019,41	1.316.245.974,20	1.328.773.034,93	-	-	11.739.948.028,53
Retirement benefit obligations	68.608,78	138.492,30	649.029,00	4.195.743,01	33.894.379,21	38.946.252,28
Other liabilities	177.348.388,27	4.997.724,67	36.004.850,76	236.112,47	-	218.587.076,18
Total liabilities (contractual maturity dates)	11.315.839.195,21	1.939.872.124,16	1.517.241.498,02	4.431.855,48	33.894.379,21	14.811.279.052,07
Total assets (expected maturity dates)	1.867.952.641,44	1.357.245.622,93	1.313.702.072,44	6.558.235.047,31	8.522.278.430,90	19.619.413.815,02

Derivatives Cash flows

The table below presents the contractual, non-discounted cash flows of derivative financial assets and liabilities.

On stand alone and consolidated basis

a) Derivatives settled on a net basis

31.12.2009	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Derivatives over index/securities	-	(3.062.603,27)	-	-	-	(3.062.603,27)
Derivatives held for hedging:						
-Derivatives over index/securities	-	(1.262.750,00)	-	-	-	(1.262.750,00)
Total	0,00	(4.325.353,27)	0,00	0,00	0,00	(4.325.353,27)

31.12.2008	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Derivatives over index/securities	-	(1.219.659,57)	-	-	-	(1.219.659,57)
Derivatives held for hedging:						
-Derivatives over index/securities	-	-	-	-	-	-
Total	0,00	(1.219.659,57)	0,00	0,00	0,00	(1.219.659,57)

b) Derivatives settled on a gross basis

31.12.2009	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Currency Swaps						
-Outflow	0,00	(197.785,26)	(6.542.857,34)	(26.037.404,99)	(9.734.018,19)	(42.512.065,78)
-Inflow	0,00	126.674,40	5.678.092,70	24.801.743,92	10.798.083,69	41.404.594,71
-Interest Rate Swaps						
-Outflow	(254.772,22)	(726.250,00)	(36.164.171,93)	(78.084.735,00)	(94.154.500,00)	(209.384.429,16)
-Inflow	5.214.935,34	5.226.484,56	11.246.867,01	63.671.858,06	98.388.715,16	183.748.860,12
Credit default swaps						
-Outflow	(2.697,95)	(2.844.131,23)	(8.753.761,59)	(38.905.509,78)	(190.892,68)	(50.696.993,23)
-Inflow	-	-	-	-	-	0,00
Derivatives held for hedging:						
-Currency Swaps						
-Outflow	-	-	(446.250,00)	(8.785.000,00)	-	(9.231.250,00)
-Inflow	-	68.498,88	218.627,72	8.982.050,23	-	9.269.176,83
-Interest Rate Swaps						
-Outflow	-	(14.152.213,01)	(8.416.620,00)	(202.748.140,00)	(422.092.050,00)	(647.409.023,01)
-Inflow	130.293,41	4.613.113,03	16.733.201,17	157.032.299,33	438.547.418,71	617.056.325,65
Total Outflows	(257.470,17)	(17.920.379,50)	(60.323.660,86)	(354.560.789,77)	(526.171.460,87)	(959.233.761,18)
Total Inflows	5.345.228,75	10.034.770,87	33.876.788,60	254.487.951,54	547.734.217,56	851.478.957,31

31.12.2008	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Currency Swaps						
-Outflow	(28.900,80)	-	(2.168.519,09)	-	-	(2.197.419,89)
-Inflow	33.459,71	-	2.252.382,85	-	-	2.285.842,56
-Interest Rate Swaps						
-Outflow	-	(245.000,00)	(11.776.452,80)	(198.167.766,18)	(30.740.824,36)	(240.930.043,34)
-Inflow	-	8.561.296,60	7.089.492,17	199.019.590,79	28.902.042,67	243.572.422,23
Credit default swaps						
-Outflow	-	(784.103,04)	(4.019.758,84)	(15.750.264,96)	-	(20.554.126,84)
-Inflow	-	-	-	-	-	0,00
Derivatives held for hedging:						
-Currency Swaps						
-Outflow	(83.750,00)	(858.084,61)	(9.816.782,93)	(74.368.959,87)	(25.792.446,67)	(110.920.024,08)
-Inflow	118.098,33	865.193,85	7.712.651,38	67.875.996,61	26.502.934,30	103.074.874,47
-Interest Rate Swaps						
-Outflow	-	(1.843.365,76)	(39.886.454,18)	(148.746.010,00)	(88.750.650,00)	(279.226.479,94)
-Inflow	560.051,32	2.222.438,71	38.101.867,84	142.401.982,13	86.964.052,90	270.250.392,90
Total Outflows	(112.650,80)	(3.730.553,41)	(67.667.967,84)	(437.033.001,01)	(145.283.921,03)	(653.828.094,09)
Total Inflows	711.609,36	11.648.929,16	55.156.394,24	409.297.569,53	142.369.029,87	619.183.532,16

Off financial position items

On stand alone basis

Amounts in €	Up to 1 year	Over 1 year
Operating leases	5.955.963,99	33.107.049,94
Commitments to extend credit	196.724.025,18	-
Total	202.679.989,17	33.107.049,94

On consolidated basis

Amounts in €	Up to 1 year	Over 1 year
Operating leases	5.958.563,99	33.107.049,94
Commitments to extend credit	104.807.622,02	-
Total	110.766.186,01	33.107.049,94

4.4 Fair Values of financial assets and liabilities

ON CONSOLIDATED BASIS

	Carrying Value		Fair Value	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Financial Assets				
Loans and advances to credit institutions	2.339.367.903,83	3.008.413.256,28	2.339.367.903,83	3.008.413.256,28
Loans and advances to customers				
-Retail customers	6.738.832.096,38	6.557.912.679,29	6.731.670.717,33	6.459.413.855,39
-Public sector	596.362.277,54	519.079.681,44	596.362.277,54	519.079.681,44
-Debt securities	730.276.261,83	49.082.279,27	731.001.246,66	39.799.081,47
-Loans to subsidiary	-	-	-	-
Portfolio held to maturity	450.736.603,03	1.143.282.566,59	450.552.868,77	1.114.139.849,46
Financial liabilities				
Due to banks	3.666.970.541,44	2.804.677.138,50	3.666.970.541,44	2.804.677.138,50
Due to customers	12.632.215.337,20	11.211.237.678,79	12.643.233.547,54	11.211.964.969,18

ON STAND ALONE BASIS

	Carrying Value		Fair Value	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Financial Assets				
Loans and advances to credit institutions	2.334.818.210,09	3.005.468.460,00	2.334.818.210,09	3.005.468.460,00
Loans and advances to customers				
-Retail customers	6.522.603.521,65	6.557.912.679,29	6.515.442.142,60	6.459.413.855,39
-Public sector	596.362.277,54	519.079.681,44	596.362.277,54	519.079.681,44
-Debt securities	730.276.261,83	49.082.279,27	731.001.246,66	39.799.081,47
-Loans to subsidiary	208.278.517,45	-	208.278.517,45	-
Portfolio held to maturity	450.736.603,03	1.143.282.566,59	450.552.868,77	1.114.139.849,46
Financial liabilities				
Due to banks	3.666.970.541,44	2.804.677.138,50	3.666.970.541,44	2.804.677.138,50
Due to customers	12.657.721.362,58	11.231.098.621,96	12.668.739.572,92	11.231.825.912,35

The fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences might arise between the carrying amount and the fair value of financial assets and liabilities.

The items of the trading portfolio, derivatives and securities available for sale are presented in the financial statements at their fair value. Loans and other advances, securities held to maturity and financial liabilities are presented in the financial statements at amortized cost. Their carrying value, as it is presented in the Financial Statements, does not materially differ from their fair value. In particular:

(a) Loans and advances to banks

Loans and advances to banks mainly include short term interbank placements and other collectibles. The vast majority of the placements have their maturity date within three months. Liabilities to banks include liabilities that have their maturity within 3 months. Therefore, their fair value is quite similar to the carrying amount.

(b) Loans and advances to customers

The vast majority of loans relate to loans with a floating interest rate. Furthermore, the largest portion of loans with fixed interest for a period over one year has been hedged for changes in interest rates. Thus, the carrying amount of the loans and advances to customers does not materially differ from their fair value as at balance sheet date.

(c) Held to maturity securities

The fair value of held to maturity securities amounts to € 450.553 thousand (2008: € 1.114.139 thousand). The fair value of the aforementioned securities is defined through reference to prices in secondary market.

(d) Deposits

The fair value of deposits without a fixed maturity date (saving and current accounts), is the amount

that the Bank should pay when demanded by a customer, equal to the carrying amount. Deposits from customers, have average maturity period 6 months approximately. Therefore, their estimated fair value does not materially differ from their carrying amount.

4.5 Financial asset and liabilities at fair value, fair value hierarchy

The Group adopted the amendments to I.F.R.S.7 “Improving Disclosures about Financial Instruments” (effective from 1 January 2009). These amendments require the Group to present certain information about financial instruments measured at fair value in the statement of financial position.

In the first year of application, comparative information need not be presented for the disclosures required by the amendment. Accordingly, the disclosure for the fair value hierarchy is presented only for the fiscal year 2009.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS			
	31.12.2009			
	Level 1	Level 2	Level 3	Total
-Bonds	183.579.711,26	227.778.043,75	5.697.500,00	417.055.255,01
-Shares	10.365,16	-	-	10.365,16
-Mutual fund units	29.023.288,29	-	-	29.023.288,29
Total trading securities	212.613.364,71	227.778.043,75	5.697.500,00	446.088.908,46
-Derivatives	385.619,15	2.314.002,60	-	2.699.621,75
-Derivatives held for hedging	2.904.350,00	500.924,04	-	3.405.274,04
Financial assets (derivatives)	3.289.969,15	2.814.926,64	0,00	6.104.895,79
-Bonds	4.638.597.153,39	969.735.148,23	-	5.608.332.301,62
-Shares	137.915.742,96	-	27.304.318,46	165.220.061,42
-Venture Capital	-	-	212.078,32	212.078,32
Available for sale securities	4.776.512.896,35	969.735.148,23	27.516.396,78	5.773.764.441,36
Total Financial assets	4.992.416.230,21	1.200.328.118,62	33.213.896,78	6.225.958.245,60
-Derivatives	(4.483.798,21)	(108.849.928,36)	-	(113.333.726,57)
-Derivatives held for hedging	(4.167.100,00)	(40.803.297,75)	-	(44.970.397,75)
Financial liabilities (derivatives)	(8.650.898,21)	(149.653.226,11)	-	(158.304.124,32)

There have been no transfers between levels 1 and 2 in the reporting period.

The movement of the financial assets, categorized in level 3, is presented below:

ON CONSOLIDATED & STAND ALONE BASIS	Financial assets valued (at level 3)
Opening balance as at 1.1.2009	36.767.748,02
Impairment of securities	(8.508.942,35)
Valuation of Trading securities	239.000,00
Profit / (Loss) recognized directly at Income Statement	(8.269.942,35)
Foreign exchange differences	(17.161,11)
Valuation of Available for sale securities	(270.429,67)
Profit / (Loss) recognized directly at Statement of Comprehensive Income	(287.590,78)
Additions	5.235.300,00
Disposals, write offs and maturities	(231.618,11)
Closing balance as at 31.12.2009	33.213.896,78

4.6 Capital Adequacy

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

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

Amounts in thousand €	31.12.2009	31.12.2008
Share Capital (common and preference shares)	1.277.484,07	526.262,03
Reserves	86.848,06	85.663,55
Other Equity	94.456,73	87.084,50
Regulatory Adjustments	-73.252,27	-52.309,44
Deductions	-99.087,49	-107.552,71
Capital (TIER I)	1.286.449,10	539.147,93
Capital (TIER II)	-	-
Total Regulatory Equity	1.286.449,10	539.147,93
Risk weighted assets (total credit risk)	502.419,39	418.563,11
Risk weighted assets (total market risk)	51.029,90	32.654,22
Risk weighted assets (total operating risk)	48.544,47	50.747,64
Capital adequacy ratio (TIER I)	17,10%	8,59%
Total capital adequacy ratio	17,10%	8,59%

Since January 1st ,2008 the Bank adopted the “Standardized Approach”, for credit risk measurement and the “Basic Indicator Approach” for operating risk measurement, according to the proposals of Basel II. As at December 31st ,2009

the Bank’s total asset adequacy ratio was 17,10% based on the proposals of Basel II, whereas on December 31st, 2008 was 8,59% according to Basel II.

5. Segment report analysis

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

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

The Bank has divided its activities in different business segments:

1. **Retail Banking:** This segment comprises the total of private individuals. Via the network of its branches, its subsidiary Post Credit and the

alternative network of EL.TA shops, the Bank provides its clients with a range of mortgage and consumer credit products, credit cards and deposit products.

2. **Corporate:** This segment comprises of public companies, loan portfolio and corporate bonds. The Bank provides loans to customers of this segment and has not issued any letter of credit. Bonds that have been transferred from “Trading Securities” portfolio as at 1/07/08 as well as corporate bonds published in the fourth quarter of 2008 are also included in this segment.

3. **Treasury:** This segment comprises the management of Bank’s securities and cash equivalents. Financial products which the Bank

invests on are mainly Greek government bonds, derivative products, shares listed in both Athens

Stock Exchange and foreign stock exchanges and foreign currency transactions.

Segment Reporting on Consolidated Basis				
Amounts in €	Retail Banking	Treasury	Corporate	Total
From January 1st to December 31st, 2009				
Net income from interest	180.440.277,54	70.458.475,93	12.399.217,27	263.297.970,74
Net income from commissions	15.868.248,69	(454.215,05)	466.478,77	15.880.512,41
Net other operating income	(2.337.618,42)	92.636.291,39	(476.116,49)	89.822.556,48
Total net income	193.970.907,81	162.640.552,27	12.389.579,55	369.001.039,63
Expenses	232.192.106,39	18.175.457,56	4.444.356,60	254.811.920,55
Depreciation	10.215.041,36	1.070.526,41	72.823,79	11.358.391,56
Allow ance for the impairment of loans	33.515.414,86	-	7.096.220,99	40.611.635,85
Allow ance for the impairment of other assets and investments	236.557,78	15.940.430,67	-	16.176.988,45
Share in (profits) / losses of associates	-	(697.354,85)	-	(697.354,85)
Profit / (loss) before tax	(82.188.212,58)	128.151.492,48	776.178,17	46.739.458,06
Income tax				(16.807.218,36)
Extraordinary tax contribution L.3808/2009				(7.285.323,26)
Net profit/ (loss) after tax				22.646.916,44
Capital expenditure	25.548.711,40	819.268,88	193.466,61	26.561.446,90
Total assets at 31.12.2009	6.970.327.480,69	9.417.009.968,63	1.568.179.210,02	17.955.516.659,34
Total liabilities at 31.12.2009	12.257.404.912,86	3.876.404.580,48	579.905.958,04	16.713.715.451,37
From January 1st to December 31st, 2008				
Net income from interest	273.069.573,77	46.078.636,67	2.636.516,67	321.784.727,11
Net income from commissions	13.439.856,84	3.312.231,75	30.206,50	16.782.295,09
Net other operating income	76.511.506,75	(121.597.681,21)	8.427.036,18	(36.659.138,28)
Total net income	363.020.937,36	(72.206.812,79)	11.093.759,35	301.907.883,92
Expenses	200.946.647,86	14.754.206,45	5.608.516,59	221.309.370,90
Depreciation	9.271.558,24	903.387,45	732.598,04	10.907.543,73
Allow ance for the impairment of loans	33.299.659,43	-	2.773.252,00	36.072.911,43
Allow ance for the impairment of other assets and investments	(2.718.493,61)	33.723.005,64	-	31.004.512,03
Profit / (loss) before tax	122.221.565,44	(121.587.412,33)	1.979.392,72	2.613.545,83
Income tax				233.464,74
Net profit/ (loss) after tax				2.847.010,57
Capital expenditure	11.827.043,27	2.214.548,81	1.022.553,17	15.064.145,25
Total assets at 31.12.2008	6.892.487.144,01	7.412.125.444,46	593.147.280,17	14.897.759.868,64
Total liabilities at 31.12.2008	11.137.819.811,86	2.936.934.749,28	279.054.332,56	14.353.808.893,70

Segment Reporting on stand alone Basis				
Amounts in €	Retail Banking	Treasury	Corporate	Total
From January 1st to December 31st, 2009				
Net income from interest	176.813.253,74	70.454.436,88	12.399.217,27	259.666.907,89
Net income from commissions	12.121.211,02	(1.024.844,07)	466.478,77	11.562.845,72
Net other operating income	(1.309.918,36)	92.598.546,52	(476.116,50)	90.812.511,66
Total net income	187.624.546,40	162.028.139,33	12.389.579,54	362.042.265,27
Expenses	238.044.646,28	17.528.158,91	4.444.356,61	260.017.161,80
Depreciation	9.441.203,68	1.038.123,96	72.823,79	10.552.151,43
Allowance for the impairment of loans	28.590.497,18	-	7.096.220,99	35.686.718,17
Allowance for the impairment of other assets and investments	236.557,78	14.754.483,62	-	14.991.041,40
Profit / (loss) before tax	(88.688.358,52)	128.707.372,84	776.178,15	40.795.192,47
Income tax				(13.534.623,17)
Extraordinary tax contribution L.3808/2009				(7.285.323,26)
Net profit/ (loss) after tax				19.975.246,04
Capital expenditure	25.045.078,29	1.050.507,40	205.395,27	26.300.980,97
Total assets at 31.12.2009	6.974.236.595,27	9.417.604.593,57	1.568.179.210,03	17.960.020.398,86
Total liabilities at 31.12.2009	12.279.172.411,16	3.876.671.285,37	579.905.958,04	16.735.749.654,56
From January 1st to December 31st, 2008				
Net income from interest	273.069.573,77	46.059.186,22	2.636.516,67	321.765.276,66
Net income from commissions	13.439.856,84	(1.099.982,23)	30.206,50	12.370.081,11
Net other operating income	76.511.506,75	(121.464.550,12)	8.427.036,18	(36.526.007,19)
Total net income	363.020.937,36	(76.505.346,13)	11.093.759,35	297.609.350,58
Expenses	200.946.647,86	10.567.324,95	5.608.516,59	217.122.489,40
Depreciation	9.271.558,24	760.888,89	732.598,04	10.765.045,17
Allowance for the impairment of loans	33.299.659,43	-	2.773.252,00	36.072.911,43
Allowance for the impairment of other assets and investments	(2.718.493,61)	33.708.000,00	-	30.989.506,39
Profit / (loss) before tax	122.221.565,44	(121.541.559,97)	1.979.392,72	2.659.398,19
Income tax				267.350,86
Net profit/ (loss) after tax				2.926.749,05
Capital expenditure	13.239.869,79	657.129,85	1.144.957,70	15.041.957,34
Total assets at 31.12.2008	6.892.487.144,01	7.418.902.502,28	593.147.280,17	14.904.536.926,46
Total liabilities at 31.12.2008	11.137.819.811,86	2.954.683.678,95	279.054.332,56	14.371.557.823,37

6. Net interest income

Net interest income is analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
<i>Interest income from:</i>				
Fixed income securities	200.795.414,52	193.005.499,01	200.795.414,52	193.005.499,01
Loans and advances, due from customers	351.818.690,13	358.750.229,92	348.285.587,92	358.750.229,92
Amounts due from banks	69.604.905,26	196.754.398,47	69.538.244,63	196.734.570,73
Interest on deposits in Bank of Greece	3.042.043,62	9.025.259,54	3.042.043,62	9.025.259,54
Interest and similar income	625.261.053,53	757.535.386,94	621.661.290,69	757.515.559,20
<i>Interest expense from:</i>				
Liabilities due to credit institutions	70.623.859,12	152.945.833,16	70.623.775,80	152.945.833,16
Amounts due to customers	274.773.522,45	270.764.625,08	274.805.838,61	270.764.625,08
Contribution to Hellenic Deposit and Investment Guarantee Fund	14.372.412,22	10.156.803,14	14.372.412,22	10.156.803,14
Other interest bearing liabilities	2.193.289,00	1.883.398,45	2.192.356,17	1.883.021,16
Interest and similar expenses	361.963.082,79	435.750.659,83	361.994.382,80	435.750.282,54
Net interest income	263.297.970,74	321.784.727,11	259.666.907,89	321.765.276,66

7. Net fee and commission income

Net fee and commission income is analyzed as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Commissions from securities	604.172,49	590.134,19	30.148,79	28.291,44
Fund management fees & commissions from foreign exchange operations	145.466,96	107.528,95	145.466,96	107.528,95
Commissions from credit cards and consumer loans	3.996.581,21	5.150.444,19	3.418.915,97	5.150.444,19
Other commission income	12.999.649,82	12.767.058,44	9.687.894,89	8.710.446,53
Total commission income	17.745.870,48	18.615.165,77	13.282.426,61	13.996.711,11
Credit cards commission expenses	393.733,98	216.628,85	393.733,98	216.628,85
Other commission expenses	1.471.624,09	1.616.241,83	1.325.846,91	1.410.001,15
Total commission expenses	1.865.358,07	1.832.870,68	1.719.580,89	1.626.630,00
Net commission income	15.880.512,41	16.782.295,09	11.562.845,72	12.370.081,11

8. Dividend income

Dividend income is analyzed as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Dividends from investments in subsidiaries & associates	-	-	871.200,00	-
Income from dividends on shares of companies listed on the ATHEX	2.945.102,17	5.387.927,15	2.945.102,17	5.387.927,15
Income from dividends on shares of listed companies on foreign stock markets	4.759.012,88	2.783.084,69	4.759.012,88	2.783.084,69
Total	7.704.115,05	8.171.011,84	8.575.315,05	8.171.011,84

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

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

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Gains / (Losses) from financial assets at fair value through P&L				
- Debt securities	8.241.251,25	(20.473.286,23)	8.241.251,25	(20.473.286,23)
- Mutual Funds	1.383.809,65	(7.688.174,45)	1.415.234,32	(7.683.796,29)
Total of Gains / (Losses) from financial assets at fair value through P&L	9.625.060,90	(28.161.460,68)	9.656.485,57	(28.157.082,52)
Gains / (Losses) from trade portfolio				
- Debt securities and derivatives	36.091.247,67	2.696.716,01	36.091.247,67	2.696.716,01
- Equity securities	2.010.445,89	(27.895.668,92)	1.975.395,87	(27.834.931,34)
Foreign exchange profits / (losses)	1.211.598,68	1.435.212,50	1.214.258,32	1.435.212,50
Total of trade portfolio	39.313.292,24	(23.763.740,41)	39.280.901,86	(23.703.002,83)
Total	48.938.353,14	(51.925.201,09)	48.937.387,43	(51.860.085,35)

Since July 1st, 2008 the Bank has applied fair value hedge accounting for a part of fixed rate mortgage and consumer loans portfolio using interest rate swaps. Moreover, since 1/10/2008 the Group has carried out fair value hedge accounting as regards bonds in AFS and Loans portfolios, using interest rate swaps and futures. For the year 1/1/2009-31/12/2009, the net result

of interest rate swaps and futures valuation amounted to a loss of € 15.233.312,32, while the net result of loans and debt securities valuation at fair value amounted to a profit of € 6.350.887,38. The difference of the above results amounting to € 8.882.424,94 has been added to "Other expenses".

10. Net income from investment securities

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

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net income from the available for sale securities				
- Shares	4.774.844,30	(4.619.691,30)	4.774.844,30	(4.619.691,30)
- Bonds and other securities	43.966.794,27	10.088.508,05	43.966.794,27	10.088.508,05
- Impairment	(17.119.814,34)	(955.800,34)	(17.119.814,34)	(955.800,34)
Total	31.621.824,23	4.513.016,41	31.621.824,23	4.513.016,41

11. Personnel expenses

The number of the Group employees on December 31st, 2009 amounts to 2.554 (135 of which are related to subsidiaries) as compared to 1.783 (98 of which are related to subsidiary) on December 31st, 2008.

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

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Wages and salaries	100.432.020,84	76.186.923,35	96.969.431,56	75.121.353,43
Social security contributions	10.170.772,91	4.216.099,75	9.597.170,89	4.019.157,09
Provision for staff termination indemnity (note 33)	2.940.451,85	4.752.301,29	2.867.772,23	4.728.206,62
Other personnel expenses	2.751.425,02	2.019.751,94	2.639.924,44	2.004.075,77
Cost of voluntary redundancy	7.903.140,00	15.701.054,38	7.903.140,00	15.701.054,38
Total	124.197.810,62	102.876.130,71	119.977.439,12	101.573.847,29

The "Voluntary redundancy cost" for the year 1/1/2008 to 31/12/2008 relates to the total cost of "Voluntary redundancy plan", according to No 114/30.05.2008 Decision of the Board of

Directors. The respected amount for 2009 refers to the Voluntary redundancy cost which has been approved by the Board of Directors meeting No.140/16.06.2009.

12. Other operating expenses

Other operating expenses are analyzed as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Associated law yers & engineers fees	3.361.045,75	4.002.978,32	3.361.045,75	4.002.978,32
Electronic data support fees	3.021.961,80	2.844.147,46	1.555.491,53	2.552.374,26
Other third party fees and expenses	16.557.568,19	26.164.016,58	15.990.456,76	23.361.530,35
Expenses of EL.TA. Netw ork	16.037.634,33	17.984.899,47	16.037.634,33	17.984.899,47
Brokerage fees of Post Credit	-	1.688.189,07	13.623.161,17	2.974.423,44
Rental expenses	5.615.458,98	5.005.854,85	5.269.120,30	4.915.067,50
Insurance expenses	669.641,97	693.349,79	650.206,00	690.219,03
Telephone-postal expenses	5.548.997,89	3.879.311,79	4.865.938,39	3.750.423,75
Repairs and maintenance	3.712.436,60	1.919.608,86	3.645.360,81	1.894.050,13
Office supplies	1.700.066,35	1.244.565,93	1.456.010,51	1.178.749,94
Promotion and advertising expenses	32.168.981,88	24.218.869,20	32.057.148,98	24.196.748,27
Electricity expenses	1.793.817,20	1.601.244,36	1.793.817,20	1.601.244,36
Cleaning expenses	606.659,11	992.858,95	606.078,97	992.858,95
Tax and duties - VAT	13.510.095,32	11.490.944,36	13.472.584,72	11.469.838,58
Subscription-contributions	2.836.957,79	1.605.415,32	2.680.350,14	1.537.910,40
Other operating expenses	11.030.345,47	6.709.906,15	10.562.869,95	6.660.227,99
Total	118.171.668,63	112.046.160,46	127.627.275,51	109.763.544,74

13. Other expenses

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Ineffectiveness of hedge accounting (note 9)	8.882.424,94	233.147,79	8.882.424,94	233.147,79
Cost of loans to employees	2.670.948,54	4.705.825,87	2.670.948,54	4.705.825,87
Other expenses	889.067,83	1.448.106,07	859.073,69	846.123,71
Total	12.442.441,31	6.387.079,73	12.412.447,17	5.785.097,37

14. Allowance for the impairment of other assets and investments

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Other assets	6.874.189,78	33.723.005,64	6.874.189,78	33.708.000,00
Reversal of allow ance of impairment of other assets	-	(2.718.493,61)	-	(2.718.493,61)
Impairment loss of associate (note 27)	9.302.798,67	-	8.116.851,62	-
Total	16.176.988,45	31.004.512,03	14.991.041,40	30.989.506,39

15. Income tax

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

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Income Tax	18.646.383,82	20.169.805,38	15.224.148,13	20.161.946,02
Deferred Tax	(1.839.165,46)	(20.403.270,12)	(1.689.524,96)	(20.429.296,88)
Total	16.807.218,36	(233.464,74)	13.534.623,17	(267.350,86)

Current income tax for the Bank has been calculated using a tax rate of 25% for the fiscal years 1/1/2009-31/12/2009 and 1/1/2008-31/12/2008. Current income tax is recognized as expense for the year and calculated based on the current tax rate.

According to Law 3697/08 starting from 2010, the tax rate will be reduced one percent annually until the rate reaches 20% in 2014 and thereafter, dividends approved by the general owners' assembly after 1/1/2009 are subject to a withholding tax of 10% with no further tax obligation for the beneficiary.

It is also noted that, in accordance with article 26 of Law 3634/2008 starting from the fiscal year 2007, income tax is imposed on bank profits which previously were not subject to tax until distributed or capitalized (gains from the sale of listed shares, interest on Greek government bonds etc.). For the fiscal years 2007 and 2008, dividend income is not subject to tax since it has already been taxed and paid at the corporate level.

The reconciliation of current income tax expense is analyzed as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Profit before tax	46.739.458,06	2.613.545,83	40.795.192,47	2.659.398,19
Income tax based on the current tax rate of 25%	11.684.864,52	653.386,46	10.198.798,12	664.849,55
Income not subject to taxation	(10.856.638,31)	(23.827.385,01)	(10.856.923,77)	(23.851.735,49)
Expenses not deductible for tax purposes	9.844.374,37	21.878.893,44	8.323.073,90	21.897.548,70
Effect of tax rate change	5.085.164,46	952.058,19	5.083.561,09	950.853,46
Income tax of previous fiscal years (note 37)	710.188,00	-	710.188,00	-
Tax losses excluded from defferd tax assets	263.339,49	38.449,25	-	-
Additional tax	75.925,83	71.132,93	75.925,83	71.132,92
Income tax	16.807.218,36	(233.464,74)	13.534.623,17	(267.350,86)
Actual tax rate	35,96%	-8,93%	33,18%	-10,05%

16. Extraordinary tax contribution L.3808/2009

During the closing fiscal year and in accordance with L.3808/2009 (on social solidarity extraordinary tax expense); the Bank burdened an extraordinary tax expense of € 7.285.323,26.

The above amount of the expense was paid one off on January 2010.

17. Earnings per share

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

shareholders, by ratio of 1 new common share to 1 old share, following the decision of the Bank's Extraordinary General Meeting of shareholders on April 22nd, 2009. The adjustment ratio applied to all published comparative periods equals 1,09090.

According to par 26 and 27b of I.A.S.33, weighted average number of common shares for the comparative year from 1/1/2008 to 31/12/2008 has been readjusted in implementation of share capital increase by cash contribution in favor of the existing common

The basic and diluted earnings per share for the periods 1/1-31/12/2009 and 1/1-31/12/2008 are calculated as follows:

<i>Amounts in €</i>	On consolidated basis		On stand alone basis	
	01.01-31.12.09	01.01-31.12.08	01.01-31.12.09	01.01-31.12.08
Net profit/(loss) attributable to the owners of the Bank	20.630.368,84	2.885.206,40	19.975.246,04	2.926.749,05
Minus : Preference shares dividends	10.354.323,28	-	10.354.323,28	-
Net profit/(loss) attributable to the parent company's common shareholders	10.276.045,56	2.885.206,40	9.620.922,76	2.926.749,05
Weighted average number of shares outstanding	216.017.980	154.391.712	216.049.980	154.399.348
Basic earnings per share	0,0476	0,0187	0,0445	0,0190

According to I.A.S.33 par. 14, for the calculation of earnings per share, the after-tax amount of preference dividends must be deducted from profit attributable to the parent company's shareholders, whether or not the dividends have been declared. In the table presented above, the amount of € 10.354.323,28 is the after tax preference dividend,

which corresponds to 10% of € 224.960.000,00 preference shares' value, in respect of the period up to December 31st, 2009.

It is noted that there were no potential shares to be included in the calculation of the diluted earnings per share on December 31st, 2009.

18. Cash and balances with Central Bank

Cash and Balances with Central Bank are analyzed as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Cash	34.745.556,39	32.603.001,69	34.741.189,07	32.601.618,29
Balances with Central Bank	74.942.596,12	147.339.240,25	74.942.596,12	147.339.240,25
Total	109.688.152,51	179.942.241,94	109.683.785,19	179.940.858,54

From cash and balances to Central Bank on 31/12/2009 the amount of € 74.942.596,12 and € 147.339.240,25 on 31/12/2008 refers to mandatory deposits to Bank of Greece.

19. Due from Banks

Amounts due from banks are analyzed as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Time deposits with banks	1.955.959.477,17	2.466.688.230,75	1.952.959.477,17	2.465.188.230,75
Correspondent Banks	1.555.126,21	1.003.418,57	1.555.126,21	1.003.418,57
Sight deposits	8.404.994,37	8.663.506,53	6.855.300,63	7.300.318,84
Futures margin accounts	44.965.672,34	27.164.504,82	44.965.672,34	27.164.504,82
Reverse repos	222.000.000,00	453.081.608,59	222.000.000,00	453.000.000,00
Others	106.482.633,74	51.811.987,02	106.482.633,74	51.811.987,02
Total	2.339.367.903,83	3.008.413.256,28	2.334.818.210,09	3.005.468.460,00

20. Loans and advances due from customers

Amounts due from customers are analyzed as follows:

<i>Amounts in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Public sector loans and debt securities	596.362.277,54	519.079.681,44	596.362.277,54	519.079.681,44
Consumer loans	1.880.491.710,63	1.886.804.642,37	1.880.491.710,63	1.886.804.642,37
Mortgage loans	4.615.486.040,99	4.479.837.862,66	4.615.486.040,99	4.479.837.862,66
Credit cards	242.854.344,76	191.270.174,26	26.625.770,03	191.270.174,26
Debt securities of loan portfolio	730.276.261,83	49.082.279,27	730.276.261,83	49.082.279,27
Loans to subsidiary	-	-	208.278.517,45	-
Total	8.065.470.635,75	7.126.074.640,00	8.057.520.578,47	7.126.074.640,00
Less: Allowances for impairment of loans and advances, due from customers	(162.874.705,50)	(122.098.296,00)	(146.731.495,83)	(122.098.296,00)
Net Total	7.902.595.930,25	7.003.976.344,00	7.910.789.082,64	7.003.976.344,00

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

On consolidated basis

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

	Consumer loans	Mortgages	Credit Cards	Debt securities and other loans	Total
Balance at January 1st, 2008	39.154.918,83	33.318.723,83	13.532.193,00	845.324,37	86.851.160,03
Allowance for impairment of loans	15.039.632,17	12.061.976,17	8.971.303,09	-	36.072.911,43
Loans written off	-	-	-	(845.324,37)	(845.324,37)
Returns from written off loans of the year	-	-	19.548,91	-	19.548,91
Balance at December 31st, 2008	54.194.551,00	45.380.700,00	22.523.045,00	0,00	122.098.296,00

On stand alone basis

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

	Consumer loans	Mortgages	Credit Cards	Debt securities and other loans	Total
Balance at January 1st, 2008	39.154.918,83	33.318.723,83	13.532.193,00	845.324,37	86.851.160,03
Allowance for impairment of loans	15.039.632,17	12.061.976,17	8.971.303,09	-	36.072.911,43
Loans written off	-	-	-	(845.324,37)	(845.324,37)
Returns from written off loans of the year	-	-	19.548,91	-	19.548,91
Balance at December 31st, 2008	54.194.551,00	45.380.700,00	22.523.045,00	0,00	122.098.296,00

21. Financial assets designated at fair value through profit and loss

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Financial assets designated at fair value through profit and loss				
<u>Bonds issued by financial institutions</u>	35.747.388,45	50.741.672,40	35.747.388,45	50.741.672,40
<u>Mutual fund units</u>	29.023.288,29	25.528.641,81	28.523.266,61	24.658.032,29
<u>Alternative investments</u>	24.003.500,00	61.786.500,00	24.003.500,00	61.786.500,00
Total financial assets designated at fair value through profit and loss	88.774.176,74	138.056.814,21	88.274.155,06	137.186.204,69
Trading securities				
<u>Bonds and other debt securities</u>				
Greek government bonds	146.496.472,19	565.255,51	146.496.472,19	565.255,51
Foreign government bonds	6.891.000,00	10.093.830,00	6.891.000,00	10.093.830,00
Bonds issued by financial institutions	188.024.571,99	276.522.150,86	188.024.571,99	276.522.150,86
Corporate bonds	15.892.322,38	29.486.578,69	15.892.322,38	29.486.578,69
	357.304.366,56	316.667.815,06	357.304.366,56	316.667.815,06
<u>Shares</u>				
Shares listed on the ATHEX	10.365,16	1.295.419,83	10.365,16	1.194.867,19
	10.365,16	1.295.419,83	10.365,16	1.194.867,19
Total trading securities	357.314.731,72	317.963.234,89	357.314.731,72	317.862.682,25
Total	446.088.908,46	456.020.049,10	445.588.886,78	455.048.886,94

The pledged bonds in trade portfolio as at 31/12/2009 are analyzed as follows :

Pledged greek government bonds included in trading portfolio

Type of engagement	Fair Value 31.12.2009
Pledged assets for daily liquidity (Bank of Greece)	143.586.136,35
Total	143.586.136,35

22. Derivative financial instruments – assets - liabilities

As at December 31st, 2009 and December 31st, 2008 the Bank was trading the following derivatives:

Amounts in €	December 31st, 2009			December 31 st , 2008		
	Face Value	Fair Value		Face Value	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Interest rate sw aps	3.422.744.381,51	500.924,04	70.471.151,88	1.455.096.189,55	3.259.667,24	48.399.625,90
Credit default sw aps	500.388.518,67	532.832,70	24.422.051,01	181.486.347,63	786.158,93	2.585.017,44
Currency sw aps	32.857.756,09	542.789,13	1.548.141,51	46.002.920,54	490.868,76	3.359.019,52
Futures	4.397.615.542,76	3.163.969,15	6.083.323,21	217.807.052,85	593.984,61	1.788.084,18
Fx forw ards	354.116,82	3.219,35	3.122,68	1.222.707,74	3.628,87	45.190,66
Embedded derivatives	301.290.221,45	199.585,62	53.208.759,03	194.927.246,59	-	31.441.157,34
Options	136.303.199,63	1.161.575,80	2.567.575,00	1.865.000,00	-	25.560,00
Total	8.791.553.736,93	6.104.895,79	158.304.124,32	2.098.407.464,90	5.134.308,41	87.643.655,04

From the aforementioned derivative financial instruments the Bank, at 31/12/2009, holds interest rate swaps, currency swaps and futures for hedge accounting purposes: a) to hedge loans of nominal value € 522.760.000,00 for which the net fair value results to an obligation of € 24.207.766,32 b) to hedge debt securities portfolio and Available for sale portfolio of

nominal value € 994.605.814,86 for which the net fair value results to an obligation of € 16.094.607,40 and c) to hedge Available for Sale portfolio of nominal amount € 4.132.500.000,00 for which the net fair value results to an obligation of € 1.262.750,00.

23. Investment securities available for sale and held to maturity

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

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS	
	31.12.2009	31.12.2008
Available for sale securities		
Debt securities		
Greek government bonds	4.817.884.842,82	1.680.530.172,84
Foreign government bonds	63.725.789,22	68.769.007,54
Corporate bonds	197.960.991,35	234.582.994,86
Bonds issued by financial institutions	528.760.678,23	333.306.203,70
Bonds issued by international organisations	-	5.014.150,00
Total of debt securities	5.608.332.301,62	2.322.202.528,94
Available for sale equity securities		
Share listed on ATHEX	137.915.742,96	85.686.056,56
Unlisted shares	27.304.318,46	30.580.296,38
Venture capital	212.078,32	728.951,61
Total equity securities	165.432.139,74	116.995.304,55
Total available for sale securities	5.773.764.441,36	2.439.197.833,49
Securities held to maturity		
Debt securities		
Greek government bonds	261.276.192,34	939.757.466,24
Bonds issued by financial institutions	184.917.686,68	187.957.748,35
Corporate bonds	4.542.724,01	15.567.352,00
Total held to maturity securities	450.736.603,03	1.143.282.566,59
Total available for sale securities and held to maturity securities	6.224.501.044,39	3.582.480.400,08

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

Securities which have been reclassified to "Held to maturity" or "Loans and receivables" portfolio,

with a fair value of € 64,02 million at 31/12/2009, have been measured at amortized cost and consequently a fair value profit amounting to € 14,76 million has had no effect on the comprehensive income statement or the equity of the fiscal year 2009.

Furthermore, Greek government bonds of fair value € 398,33 million at 31/12/2009 were transferred, at 01/10/2008, from “Trading securities” portfolio to “Available for sale securities” portfolio. Fair value loss of these bonds for the fiscal year 2009 was € 31,31 million and has been recognized in Available for sale reserve.

recognized respectively in Available for sale reserve.

A realized loss amounting to € 1,71 million from reclassified bonds has been recognized in the income statement of the fiscal year 2009.

Moreover, securities that were transferred at 1/07/2008 from “Trading securities” portfolio to “Available for sale securities” portfolio have been evaluated at 31/12/2009 at € 85,58 million. The revaluation profit at fair value for the period 1/1-31/12/2009 was € 14,32 million, which have been

The fair values of pledged bonds at 31/12/2009 are included in investment portfolio as follows:

Pledged greek government bonds included in investment portfolio

Type of engagement	Fair Value 31.12.2009
Interbank repos	75.926.576,47
Pledged assets for daily liquidity (Bank of Greece)	3.122.369.988,19
Customer Repos	5.375.447,53
Total	3.203.672.012,19

The movement of available for sale and held to maturity securities for the fiscal year 1/1-31/12/2008 is analyzed as follows:

	Investments available for sale	Investments held to maturity	Total
Opening balance as at 1.1.2008	3.126.796.600,53	-	3.126.796.600,53
Additions	1.218.554.120,64	1.098.057.140,34	2.316.611.260,98
Reclassification to available for sale portfolio	600.774.291,49	47.038.940,88	647.813.232,37
Reclassification to loans and receivables	(5.000.000,00)	-	(5.000.000,00)
Transfer in associates	(84.131.733,84)	-	(84.131.733,84)
Disposals & write offs	(2.237.889.089,22)	-	(2.237.889.089,22)
Foreign exchange differences	4.885.453,42	1.392.530,12	6.277.983,54
Premium / discount amortization	(10.956.428,15)	(3.206.044,75)	(14.162.472,90)
Adjustment to fair value recognized directly in reserves	(173.835.381,38)	-	(173.835.381,38)
Closing balance as at 31.12.2008	2.439.197.833,49	1.143.282.566,59	3.582.480.400,08

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

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

24. Property, plant and equipment

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

On consolidated basis

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
January 1 st , 2008	65.615.461,77	42.098.431,34	3.602.883,82	39.833.111,10	5.322,58	151.155.210,61
Property of subsidiary at the day of acquisition	-	91.927,61	5.299,07	493.708,61	-	590.935,29
Additions	-	6.236.594,73	59.449,99	4.492.711,16	-	10.788.755,88
Disposals & write offs	(9.000,00)	-	-	-	-	(9.000,00)
December 31st, 2008	65.606.461,77	48.426.953,68	3.667.632,88	44.819.530,87	5.322,58	162.525.901,78
Accumulated depreciation						
January 1 st , 2008	-	(6.132.252,30)	(3.219.593,20)	(29.234.670,74)	-	(38.586.516,24)
Depreciation of subsidiary's property at the day of acquisition	-	(27.772,41)	(2.623,58)	(476.517,05)	-	(506.913,04)
Depreciation	-	(2.125.256,47)	(110.088,45)	(5.949.098,98)	-	(8.184.443,90)
December 31st, 2008	0,00	(8.285.281,17)	(3.332.305,23)	(35.660.286,77)	0,00	(47.277.873,17)
Net book value at December 31st, 2008	65.606.461,77	40.141.672,51	335.327,65	9.159.244,10	5.322,58	115.248.028,61

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
January 1 st , 2009	65.606.461,77	48.426.953,68	3.667.632,88	44.819.530,87	5.322,58	162.525.901,78
Additions	-	16.591.071,42	7.322,78	6.109.027,54	-	22.707.421,74
Disposals & write offs	-	-	(59.449,99)	-	-	(59.449,99)
December 31st, 2009	65.606.461,77	65.018.025,10	3.615.505,67	50.928.558,41	5.322,58	185.173.873,53
Accumulated depreciation						
January 1 st , 2009	-	(8.285.281,17)	(3.332.305,23)	(35.660.286,77)	-	(47.277.873,17)
Depreciation	-	(2.619.998,92)	(92.066,17)	(4.733.972,39)	-	(7.446.037,48)
December 31st, 2009	0,00	(10.905.280,09)	(3.424.371,40)	(40.394.259,16)	0,00	(54.723.910,65)
Net book value at December 31st, 2009	65.606.461,77	54.112.745,01	191.134,27	10.534.299,25	5.322,58	130.449.962,88

On stand alone basis

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
January 1 st , 2008	65.615.461,77	42.076.055,36	3.602.883,82	39.681.612,12	5.322,58	150.981.335,65
Additions	-	6.236.594,73	59.449,99	4.486.791,05	-	10.782.835,77
Disposals & write offs	(9.000,00)	-	-	-	-	(9.000,00)
December 31st, 2008	65.606.461,77	48.312.650,09	3.662.333,81	44.168.403,17	5.322,58	161.755.171,42
Accumulated depreciation						
January 1 st , 2008	-	(6.115.264,51)	(3.219.593,20)	(29.138.284,42)	-	(38.473.142,13)
Depreciation	-	(2.121.625,34)	(109.889,73)	(5.918.907,28)	-	(8.150.422,35)
December 31st, 2008	0,00	(8.236.889,85)	(3.329.482,93)	(35.057.191,70)	0,00	(46.623.564,48)
Net book value at December 31st, 2008	65.606.461,77	40.075.760,24	332.850,88	9.111.211,47	5.322,58	115.131.606,94

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
January 1 st , 2009	65.606.461,77	48.312.650,09	3.662.333,81	44.168.403,17	5.322,58	161.755.171,42
Additions	-	16.591.071,43	7.322,78	6.000.635,06	-	22.599.029,27
Disposals & write offs	-	-	(59.449,99)	-	-	(59.449,99)
December 31st, 2009	65.606.461,77	64.903.721,52	3.610.206,60	50.169.038,23	5.322,58	184.294.750,70
Accumulated depreciation						
January 1 st , 2009	-	(8.236.889,85)	(3.329.482,93)	(35.057.191,70)	-	(46.623.564,48)
Disposals & write offs	-	-	-	-	-	-
Depreciation	-	(2.610.140,47)	(91.271,32)	(4.652.940,66)	-	(7.354.352,45)
December 31st, 2009	0,00	(10.847.030,32)	(3.420.754,25)	(39.710.132,36)	0,00	(53.977.916,93)
Net book value at December 31st, 2009	65.606.461,77	54.056.691,20	189.452,35	10.458.905,87	5.322,58	130.316.833,77

25. Goodwill and intangible assets

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

<i>Amounts in €</i>	ON CONSOLIDATED BASIS	ON CONSOLIDATED BASIS	ON CONSOLIDATED BASIS	ON STAND ALONE BASIS
	CUSTOMER RELATIONSHIPS	GOODWILL	SOFTWARE	SOFTWARE
Cost				
January 1st, 2008		-	16.985.976,91	16.845.910,13
Acquisition of subsidiary		7.704.298,57	771.668,39	-
Additions		-	4.275.389,37	4.259.121,57
December 31st, 2008		7.704.298,57	22.033.034,67	21.105.031,70
Accumulated amortisation				
January 1st, 2008		-	(6.699.439,44)	(6.585.668,48)
Acquisition of subsidiary		-	(576.081,99)	-
Amortization charge		-	(2.648.009,94)	(2.614.622,82)
December 31st, 2008		-	(9.923.531,37)	(9.200.291,30)
Net book value at December 31st, 2008		7.704.298,57	12.109.503,30	11.904.740,40
Cost				
January 1st, 2009	-	7.704.298,57	22.033.034,67	21.105.031,70
Recognition of intangible asset from acquisition of subsidiary	9.492.000,00	(3.796.800,00)	-	-
Additions	-	-	3.854.025,16	3.701.951,70
December 31st, 2009	9.492.000,00	3.907.498,57	25.887.059,83	24.806.983,40
Accumulated amortisation				
January 1st, 2009	-	-	(9.923.531,37)	(9.200.291,30)
Amortization charge	(632.800,00)	-	(3.279.554,07)	(3.197.798,98)
December 31st, 2009	(632.800,00)	-	(13.203.085,43)	(12.398.090,28)
Net book value at December 31st, 2009	8.859.200,00	3.907.498,57	12.683.974,40	12.408.893,12

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

named as "BEST LINE CARDS S.A.". The purchase price allocation process (P.P.A.) based on estimation of fair value of identifiable intangible assets, fixed assets and other assets and liabilities has been concluded at the end of the current reporting period and presented as follows:

Amounts in €	Current amounts	Fair Value adjustments	Fair Value recognized at acquisition date
Assets			
Property, plant and equipment	84.022,25		84.022,25
Intangible assets	195.586,40		195.586,40
Other Intangible assets-Customer relationships	0,00	9.492.000,00	9.492.000,00
Loans and advances to customers	1.472.868,53		1.472.868,53
Due to related parties	764.000,00		764.000,00
Financial assets designated at fair value through profit & loss	159.280,00		159.280,00
Other assets	483.799,60		483.799,60
Cash and cash equivalents	21.218.721,13		21.218.721,13
Total Assets	24.378.277,91		33.870.277,91
Minus			
Liabilities			
Due to Suppliers	(291.928,34)		(291.928,34)
Deferred tax liabilities	(2.975,81)	(1.898.400,00)	(1.901.375,81)
Retirement benefit obligations	(365.464,68)		(365.464,68)
Current income tax liabilities	(1.126.079,67)		(1.126.079,67)
Other liabilities	(200.026,54)		(200.026,54)
Total liabilities	(1.986.475,04)	7.593.600,00	(3.884.875,04)
Net Assets			29.985.402,87
Shareholding acquired by the Group			50,00%
Net asset value acquired by the Group			14.992.701,43
Total acquisition cost			(18.900.200,00)
Goodwill arising on acquisition			3.907.498,57

26. Investment in subsidiaries

The Bank's investment percentages in its subsidiaries at 31/12/2009 and 31/12/2008 respectively, are analysed as follows:

Name	Country of incorporation	Participation Type	Bank's ownership interest % 31.12.2009	Bank's ownership interest % 31.12.2008	Participation Cost 31.12.2009	Participation Cost 31.12.2008
HELLENIC POSTBANK-ELTA MUTUAL FUNDS MANAGEMENT S.A.	Greece	Direct	51,00%	51,00%	1.322.628,00	1.235.928,00
HELLENIC POST CREDIT S.A.	Greece	Direct	50,00%	50,00%	18.900.200,00	18.900.200,00
POST INSURANCE BROKERAGE S.A.	Greece	Direct	50,01%	-	500.100,00	-
TOTAL					20.722.928,00	20.136.128,00

The abovementioned companies are consolidated with the full consolidation method. Post Insurance Brokerage S.A. is a new established company, which was consolidated for first time during the current reporting period. More details about this event are mentioned in paragraph 2.2.3.

27. Investment in associates

The investments of the Bank in associates on 31/12/2009 and 31/12/2008, are as follows:

Name	Country of incorporation	Participation Type	Bank's ownership interest %	Bank's ownership interest %	Participation Cost	Participation Cost
			31.12.2009	31.12.2008	31.12.2009	31.12.2008
ATTICA BANK S.A	Greece	Direct	22,43%	21,03%	125.460.000,00	94.585.030,36
POST BANK GREEN INSTITUTE	Greece	Direct	50,00%	-	250.000,00	0,00
TOTAL					125.710.000,00	94.585.030,36

ATTICA BANK S.A. was recognised as an associate on December 23rd 2008 when the participation rate in its share capital and voting rights surpassed 20% and was transferred from "Available for sale" portfolio to "Investment in associate". The associate "Post Bank Green Institute" was incorporated in 2009 (Official Gazette No 9847/11.08.2009 and No 13278/13.11.2009). The company is located in

Metamorfofi, Attiki, and its initial share capital comes to € 500 thousand (Official Gazette No 13265/13.11.2009). The participation of the Bank in the share capital and voting rights of the company arises to 50%. The aforementioned companies are consolidated with the equity method. For the fiscal year 2009, the proportion of profit and loss of the associates has been recognized in the Group's Income Statement.

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Balance at January 1st	94.585.030,36	0,00	94.585.030,36	0,00
Transfer from Available for sale portfolio	-	94.585.030,36	-	94.585.030,36
Additions of the period	39.241.821,26	-	39.241.821,26	-
Share in profit/ (loss) after taxes	697.354,85	-	0,00	-
Share in profit/ (loss) of other comprehensive income (after tax)	461.621,42	-	0,00	-
Impairment of associate Attica Bank (note 14)	(9.302.798,67)	-	(8.116.851,62)	-
Balance at the end of year	125.683.029,22	94.585.030,36	125.710.000,00	94.585.030,36

The condensed information of the company for the year 2009 is presented as follows:

Country of incorporation	31/12/2009						Bank's ownership interest %
	Total assets	Total equity	Total liabilities	Profit/ loss after taxes	Other comprehensive income after taxes		
ATTICA BANK S.A.	Greece	5.257.509.909,97	582.802.731,32	4.674.707.178,65	5.667.795,10	2.057.860,36	22,43%

31/12/2009

	Country of incorporation	Total assets	Total equity	Total liabilities	Profit/ loss after taxes	Other comprehensive income after taxes	Bank's ownership interest %
POST BANK GREEN INSTITUTE	Greece	458.360,00	446.058,44	12.301,56	(53.941,56)	-	50,00%

The amount of goodwill resulting from the acquisition is included in the acquisition cost of "ATTICA BANK SA" in the «Investment in associate» of the consolidated financial position at 31/12/2009. The goodwill resulting from the acquisition during December 2008 amounted to € 26.372.508,54. The purchase price allocation

process to assets and liabilities has been concluded in the end of the current year.

The goodwill of Attica Bank on the 31.12.2008, after the completion of the PPA process and its impairment, over the fiscal year 2009, is presented in the following table:

Amounts in €	
Acquisition cost 31.12.2008	94.585.030,36
Minus : % participation in the net assets of the associate company	
Total Shareholder's Equity (on acquisition date) 31.12.2008	324.358.163,67
Plus : Intangible assets' recognition	
Plus: Customer relationships - Deposits	24.872.000,00
Plus: Customer relationships - Loans	14.638.000,00
Less: Deferred Taxation	(7.902.000,00)
Total Shareholder's Equity (on acquisition date) 31.12.2008 after intangible assets' recognition	355.966.163,67
Shareholding %	21,03%
Group Share 31.12.2008	74.859.684,22
Goodwill 31.12.2008	19.725.346,14
Less: Impairment of goodwill 2009	(9.302.798,67)
Goodwill 31.12.2009	10.422.547,47

According to the provisions of IAS 36, the Bank proceeded to impairment test of goodwill previously recognized in its assets. Impairment testing must be executed annually, regardless of the existence of impairment indications. After the allocation of goodwill, that was acquired from the investment in Attica bank, which has been accounted as an increase of the currying amount of the investment, the Bank tested for impairment the recoverable amount of the investment, using its value in use.

discounted dividend model (D.D.M.). The aforementioned cash flows, were based on a 3-year business plan of Attica's Bank Management for the period 2010 – 2012, and whose assumptions were based both on past and future estimated events. Cost of Equity ratio (discount ratio) used, was 11,15%.

Value in use was calculated using the after tax future cash flows, according to the method of

Using the abovementioned method the recoverable amount, using value in use, has been calculated to € 125.460.000, generating an impairment loss of € 9.302.798,67 on consolidated basis and € 8.116.851,62 on stand-alone basis.

28. Deferred tax assets and liabilities

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

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

On Consolidated basis

Amounts in €	ON CONSOLIDATED BASIS			
	31.12.2009		31.12.2008	
	Assets	Liabilities	Assets	Liabilities
Property plant and equipment	-	2.833.846,90	-	2.468.595,60
Intangible assets	1.761.986,43	1.799.320,78	2.200.842,56	37.904,43
Share capital increase expenses	1.822.906,44	-	-	-
Investment in associates	1.948.044,39	-	-	-
Financial assets designated at fair value through profit and loss	28.369.753,44	397.350,79	25.690.199,62	873.718,48
Available for sale and held to maturity financial assets	65.381.901,91	10.709.584,30	37.475.755,90	-
Loans and advances due from customers	7.664.976,82	20.071.402,91	6.497.171,69	6.123.957,61
Retirement benefits obligations	4.019.282,97	-	4.396.255,67	-
Derivative financial instruments	36.322.176,10	-	17.287.849,70	-
Provisions for other assets	1.816.831,32	-	1.386.176,95	-
Other staff benefit provisions	1.629.447,96	-	1.324.877,24	-
Accrued income and expenses	6.654.708,26	-	5.282.068,98	-
Total	157.392.016,04	35.811.505,68	101.541.198,31	9.504.176,12

On Stand alone basis

Amounts in €	ON STAND ALONE BASIS			
	31.12.2009		31.12.2008	
	Assets	Liabilities	Assets	Liabilities
Property plant and equipment	-	2.833.846,90	-	2.468.595,60
Intangible assets	1.761.986,43	-	2.200.842,56	-
Share capital increase expenses	1.822.906,44	-	-	-
Investment in associates	1.948.044,39	-	-	-
Financial assets designated at fair value through profit and loss	28.369.753,44	397.216,39	25.690.199,62	873.458,48
Available for sale and held to maturity financial assets	65.381.901,91	10.709.584,30	37.475.755,90	-
Loans and advances due from customers	7.664.976,82	20.071.402,91	6.497.171,69	6.123.957,61
Retirement benefits obligations	3.928.839,85	-	4.318.343,80	-
Derivative financial instruments	36.322.176,10	-	17.287.849,70	-
Provisions for other assets	1.816.831,32	-	1.386.176,95	-
Other staff benefit provisions	1.629.447,96	-	1.324.877,24	-
Accrued income and expenses	6.654.708,26	-	5.282.068,98	-
Total	157.301.572,92	34.012.050,50	101.463.286,44	9.466.011,69

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

The movement of the deferred tax for the accounting years 2008 and 2009 is as follows:

<i>Amounts in €</i>	On Consolidated Basis	
	31.12.2009	31.12.2008
Deferred tax expenses		
Intangible Assets	301.872,48	(3.233.157,71)
Derivative financial instruments	(19.034.326,40)	(20.532.359,69)
Loans and Advances due from Customers	12.779.640,17	1.724.209,81
Retirement benefit obligations	72.401,98	1.950.371,02
Other Provisions	1.663.555,67	2.715.125,52
Investment in associates	(1.948.044,39)	-
Financial assets designated at amortised cost	(126.329,74)	-
Financial assets designated at fair value through profit and loss	4.086.813,47	(1.840.440,76)
Non tax deductible buildings depreciation	(312.561,58)	(3.963.769,70)
Property, plant and equipment - Differences in depreciation	677.812,88	2.776.751,39
Deferred tax recognized to the results	(1.839.165,46)	(20.403.270,12)
Deferred tax recognized directly to the shareholder's equity	(29.602.722,71)	(34.168.682,74)
Net change in deferred tax	(31.441.888,17)	(54.571.952,86)

<i>Amounts in €</i>	On Stand Alone Basis	
	31.12.2009	31.12.2008
Deferred Tax Expenses		
Intangible Assets	438.856,13	(3.236.201,10)
Derivative financial instruments	(19.034.326,40)	(20.532.359,69)
Loans and Advances due from Customers	12.779.640,17	1.724.209,81
Retirement benefit obligations	84.933,23	1.955.189,95
Other Provisions	1.663.555,67	2.715.125,52
Investment in associates	(1.948.044,39)	-
Financial assets designated at amortised cost	(126.329,74)	-
Financial assets designated at fair value through profit and loss	4.086.939,07	(1.868.243,06)
Non tax deductible buildings depreciation	(312.561,58)	(3.963.769,70)
Property, plant and equipment - Differences in depreciation	677.812,88	2.776.751,39
Deferred tax recognized to the income statement	(1.689.524,96)	(20.429.296,88)
Deferred tax recognized directly to shareholder's equity	(29.602.722,71)	(34.168.682,74)
Net change in deferred tax	(31.292.247,67)	(54.597.979,62)

29. Current income tax assets and liabilities

Current tax assets are analyzed as follows:

Amounts in €	ON STAND ALONE AND CONSOLIDATED BASIS	
	31.12.2009	31.12.2008
Advance payment regarding income tax and other income tax assets to be offset	34.470.314,10	43.648.917,19
Income tax liabilities	(8.715.939,68)	(22.163.091,34)
Net income tax assets	25.754.374,42	21.485.825,85

Current tax liabilities are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Income tax liabilities	2.773.880,39	521.411,83	-	-
Extraordinary tax contribution L.3808/2009	7.285.323,26	-	7.285.323,26	-
Total	10.059.203,65	521.411,83	7.285.323,26	0,00

30. Other assets

Other assets are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Foreclosed assets	3.074.250,00	3.060.242,49	3.074.250,00	3.060.242,49
Commissions receivable	76.034,58	-	-	-
Due from Greek Government	320.405,54	127.057,16	245.760,00	126.394,66
Accrued interest on loans	66.614.735,96	40.110.484,48	66.614.735,96	40.110.484,48
Accrued interest on Interbank deposits	6.796.588,18	41.704.475,73	6.796.588,18	41.704.475,73
Portfolio accrued interest	190.272.153,06	129.869.044,11	190.272.153,06	129.869.044,11
Additional contribution to Hellenic Deposit and Investment Guarantee Fund	95.271.476,16	21.795.674,00	95.271.476,16	21.795.674,00
Warranties	40.345.632,00	33.708.000,00	40.345.632,00	33.708.000,00
Other assets	106.026.420,19	78.228.143,15	100.057.223,47	76.890.472,32
Provision for impairment of other assets	(46.357.927,07)	(39.483.737,29)	(46.357.927,07)	(39.483.737,29)
Total	462.439.768,60	309.119.383,83	456.319.891,76	307.781.050,50

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

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

Provision for impairment of other assets is analyzed as follows:

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS	
	31.12.2009	31.12.2008
Balance at the beginning of the year	(39.483.737,29)	(8.494.230,90)
Expense for the year	(6.874.189,78)	(33.708.000,00)
Income for the year	-	2.718.493,61
Balance at the end of the year	(46.357.927,07)	(39.483.737,29)

31. Due to Banks

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS	
	31.12.2009	31.12.2008
<i>Due to banks:</i>		
Deposits from other banks	3.118.700.541,44	1.103.807.573,47
Securities sold under agreement to repurchase (Repos)	248.585.000,00	1.700.869.565,03
Trading liabilities for securities	299.685.000,00	-
Total	3.666.970.541,44	2.804.677.138,50

32. Due to customers

Deposits and other customer accounts are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Sight deposits	68.643.679,43	34.922.140,72	94.149.704,81	54.783.083,89
Savings deposits	6.512.221.883,18	6.204.696.531,93	6.512.221.883,18	6.204.696.531,93
Time deposits	6.036.402.340,89	4.958.354.891,75	6.036.402.340,89	4.958.354.891,75
Securities sold under agreements to repurchase (Repos)	5.676.107,34	3.821.645,07	5.676.107,34	3.821.645,07
Other liabilities	9.271.326,36	9.442.469,32	9.271.326,36	9.442.469,32
Total	12.632.215.337,20	11.211.237.678,79	12.657.721.362,58	11.231.098.621,96

33. Retirement benefit obligations

Amounts in €	ON STAND ALONE BASIS	
	31.12.2009	31.12.2008
Liabilities in statement of financial position:		
Lump sum retirement benefits		
- Unfunded	19.644.199,23	20.085.320,00

The amounts included in the statement of financial position are:

Amounts in €	31.12.2009	31.12.2008
Present value of unfunded benefits payable	28.402.955,43	25.075.675,00
Unrecognised actuarial profits/(losses)	(8.758.756,20)	(4.990.355,00)
Liability in statement of financial position	19.644.199,23	20.085.320,00

The amounts recognised in profit or loss are:

Amounts in €	31.12.2009	31.12.2008
Current service cost	1.350.680,43	928.528,00
Financial cost	1.404.237,80	1.367.526,00
Recognition of actuarial loss/(gain)	112.854,00	49.725,00
Recognised cost of previous employment	7.903.140,00	18.083.482,00
Total included in personnel expenses	10.770.912,23	20.429.261,00

The movement in the retirement benefit obligations is as follows:

Amounts in €	31.12.2009	31.12.2008
Opening balance	20.085.320,00	25.094.135,00
Total expense recognised in income statement	10.770.912,23	20.429.261,00
Benefits paid by the employer	(11.212.033,00)	(25.438.076,00)
Closing balance	19.644.199,23	20.085.320,00

The main actuarial assertions used for accounting purposes are:

	31.12.2009	31.12.2008
Discount rate	5,60%	5,60%
Rate of compensation increase	4,00%	4,00%
Expected remaining service life	22,11	20,64
Inflation	2,50%	2,50%

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

34. Other liabilities

Other liabilities are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Other taxes payable	9.697.036,00	10.635.743,26	9.476.098,79	10.430.812,19
Accrued interest on loans	25.010,86	-	-	-
Accrued interest on deposits	44.700.752,92	54.568.345,93	44.700.752,92	54.568.345,93
Accrued interbank interest	22.842.239,32	62.403.528,90	22.842.239,32	62.403.528,90
Accrued interest on financial securities	25.691.379,65	11.274.968,95	25.691.379,65	11.274.968,95
Insurance premiums payable	3.121.072,40	1.662.466,05	2.935.697,59	1.527.923,81
Suppliers	19.753.850,63	23.116.670,98	19.148.515,96	22.916.918,66
Other liabilities	32.468.128,61	51.748.250,10	35.108.287,88	51.140.580,84
Due to Hellenic Deposit and Investment Guarantee Fund	31.909.081,12	4.323.996,90	31.909.081,12	4.323.996,90
Total	190.208.551,51	219.733.971,07	191.812.053,23	218.587.076,18

35. Share capital

The common shares of share capital are analyzed as follows :

	Number of common shares	Par Value	Share Capital of common shares
Balance at January 1st, 2008	142.232.982	3,7	526.262.033,40
Issue of new common shares	-	3,7	0,00
Balance at December 31st, 2008	142.232.982	3,7	526.262.033,40
Issue of new common shares	142.232.982	3,7	526.262.033,40
Balance at December 31st, 2009	284.465.964	3,7	1.052.524.066,80

As of July 13th, 2009, 142.232.982 new common registered shares of nominal value of €3,70 Euro per share (henceforth the "New Shares") commenced trading on the Athens Exchange ("ATHEX"). The share capital increase was fully covered (by 133,79%) by virtue of the resolution of the second Extraordinary General Assembly held on April 22nd, 2009. The share capital increase of € 526.262.033,40 was issued via cash contributions, rendering of pre-emptive rights, in favour of the old stockholders and the right by subscription to any non-exercised rights. The offer price amounts to € 3,70 per share.

The aforementioned subscription was covered by € 507.948.017,60, which constitutes 96,52% of the total 137.283.248 exercised pre-emptive rights, whereas 4.949.734 shares were not distributed due to equivalent non-exercised pre-emptive rights. The Board of Directors at its 144/ July 6th 2009 meeting and according to article 13 par. 8 of Law 2190/1920, resolved to distribute the aforementioned unsubscribed shares, exclusively to the first in order subscribers (the existing stockholders that exercised their pre-emptive rights completely or partially). This distribution was performed in proportioned ratio

due to the fact that the number of unsubscribed shares, could not meet the demand for 53.010.949 shares from this category or others,

resulting to the full coverage of the share capital increase.

The preference shares of share capital are analyzed as follows :

	Number of preference shares	Par Value	Share Capital of preference shares
Balance at January 1st, 2009	0		0,00
Issue of new preference shares	60.800.000	3,7	224.960.000,00
Balance at December 31st, 2009	60.800.000	3,7	224.960.000,00

The Bank's Board of Directors Meeting N. 136/25.05.2009, in accordance with article 11 of Law 2190/1920, proceeded with the subscription of the full payment of € 224.960.000,00 of share capital increase by issuing 60.800.000 preferred shares, as the Extraordinary General Meeting of the shareholders (owners of common shares) decided on January 28th, 2009, according to article 1 of Law 3723/2008 "The enhancement of liquidity of the economy in response to the impact of the international financial crisis". The share capital increase was undertaken by the Hellenic Republic, after the relevant signed contract at May 14th 2009 between the Bank and the Hellenic Republic, by contributing 224.960 bonds of total face value € 224.960.000,00 within the deadline defined by article 11 of Law 2190/1920.

The preference shares pay a non-cumulative coupon of 10%, subject to the following conditions: (a) meeting Bank of Greece minimum capital adequacy requirements at Bank and Group level, following such coupon payment, (b) availability of distributable reserves in accordance to article 44a of C.L. 2190/1920, and (c) the approval of the General Assembly of the Bank's Common Shareholders. In case of Bank's

liquidation, preference shares are in priority in comparison to common shares. In case the Bank does not satisfy the minimum capital adequacy ratios set by the Bank of Greece, five years after the issue of the preference shares, then the shares are converted to common shares, subject to the approval of the Minister of Economy and Finance. If however, the Bank has sufficient capital adequacy, then the preference shares must be redeemed after five years or optionally before that, but not before July 1st 2009.

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

In the context of the above EU guidelines and the practices adopted by other EU member states and in order for the State funds to be considered as equity for both regulatory and accounting

purposes, the Greek State expressed, through a letter addressed to Bank of Greece (decision 39389/B2038/07.08.2009), its intention to proceed to the necessary amendments of the legal framework and introduce “coupon step-up” features to the preference shares of those banks which, at the end of the five year period, do not proceed in their redemption, or the preference shares haven’t been converted into common shares according to the Minister of Economy and Finance’s decision.

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

Amounts in €	ON CONSOLIDATED BASIS	ON STAND ALONE BASIS
Net interest income	263.297.970,74	259.666.907,89
Profit before tax for the year	46.739.458,06	40.795.192,47
Finance cost of preference dividend and effective rate for the preference share recognised as financial liability.	(14.055.304,42)	(14.055.304,42)
Adjusted net interest income	249.242.666,32	245.611.603,47
Adjusted profit before tax for the year	32.684.153,64	26.739.888,05
Income tax for the year	(24.092.541,62)	(20.819.946,43)
Profit from deferred tax asset generated from preference shares recognised as financial liability	3.513.826,10	3.513.826,10
Adjusted income tax for the year	(20.578.715,52)	(17.306.120,33)
Profit after tax for the year	22.646.916,44	19.975.246,04
Adjusted profit after tax for the year	12.105.438,12	9.433.767,73
Total effect on profit for the year	(10.541.478,31)	(10.541.478,31)

36. Other reserves, Retained earnings, Available-for-sale reserves and Treasury shares

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Legal reserve for the year	69.848.062,87	68.663.547,54	69.662.309,84	68.663.547,54
Special reserves	17.000.000,00	17.000.000,00	17.000.000,00	17.000.000,00
Retained earnings	94.613.271,49	80.031.247,83	94.765.320,15	80.652.666,26
Total	181.461.334,36	165.694.795,37	181.427.629,99	166.316.213,80

According to article 44 of Codified Law 2190/1920 every year 5% of Bank’s net profits are held for

statutory reserve until this reserve equals 1/3 of Share Capital. The tax free reserves are included

in the Statement of Comprehensive Income and are related to profits from securities and especially taxable income (with decreased factors), such as income from interest on Greek government bonds and treasury bills that have not been distributed. The tax free reserves and reserves from specially taxable income as at 31/12/2009 amount to € 59.694.422,91 on stand alone basis and to € 59.704.265,89 on consolidated basis.

According to par. 3 article 1 of Law 3723/2008, the distribution of dividends to shareholders of financial institutions that participate to the economic enhancement program, cannot exceed 35% as stated in Law 148/1967. The 20708/B.1175/23.4.2009 decision of Minister of Economy and Finance clarified that in the case of existence of distributable profits the distribution of dividends is limited from zero up to a maximum of 35% of the profits. Taking into consideration the aforementioned restrictions the General Assembly resolved not to distribute dividends for the fiscal year of 2008.

Proposed dividend for the year 2009

It must be noted that according to the provisions of article 39 which are regulated in the Bill for “adaption of the Greek Legislation in the Directive 2006/123 of the European Parliament and Council with regard to the Services in the internal market and other provisions” that replaced the first section of paragraph 1, article 28 of Law 3756/2009, in the case of distribution of dividend for the financial years 2008 and 2009, under the provisions of paragraph 3, article 1, of Law 3723/2008, concerning the credit institutions that participate in the liquidity plan, any distribution must be exclusively in the form of equity shares.

Under this perspective, the Bank’s Board of Directors aims to formulate a proposal to the General Assembly of the Bank’s shareholders, regarding the non-distribution of dividends to the owners of common shares, from profits earned in the fiscal year 2009.

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

<i>Amount in €</i>	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	Available for sale reserve		Available for sale reserve	
Balance at start of the period	(192.534.862,46)	1.724.201,84	(192.534.862,46)	1.724.201,84
Less: Deferred tax	37.475.756,06	3.307.073,16	37.475.756,06	3.307.073,16
Net opening balance	(155.059.106,40)	5.031.275,00	(155.059.106,40)	5.031.275,00
Net profits/(losses) transferred to income statement	(31.621.824,23)	(4.513.016,41)	(31.621.824,23)	(4.513.016,41)
Net profits/(losses) transferred to associate	-	10.453.296,52	-	10.453.296,52
Net profits/(losses) transferred to income statement due to hedging	(8.134.736,36)	(25.351.811,57)	(8.134.736,36)	(25.351.811,57)
Net profits/(losses) from changes in fair value	(60.688.760,26)	(174.847.532,85)	(61.280.582,59)	(174.847.532,85)
Deferred tax movement	27.649.615,36	34.168.682,74	27.779.816,27	34.168.682,74
Balance at the end of the period	(227.854.811,88)	(155.059.106,57)	(228.316.433,30)	(155.059.106,57)

Treasury shares

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

Within the frame of realization of the abovementioned General Assembly’s decision, the Board of Directors, under the plan implementation procedures, decided at its May 30th, 2008 meeting on the acquisition of equity shares within the period approved by the General Assembly, as in compliance with the procedures prescribed by the effective legislation. The number of treasury shares on consolidated basis for the period ended as at 31/12/2009 is 3.465.020 shares at a value of € 23.507.018,24 while on stand alone basis the number of treasury shares is 3.433.020 shares at a value of

€ 23.228.778,24. On December 31st,2008 the Bank owned 3.073.575 treasury shares amounting to € 21.639.036,60 on consolidated basis. On stand alone basis the Bank owned 3.062.575 treasury shares amounting to € 21.444.296,60.

It is noted that according to Law 3756/2009, “Amendments to Law on Dematerialized Securities System, on the Capital Market, taxation issues and other provisions” (FEK 53A/31.03.2009), the purchase of treasury shares is not allowed, during participation of credit institutions in the programs on the enhancement of liquidity of the economy of Law 3723/2008. Following the decision of the Extraordinary General Assembly of the shareholders on 28.01.2009, to participate in the aforementioned programs, the Bank did not proceed with the acquisition of treasury shares after 19/02/2009.

37. Commitments, contingent liabilities and assets

a) Contingent tax liabilities

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

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

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

During the third quarter of 2009, the tax inspection for the fiscal periods of 2007 and 2008 was completed. The aforementioned audit imposed to additional taxes of € 1.832,14

thousand and € 1.278,05 thousand respectively, for which there had been the relative provision.

The provision raised for the unaudited tax year 2009 amounts to € 1.500.000,00, € 18.212,99 for Hellenic Postbank-EL.TA Mutual Fund Management S.A.F and € 100.000,00 for Hellenic Post Credit S.A.

b) Operating leases

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

receivables (as lessor) mainly relate to rentals of buildings leased to Group's subsidiary and others.

The minimum future lease payments for the bank are:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
- within one year	5.958.563,99	4.552.249,63	5.955.963,99	4.552.249,63
- over one year and up to 5 years	16.250.787,54	12.986.261,09	16.250.787,54	12.986.261,09
- over 5 years	16.856.262,40	9.138.178,54	16.856.262,40	9.138.178,54
Total	39.065.613,93	26.676.689,26	39.063.013,93	26.676.689,26

Note: Concerns rent expense from leased buildings-Offices and Vehicles

The minimum future lease receives for the bank are:

	ON CONSOLIDATED AND STAND ALONE BASIS	
	31.12.2009	31.12.2008
- within one year	80.468,30	32.909,61
- over one year and up to 5 years	259.800,00	33.896,90
- over 5 years	547.923,13	-
Total	888.191,43	66.806,51

Note : Concerns rental income from leased buildings

c) Other contingent liabilities

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Commitments to extend credit	104.807.622,02	105.758.724,48	196.724.025,18	105.758.724,48

d) Legal issues

There are certain claims and lawsuits against the Bank in the ordinary course of business. The total amount claimed by third parties in lawsuits filed against the Bank based on the opinion of Bank's legal department stands at € 6,11 million. In addition, the total amount claimed by the Bank

stands at € 1,04 million. The accumulated provision raised for the unsettled legal claims amounts to € 940.000,00 and according to the Management and the Legal Advisor is considered to be adequate. This provision is included in the line «Other liabilities».

38. Transactions and balances of related parties

In accordance with the provisions of Article 16 par. 4 of Law 3082 no loans nor credit may be granted to the Board of Directors' members, members of Management and their relatives. This prohibition ceases to apply when contracts are entered into on an arm's length basis, consistent with current transactions of the Bank

with its customers. Related parties are considered to be the subsidiaries, the associate, the members of the Board of Directors and the Bank's managers that participate in Committees, as well as their close relatives (spouses, children etc).

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

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

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Assets				
Loans	6.590.763,97	7.782.843,15	6.349.937,76	7.687.622,42
Total	6.590.763,97	7.782.843,15	6.349.937,76	7.687.622,42
Liabilities				
Deposits	3.840.410,81	3.779.798,15	3.122.132,07	3.499.798,15
Total	3.840.410,81	3.779.798,15	3.122.132,07	3.499.798,15
Amounts in €	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Expenses				
Board of Directors and Management fees and other benefits	7.673.057,63	4.936.556,74	5.584.574,29	4.875.356,74
Interests from deposits	97.950,36	108.286,67	85.779,37	104.889,34
Total	7.771.007,99	5.044.843,41	5.670.353,66	4.980.246,08
Income				
Interest income	138.947,71	183.225,22	128.528,97	177.243,56
Total	138.947,71	183.225,22	128.528,97	177.243,56

b) Transactions with subsidiaries and associates

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

subsidiaries and its associate. On consolidated basis, only transactions with associate are included, as transactions and balances with subsidiaries are eliminated on consolidation.

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Assets				
Interbank loans and advances	100.000.000,00	159.000.000,00	100.000.000,00	159.000.000,00
Loans to subsidiary	-	-	208.278.517,45	-
Other assets	-	-	209.711,04	-
Total	100.000.000,00	159.000.000,00	308.488.228,49	159.000.000,00
Liabilities				
Interbank deposits and liabilities	-	-	25.506.025,38	19.860.943,17
Other liabilities	-	-	2.992.790,48	294.517,86
Total	0,00	0,00	28.498.815,86	20.155.461,03

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Expenses				
Interest expense from interbank deposits and loans	191.288,54	-	223.604,70	11.041,67
Other expenses	-	-	13.650.787,34	1.293.259,31
Total	191.288,54	0,00	13.874.392,04	1.304.300,98
Income				
Interest income from interbank loans and advances	55.917,69	-	55.917,69	-
Interest income of subsidiary	-	-	543.111,59	-
Other income	-	-	1.237.046,78	210.057,95
Total	55.917,69	0,00	1.836.076,06	210.057,95

39. Cash and cash equivalents analysis

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

Amounts in €	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Cash and balances with Central Bank	34.745.556,40	32.603.001,69	34.741.189,08	32.601.618,29
Due from banks	2.010.328.850,62	1.397.212.009,00	2.005.779.156,88	1.394.267.212,73
Greek Government Bonds held for trading	146.496.472,19	565.255,51	146.496.472,19	565.255,51
Cash and cash equivalents	2.191.570.879,21	1.430.380.266,20	2.187.016.818,15	1.427.434.086,53

40. Post balance sheet events

The Bank's Board of Directors, during its 159/February 9th 2010 session, decided to participate in ASPIS Bank's prospective share capital increase, under the following conditions:

- a) The acquisition of a 30-32.9% stake of the shares not taken up, following the implementation of the increase in share capital and voting rights of Aspis Bank S.A.
- b) The non-exercise of the pre-emption rights or the pre-subscription option by the major shareholders of Aspis Bank S.A. either natural or legal entities.
- c) The determination by the Board of Directors of ASPIS Bank of the terms and conditions relating to the capital increase and the shares' issue price especially.
- d) The receipt of all necessary authorizations by the relying authorities.

The Board of Directors estimates that the participation of TT Hellenic Postbank S.A. in ASPIS Bank's share capital, under the decided conditions mentioned above, is able to substantially contribute and accelerate the business plans materialization of the Bank and its Group.

Following Aspis Bank's corporate announcement on March 1st, 2010 regarding the issue price per share at the scheduled Share Capital Increase, the Board of Directors during its 160/March 1st, 2010 session has decided to maintain its intention to participate in Aspis Bank's Share Capital Increase, given the announced issue price is located between the range Hellenic PostBank has set in order to participate at the respective Capital Increase, under the provision that all other conditions, as already been decided by the Board of Directors during its 159/February 9th, 2010 session.

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

Information according to article 10, Law 3401/ 2005 (*)

The information according to article 10, Law 3401/ 2005 that relates to HELLENIC POSTBANK, its shares as well as the stock exchange market in which its shares are traded, which have been published and made available to investors throughout year 2008, have been incorporated in the present Annual Financial Report through reference. For this purpose, a reference table is presented below;

Date	Title
11/12/09	Resolutions of the Extraordinary General Meeting of December, 11th 2009
11/12/09	New composition of the Board of Directors
01/12/09	Presentation of 9 Month 2009 Financial Results to Analysts and Institutional Investors
25/11/09	Nine Month 2009 Financial Results
16/11/09	Invitation to The Extraordinary General Meeting Of Shareholders Of TT Hellenic Postbank S.A.
17/09/09	Resignation of a Board of Directors Member
10/09/09	Tax Audit completed for Fiscal Years 2007 and 2008
01/09/09	Presentation of 1H 2009 Financial Results to Analysts and Institutional Investors
09/07/09	Listing of 142,232,982 new shares by virtue of a share capital increase in cash
03/07/09	Resolutions of the Ordinary General Meeting of June, 30th 2009
01/06/09	Presentation to Analysts
22/05/09	Date of announcement of Bank's 1st Quarter 2009 Financial Results
11/05/09	Amendment of Financial Calendar 2009
24/04/09	Resolutions of the 2nd Iterative
10/04/09	Cancellation of the 1st Iterative EGM - 2nd Iterative EGM to be held on April 22nd, 2009
01/04/09	Cancellation - Deferment of the EGM held on March, 30th, 2009

30/03/09	Annual Reporting to Analysts
27/03/09	Financial Calendar of 2009
20/02/09	Purchase of own shares on February, 19th, 2009
19/02/09	Purchase of own shares on February, 18th, 2009
18/02/09	Purchase of own shares on February, 17th, 2009
17/02/09	Purchase of own shares on February, 16th, 2009
16/02/09	Purchase of own shares on February, 13th, 2009
13/02/09	Purchase of own shares on February, 12th, 2009
10/02/09	Purchase of own shares on February, 9th, 2009
06/02/09	Purchase of own shares
05/02/09	Purchase of own shares
04/02/09	Purchase of own shares
03/02/09	Purchase of own shares
30/01/09	Purchase of own shares on January, 29th, 2009
29/01/09	Purchase of own shares on January, 28th, 2009
28/01/09	Purchase of own shares on January, 27th, 2009
28/01/09	Decisions of the Extra-ordinary General Meeting of January, 28th , 2009
27/01/09	Purchase of own shares on January, 26th, 2009
26/01/09	Purchase of own shares on January, 23rd, 2009

23/01/09	Purchase of own shares on January, 22nd, 2009
22/01/09	Purchase of own shares on January, 21st, 2009
21/01/09	Purchase of own shares on January, 20th, 2009
20/01/09	Purchase of own shares on January, 19th, 2009
19/01/09	Purchase of own shares on January, 16th, 2009
16/01/09	Purchase of own shares on January, 15th, 2009
15/01/09	Purchase of own shares on January, 14th, 2009
14/01/09	Purchase of own shares on January, 13th, 2009
13/01/09	Purchase of own shares on January, 12th, 2009
12/01/09	Purchase of own shares
09/01/09	Purchase of own shares on January, 8th, 2009
08/01/09	Purchase of own shares
07/01/09	Purchase of own shares on January, 5th, 2009
05/01/09	Purchase of own shares
02/01/09	Purchase of own shares

(*) The Bank's announcements of the full year 2009 are available on the web site of the Bank

<http://www.irwebpage.com/ttbank/english/announcements.php?ys=2009>

AVAILABILITY OF ANNUAL FINANCIAL REPORT

The Annual Financial Report which includes, according to Law 3556/2007 and 7/448/11.10.2007 decision of Hellenic Capital Market Commission:

- STATEMENT by the Members of the BoD (law 3556/2007, article 4)
- Board of Directors Management Report
- Independent Auditor's Report
- Financial Statements on Consolidated and Stand Alone Basis December 31st, 2009 in accordance with International Financial Reporting Standards
- Information according to law 3401/2005, article 10
- FINANCIAL DATA AND INFORMATION FOR THE YEAR 2009, from January 1st, 2009 to December 31th, 2009 (published according to Law 2190/1920 Article 135, concerning companies that prepare annual financial statements under International Financial Reporting Standards (IFRS))

is available on the Bank's website address:

http://www.irwebpage.com/ttbank/english/financial_statement_year.php?y=2009



TT HELLENIC POSTBANK S.A.

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

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

FINANCIAL DATA AND INFORMATION FOR THE YEAR from January 1st, 2009 to December 31st, 2009

(Published according to Law 2190/20 Article 135, concerning companies that prepare annual financial statements under International Financial Reporting Standards (IFRS))

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

COMPANY'S PROFILE

Responsible authority:	Ministry of Finance
Web Site:	www.ttbank.gr
Date of approval by the Board of Directors of the Financial Statements for the year ended as at December 31 st , 2009:	March 30 th , 2010
Certified Auditors:	Sourbis Dimitrios (R.N. SOEL 16891) Michalatos Constantinos (R.N. SOEL 17701)
Auditing Company:	PricewaterhouseCoopers S.A. (R.N. SOEL 113)
Type of audit report:	Unqualified Opinion

COMPOSITION OF BOARD OF DIRECTORS

Chairman:	Papadopoulos Kleonthis
Vice-Chairman:	Pantelias Spyros
Non-Executive Member:	Michos Ioannis
Non-Executive Member:	Oikonomopoulou Antouanetta
Non-Executive Member:	Katsimi Margarita
Non-Executive Member:	Tsagdis Ioannis
Non-Executive Member:	Kotsiris Konstantinos
Independent Non-Executive Member:	Siamidis Michalis
Independent Non-Executive Member:	Pittas Aristides

STATEMENT OF FINANCIAL POSITION

	Amounts in thousand euros			
	Consolidated		Stand alone	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
ASSETS				
Cash and balances with central bank	109.688,15	179.942,24	109.683,79	179.940,86
Due from banks	2.339.367,90	3.008.413,26	2.334.818,21	3.005.468,46
Financial assets designated at fair value through profit and loss	446.088,91	456.020,05	445.588,89	455.048,89
Derivative financial instruments	6.104,90	5.134,31	6.104,90	5.134,31
Loans and advances to customers	8.065.470,64	7.126.074,64	8.057.520,58	7.126.074,64
Less: Allowance for impairment on loans & advances	(162.874,71)	(122.098,30)	(146.731,50)	(122.098,30)
Investment securities available for sale	5.773.764,44	2.439.197,83	5.773.764,44	2.439.197,83
Investment securities held to maturity	450.736,60	1.143.282,57	450.736,60	1.143.282,57
Investment in subsidiaries	-	-	20.722,93	20.136,13
Investment in associates	125.683,03	94.585,03	125.710,00	94.585,03
Property, plant and equipment	130.449,96	115.248,03	130.316,83	115.131,60
Intangible assets	25.450,67	19.813,80	12.408,89	11.904,74
Deferred tax assets	157.392,02	101.541,20	157.301,57	101.463,29
Current tax assets	25.754,58	21.485,83	25.754,57	21.485,83
Other assets	462.439,77	309.119,38	456.319,90	307.781,05
TOTAL ASSETS	17.955.516,66	14.897.759,87	17.960.020,40	14.904.536,93
LIABILITIES				
Due to banks	3.666.970,54	2.804.677,14	3.666.970,54	2.804.677,14
Due to customers	12.632.215,34	11.211.237,68	12.657.721,36	11.231.098,62
Derivative financial instruments	158.304,12	87.643,66	158.304,12	87.643,66
Deferred tax liabilities	35.811,51	9.504,18	34.012,05	9.466,01
Current tax liabilities	10.059,20	521,41	7.285,32	-
Retirement benefit obligations	20.146,19	20.490,86	19.644,20	20.085,32
Other liabilities	190.208,55	219.733,97	191.812,06	218.587,08
Total Liabilities (a)	16.713.715,45	14.353.808,90	16.735.749,65	14.371.557,83
EQUITY				
Share Capital	1.277.484,07	526.262,03	1.277.484,07	526.262,03
Share premium	16.904,26	16.904,26	16.904,26	16.904,26
Treasury Shares	(23.507,02)	(21.639,04)	(23.228,78)	(21.444,30)
Available for sale reserve	(227.854,81)	(155.059,11)	(228.316,43)	(155.059,11)
Other Reserves	86.848,06	85.663,55	86.662,31	85.663,55
Retained Earnings	94.613,27	80.031,25	94.765,32	80.652,67
Capital and reserves attributable to owners of the parent (b)	1.224.487,83	532.162,94	1.224.270,75	532.979,10
Non-controlling interest (c)	17.313,38	11.788,03	-	-
Total Equity (d) = (b) + (c)	1.241.801,21	543.950,97	1.224.270,75	532.979,10
TOTAL EQUITY AND LIABILITIES (a) + (d)	17.955.516,66	14.897.759,87	17.960.020,40	14.904.536,93

STATEMENT OF COMPREHENSIVE INCOME

	Amounts in thousand euros			
	Consolidated		Stand alone	
	1/1-31/12/2009	1/1-31/12/2008	1/1-31/12/2009	1/1-31/12/2008
Net Interest Income	263.297,97	321.784,73	259.666,91	321.765,28
Net fee and commission income	15.880,51	16.782,29	11.562,85	12.370,08
Dividend income	7.704,12	8.171,01	8.575,32	8.171,01
Net Income / (loss) from financial instruments designated at fair value through Profit and Loss	48.938,35	(51.925,20)	48.937,39	(51.860,09)
Net income from investment securities	31.621,82	4.513,02	31.621,82	4.513,02
Other operating income	1.558,27	2.582,03	1.677,98	2.650,05
Total Operating Income	369.001,04	301.907,88	362.042,27	297.609,35
Personnel expenses	(124.197,81)	(102.876,13)	(119.977,44)	(101.573,85)
Other operating expenses	(118.171,67)	(112.046,16)	(127.627,28)	(109.763,54)
Depreciation and amortization charges	(11.358,39)	(10.907,54)	(10.552,15)	(10.765,04)
Other expenses	(12.442,43)	(6.387,08)	(12.412,45)	(5.785,10)
Allowance for the impairment of loans	(40.611,64)	(36.072,91)	(35.686,72)	(36.072,91)
Allowance for the impairment of other assets and investments	(16.176,99)	(31.004,51)	(14.991,04)	(30.989,51)
Share of Profit/(Loss) of Associates	697,35	-	-	-
Profit/(Loss) before tax	46.739,46	2.613,55	40.795,19	2.659,40
Income tax	(16.807,22)	233,46	(13.534,62)	267,35
Extraordinary tax contribution L.3808/2009	(7.285,32)	-	(7.285,32)	-
Net Profit/ (Loss)	22.646,92	2.847,01	19.975,25	2.926,75
Attributable to:				
Owners of the parent	20.630,37	2.885,21	19.975,25	2.926,75
Non-controlling Interest	2.016,55	(38,20)	-	-
Other comprehensive income after tax	(72.795,71)	(160.090,38)	(73.257,33)	(160.090,38)
Total comprehensive income after tax	(50.148,79)	(157.243,37)	(53.282,08)	(157.163,63)
Attributable to:				
Owners of the parent	(52.165,34)	(157.205,17)	(53.282,08)	(157.163,63)
Non-controlling Interest	2.016,55	(38,20)	-	-
Earnings per share				
-Basic and diluted (in euros)	0,0476	0,0187	0,0445	0,0190

STATEMENT OF CHANGES IN EQUITY

	Amounts in thousand euros			
	Consolidated		Stand alone	
	1/1-31/12/2009	1/1-31/12/2008	1/1-31/12/2009	1/1-31/12/2008
Balance at the beginning of the year (1/1/2009 and 1/1/2008 respectively)	543.950,97	747.024,93	532.979,10	747.145,28
Total comprehensive income after tax	(50.148,79)	(157.243,37)	(53.282,08)	(157.163,63)
Increase of share capital (common shares)	526.845,23	44,10	526.262,03	-
Increase of share capital (preference shares)	224.960,00	-	224.960,00	-
Expenses of share capital (common and preference shares)	(8.881,12)	-	(8.881,12)	-
Deferred tax on capital increase expenses	1.822,91	-	1.822,91	-
Deferred tax on subsidiary's intangible assets	(949,20)	-	-	-
Purchases of Treasury Shares	(1.867,98)	(21.512,34)	(1.784,48)	(21.444,30)
Gains from treasury share's pre-emptive rights	2.194,39	-	2.194,39	-
Dividend distribution	(871,20)	(35.558,25)	-	(35.558,25)
Non-controlling interest after acquisition of subsidiary	4.746,00	11.195,90	-	-
Balance at the end of the year (31/12/2009 and 31/12/2008 respectively)	1.241.801,21	543.950,97	1.224.270,75	532.979,10

STATEMENT OF CASH FLOWS

	Amounts in thousand euros			
	Consolidated		Stand alone	
	1/1-31/12/2009	1/1-31/12/2008	1/1-31/12/2009	1/1-31/12/2008
Net cash flow from operating activities (a)	2.814.403,45	(284.675,71)	2.813.621,61	(266.033,25)
Net cash flow from investing activities (b)	(2.571.503,36)	(91.458,80)	(2.571.829,70)	(112.701,23)
Net cash flow from financing activities (c)	518.290,52	(57.026,48)	517.790,82	(57.002,54)
Net increase / (decrease) of cash and equivalents (a) + (b) + (c)	761.190,61	(433.160,99)	759.582,73	(435.737,02)
Cash and cash equivalents at the beginning of the year	1.430.380,27	1.863.541,26	1.427.434,09	1.863.171,11
Cash and cash equivalents at the end of the year	2.191.570,88	1.430.380,27	2.187.016,82	1.427.434,09

Additional data and information:

- The accounting policies, applied by the Group, based on International Financial Reporting Standard (I.F.R.S.) for the preparation of the financial statements as at December 31st, 2009 are consistent with those stated in the respective financial statements of the previous comparative year. The Bank adopted the amendments of International Accounting Standard (I.A.S.) 39 and International Financial Reporting Standard (I.F.R.S.) 7, which were issued in October 2008 and have been effective since July 1st, 2008. The effects of applying the aforementioned amendments are set out in Note 9 below.
- The Consolidated Financial Statements at December 31st, 2009 include:
 - the following subsidiaries under full consolidation method: i) "Hellenic Postbank-ELTA Mutual Fund Management S.A." with participation of 51% on its share capital and voting rights, ii) "Hellenic Post Credit S.A." (previously named as "Bestline Cards S.A.") with participation of 50% on its share capital and voting rights and iii) "Post Insurance Brokerage S.A." with participation of 50,01% on its share capital and voting rights. The company was incorporated in 2009 (Official Gazette No 8444/14.07.2009), with share capital contribution amounting to 1 million euros. The company's registry is located in Athens and operates in the market of branded bankassurance and traditional insurance products, as it is presented in note 2.2.3 of the Financial Statements as at December 31st, 2009.
 - the following associates under the equity method: i) "Attica Bank S.A." with the participation on its share capital and voting rights up to 22,43% at December 31st, 2009 and ii) "Post Bank Green Institute" with the participation on its share capital and voting rights up to 50% at December 31st, 2009. The company incorporated in 2009 (Official Gazette No 9847/11.08.2009 and No 13278/13.11.2009), with share capital contribution amounting to 500 thousand euros. The company's registry is located in Metamorfofi, Attiki. The aim of the company is to provide consulting in issues of strategic planning, coordination and administration of projects regarding viable development and the environment, to implement communication plans, to organize lectures, seminars and congresses accordingly and to certify achievements on the aforementioned field as it is presented in note 2.2.3 of the Financial Statements as at December 31st, 2009.
- The Bank has been audited by the tax authorities until the year 2008. The tax audit has been completed in September 2009 for the fiscal years 2007 and 2008 and the additional tax imposed amounted to 3,10 million euros for which relevant provision had been made. Consolidated companies "Hellenic Postbank - ELTA Mutual Fund Management S.A." and "Hellenic Post Credit S.A." have been audited until the year 2005 while the associate "Attica Bank S.A." that has been audited until the year 2008 and are analytically presented in note 37 of the Financial Statements as at December 31st, 2009. Accumulated provision for unaudited tax years of the Group and the Bank amounts to 1,62 million euros and 1,5 million euros respectively.
- There are no unsettled legal claims or lawsuits in arbitration, which may have significant effect on the Bank's financial statements. The accumulated provision raised for unsettled legal claims or lawsuits in arbitration amounts to 0,94 million euros, whereas provisions for other assets raised for the Bank amount to 6,21 million euros, approximately.
- The number of the Group and the Bank employees as at December 31st, 2009 amounted to 2.554 and 2.419 respectively, whereas during the previous year (December 31st, 2008) amounted to 1.783 and 1.685 respectively.
- Property, plant and equipment are free of any liens and encumbrances.
- The Group's and Bank's transactions with related parties, for the period from January 1st, 2009 to December 31st, 2009 were as follows: a) Group's with Board of Directors and members of management: assets 6.590,76 thousand euros, liabilities 3.840,41 thousand euros, remuneration 7.673,06 thousand euros, income 138,95 thousand euros and expense 97,95 thousand euros, b) Bank's with Board of Directors and members of management: assets 6.349,94 thousand euros, liabilities 3.122,13 thousand euros, remuneration 5.584,57 thousand euros, income 128,53 thousand euros and expense 85,78 thousand euros, c) Group's with related companies: assets 100.000 thousand euros, interest expense 191,29 thousand euros, interbank interest income 55,92 thousand euros d) Bank's with related companies: assets 308.488,23 thousand euros, liabilities 28.498,82 thousand euros, interbank interest income 55,92 thousand euros, interest income of subsidiary 543,11 thousand euros, interbank interest expense from interbank deposits and loans 223,60 thousand euros and other expenses and income 13.650,79 thousand euros and 1.237,05 thousand euros respectively.
- "Other comprehensive income after tax" in the Statement of Comprehensive Income on consolidated and stand alone basis, for current and previous comparative year, concerns fair value differences attributed to the available for sale portfolio.
- The effect of the implementation of I.A.S.39 and I.F.R.S.7 amendments, which were issued on October 2008 and are effective from July 1st, 2008, due to reclassified securities measured in fair value is as follows: revaluation losses for the year from January 1st, 2009 to December 31st, 2009 amounting to 16,99 million euros have been recognized in Available for sale reserve. Moreover, losses from disposal of reclassified securities for the year from January 1st, 2009 to December 31st, 2009 amounting to 1,72 million euros have been recognized in the income statement. For reclassified securities measured at amortized cost, gains for the year from January 1st, 2009 to December 31st, 2009, amounting to 14,76 million euros have not been recognized in the income statement and in Available for sale reserve.
- The General Assembly of May 2nd, 2008 decided the implementation of a Share Buyback Plan, pursuant to Article 16 of Law 2190/1920 "re: Societes Anonymes", as is in force. In particular, the General Assembly approved the purchase of treasury shares via Athens Stock Exchange up to the total of 10 million (Bank's) shares, with purchase prices between the range of 3,70 euros (minimum) and 19,00 euros (maximum) within twenty four months, beginning from May 2nd, 2008. It is noted that following the February 20th, 2009 commitment of Law "Amendments to Law on Dematerialized Securities System, on the Capital Market, taxation issues and other provisions (Law N.3756/2009, Official Gazette 53A/31.03.2009)", which stipulations state that "for the period of participation of credit institutions in the programs on the enhancement of liquidity of the economy of Law 3723/2008, the purchase of treasury shares is not allowed", the Bank did not proceed to the acquisition of any treasury shares after February 19th, 2009. This decision was based on the Banks oncoming submission to the stipulations of Law 3723/2008, in accordance with the decision of the Extraordinary General Assembly of the owners on January 28th, 2009.
- The number of Treasury Shares held by the Group for the year ended as at December 31st, 2009 was 3.465.020 common shares at cost of 23.507,02 thousand euros, while those held by the Bank were 3.433.020 common shares at cost of 23.228,78 thousand euros.
- The General Assembly of the Bank's shareholders, owners of common shares, which took place on June 30th, 2009, approved the non-distribution of dividends for the fiscal year 2008 according to No. 20708/B1175/23.04.2009 decision of the Ministry of Economy and Finance. It must be noted that according to the provisions of article 39 which are regulated in the Bill for "adaptation of the Greek Legislation in the Directive 2006/123 of the European Parliament and Council with regard to the Services in the internal market and other provisions" that replaced the first section of paragraph 1, article 28 of Law 3756/2009, in the case of distribution of dividend for the financial years of 2008 and 2009, under the provisions of paragraph 3, article 1, of Law 3723/2008, concerning the credit institutions that participate in the liquidity plan. Any distribution must be exclusively in the form of equity shares.
Under, this perspective, the Bank's Board of Directors aims to formulate a proposal to the General Assembly of the Bank's shareholders, regarding the non-distribution of dividends to the owners of common shares, from profits earned in the fiscal year 2009.
- The Bank's Board of Directors Meeting, as of May 25th, 2009, proceeded with the subscription of the full payment of 224.960 thousand euros of share capital increase, by issuing 60.800.000 preference shares, as the Extraordinary General Meeting (common shares' holders) decided on January 28th, 2009, according to article 1 of Law 3723/2008 "The enhancement of liquidity of the economy in response to the impact of the international financial crisis". Capital increase was undertaken by the Hellenic Republic by contributing 224.960 bonds of total face value 224.960 thousand euros. Preference shares were recognised at Equity and specifically to "Share Capital". If the aforementioned preference shares were recognised as a financial liability, the consolidated and own net profit after tax, for the year January 1st, 2009 to December 31st, 2009 would be reduced by 10.541,48 thousand euros. There is an analytical reference in note 35 of the Financial Statements.
- On July 13th, 2009, 142.232.982 new common registered shares with voting rights of nominal value 3,70 euros each (henceforth the "New Shares") commenced trading on the Athens Exchange ("ATHEX"). The share capital increase was fully covered (by 133,79%) by virtue of the resolution of the Extraordinary General Assembly held on April 22nd, 2009. The share capital increase of 526.262.033,40 euros was issued via cash contributions, rendering of pre-emptive rights, in favour of the old stockholders and the right by subscription to any non exercised rights. The offer price amounts to 3,70 euros per share.
- The current composition of the Board of Directors of the Bank was generated from the resolutions of the Extraordinary General Assembly of December 11th, 2009, held under the relevant demand of the "Greek State", as a major shareholder, and the decision of the Board of Directors as of February 9th, 2010.

Athens, March 30st 2010

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

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

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

DEPUTY GENERAL MANAGER
OF FINANCE
ALEXANDROS TOPALOGLOU
I.D. NUM. X158663 - P.E.R.N. 12737

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



USE OF FUNDS RAISED FROM SHARE CAPITAL INCREASE, BY PAYMENT IN CASH WITH PREFERENCE RIGHT TO THE EXISTING SHAREHOLDERS, IN ACCORDANCE WITH THE DECISION OF THE SECOND ITERATIVE EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS HELD ON 22.04.2009.

According to the decision no. 25/17.7.2008 of the Board of Directors of Athens Exchange (the "ATHEX") and the decision no. 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission (the "HCMC"), it is hereby announced that the Bank's share capital was increased by the issue of 142.232.982 new common registered shares of nominal value and issue price 3,70€ per share and raised total funds which amounted to 526.262.033,40 €.

The Bank's Board of Directors certified the share capital increase at its meeting dated July 7th, 2009. The share capital increase was approved with decision no. K2 - 7120/9.07.2009 of the Ministry of Development.

The period to exercise preference rights was from 19.06.2009 until 3.07.2009. The Athens Stock Exchange, by its decision no. 21571/09.07.2009, approved that new shares commence trading on July, 13th, 2009.

The funds raised from the above mentioned share capital increase of the Bank were fully and exclusively applied for the enhancement of Hellenic Postbank's capital adequacy, according to the purpose of the share capital increase as stated in the "Prospectus" approved by the Hellenic Capital Market Commission on June, 5th, 2009.

TABLE OF USE OF FUNDS RAISED

Description of use of funds raised	Total funds raised (amounts in €)	Used funds according to the HCMC Prospectus - for the period 7.07.2009 to 31.12.2009 (amounts in €)
Enhancement of capital adequacy	526.262.033,40	526.262.033,40
Total	526.262.033,40	526.262.033,40

Athens, March 30th, 2010

Chairman
of the BoD

Vice - Chairman
of the BoD

Chief Financial Officer

Kleanthis Papadopoulos

Spyros Pantelias

George Xifaras

Report of factual findings in connection with the ‘Report on Usage of Funds’

To the Board of Directors of “TT HELLENIC POSTBANK S.A.”

We have performed the prescribed and enumerated procedures below in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee; with respect to the “Report on the usage of funds of HELLENIC POSTBANK S.A” which relates to the share capital increase paid in cash, during 2009.

The Bank’s Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements.

Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

1. We compared the amounts referred to as disbursements in the accompanied “Report on Usage of Funds from Share Capital Increase paid in cash” with the relevant amounts recorded in the company’s books and records in the respective timeframe.
2. We examined the completeness of the Report and the consistency of its content with what is referred to in the relevant Prospectus issued by the company for this purpose and the relevant Company’s decisions and announcements.

Findings:

- a) The amounts which appear as disbursements in the accompanied “Report on Usage of Funds from Share Capital Increase paid in cash” are derived from the company’s books and records in the relevant timeframe.
- b) The content of the Report includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant Bank’s decisions and announcements.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the report beyond what we have referred to above.

Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Bank, so that the later can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial statements prepared by the Bank for the financial year ending as of 31 December 2009, for which we have issued a separate audit report, as of 30 March 2010.

Athens, 30 March 2010
The Certified Auditors - Accountants

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

PRICEWATERHOUSECOOPERS 

Constantinos Michalatos
SOEL Reg. No. 17701

Dimitrios Sourbis
SOEL Reg. No. 16891



H E L L E N I C

POSTBANK

TAXYΔΡΟΜΙΚΟ ΤΑΜΙΕΥΤΗΡΙΟ