PROTONBANK

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31.12.2008

(in Accordance with Law 3556/2007)

Athens, 9 March 2009

This Annual Report has been translated from the original statutory Annual report that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language annual Report, the Greek language Annual Report will prevail over this document

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I. Statement of the Board of Directors (According to article 4 par. 2 of Greek Law N.3556/2007)

We hereby declare and confirm that to the best of our knowledge, annual financial statements and the respective consolidated financial statements of Proton Bank S.A. for the period 1.1.2008-31.12.2008 which were prepared according to the current financial reporting standards, truly and fairly depict the assets, liabilities, equity and income of the Group and the Bank as well as of the companies included in the consolidation, in line with paragraphs 3 to 4 of article 4 of law 3556/2007.

We also declare and confirm that to the best of our knowledge, the Board of Directors Report truly depicts the information required as per paragraph 7 and 8 of article 4 of law 3556/2007.

Athens, March 9th, 2009

The Executive Vice Chairman of the Board	The Managing Director	The General Manager
Antonios I. Athanassoglou	Athanasios I. Papaspiliou	Dimitrios G. Saramantis

II. INDEPENDENT AUDITORS' REPORT

To the Shareholders of PROTON BANK S.A.

Report on the financial statements

We have audited the accompanying consolidated financial statements of PROTON BANK S.A. ("the Bank") and its subsidiaries ("the Group"), which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the Management for the Financial Statements

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

Responsibility of the Auditor

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

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

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

Opinion

In our opinion, the abovementioned consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2008, and the financial performance and the cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal Matters

We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned financial statements, in the context of the requirements of Articles 107 and 37 of Law 2190/1920

Athens, 9 March 2009

The Certified Public
Accountant Auditor

Athanasia M. Arabatzi
SOEL Reg. No 12821

44, Vas. Konstantinou Str, 116 35
Athens
SOEL Reg. No 127

III.BOARD OF DIRECTORS REPORT FOR 'PROTON BANK S.A.' FOR THE YEAR ENDED AT 31 DECEMBER 2007
Economic and financial developments and performance

Year 2008 was the year of the big crisis in the global economy and the global financial system. During the second half of the year in particular, the crisis escalated beyond control. The unprecedented international credit crisis, which was in place throughout 2008, led several important international financial institutions in a difficult position and forced many governments throughout the world to adopt supportive measures for their banking systems.

These developments, especially during the second half of the year created a serious confidence problem in the international banking system. This problem, together with shortage of liquidity restrained interbank transactions – both internationally and domestically. Consequently, the liquidity problems of the banks deteriorated further. Among other things, these developments led capital markets to a downfall, with sharp declines in the prices of most asset classes. The credit crisis which was already in place since 2007, affected the real sector during 2008, so that the international economy faces a recession.

Given the extent of the deterioration of the international economic conditions, the domestic banking system could not escape the repercussions of the crisis, which escalated during the last four months of the year. Proton Bank had already adopted a conservative stance regarding the expansion of its credit portfolio since the end of 2007, when the first signs of international deterioration appeared. This policy not only put a check on credit expansion, but also emphasized the need to retain and attract client deposits. The loan-to-deposit ratio of the Bank stood at 93% at 30.9.2008.

During the month of October the Bank faced extensive outflows of client deposits, at a time when interbank market conditions were most adverse. Notwithstanding the strenuous efforts of the entire personnel of the Bank, it was not possible to retain client deposits, which declined by almost 25% in October, as compared to the previous month. During that period interbank borrowing was almost impossible. Hence, the Bank's liquidity ratio fell well below the 20% minimum level set by the Bank of Greece, despite the fact that loans had been contained to a minimum.

Following an agreement between a group of Bank shareholders and Piraeus Bank, the latter acquired at the 4th of November the 31.3% of the Bank's share capital, so that Proton joined one of the largest Greek banking Groups, strengthening this way its credibility, as well as its liquidity. It should be noted that by 31st December 2008, shareholder IRF European Financial Investments Ltd had sold its participation in the Bank.

Other important developments affecting the Bank during the course of 2008, are as follows:

On February 26, 2008, the bank sold its participation in its subsidiary Omega Kahn Financial Services S.A. This transaction has had no significant impact on the present financial statements, due to the limited activity of that subsidiary.

On October 6, 2008, the Bank signed a transfer agreement with ASPIS HOLDINGS PUBLIC COMPANY LIMITED, member of ASPIS Bank Group, for its 92,71% subsidiary Proton Insurance S.A. The agreement will be legally completed upon approval by the supervisory authorities of Greece and Cyprus. Moreover, the two organisations signed an agreement for the distribution of ASPIS Group bankassurance products by Proton's network. Proton Insurance is consolidated in the financial information of the Bank, as a discontinued activity. These two agreements replace previous ones with Commercial Value S.A., member of the Group of ASPIS Bank, signed on 28.12.2007 and 20.3.2008, for the transfer of Proton Insurance and the distribution of bankassurance products, respectively.

Regarding the Bank's branch network, three new business centres in Attica, together with the new branch in Kavala, started operations during 1H2008. As of 31.12.2008 the Bank's, branch network consists of 33 branches. It should be noted that 38% of Proton's branch network, (including business centres) begun operations after 2006, implying substantial growth and profitability potential in the coming years, as the rate of maturity will be increasing.

Group FY2008 financial results were influenced by international capital markets commotion, which on the one hand impacted on net income from financial instruments and on the other hand led the Bank to increase its provisions, further strengthening its safety net against a potential deterioration of the real sector. Group results were further burdened by extraordinary events such as the transfer of Proton Insurance and the result of the impairment test of goodwill from the acquisition of the Omega Bank Group. Group results were also burdened by losses of subsidiary/associate companies. Accordingly, the net consolidated result from continuing and discontinued activities for the period, recorded a loss of € 61.7 mil., vis-à-vis profit of € 20.8 mil., in 2007.

Consolidated loans to customers at 31.12.2008 stood at € 1,182 mil., corresponding to a 13.6% decline as compared to 31.12.2007. Deposits from customers reached € 918 mil., declining by 36.7% y-o-y. This decline effectively took place during the last four months of the year. The loan-to-deposit ratio reached 1.29 at 31.12.2008, as compared to 0.94 at 31.12.2007 and 0.93 at 30.09.2008, given the outflows mentioned earlier.

Interest income reached € 131 mil., (+16.3% y-o-y). However, interest expense also increased, the outcome of increased banking competition for attracting client deposits throughout the year, together with the significant increase in the cost of funding, reaching € 88 mil., versus € 68 mil. in 2007 (+27.6% y-o-y). Consequently, net interest income marginally declined (-1.6% y-o-y), reaching € 42.5 mil., versus € 43.3 mil. in 2007. It should be noted that interest expense was burdened by € 3 mil. present value of claims, which had an impact on net interest income of -7.02%, so that net interest income would have increased by 5.3%.

Net fee and commission income reached € 31.5 mil., versus € 35.6 mil. in 2007 (-11.5% y-o-y), due to capital markets fluctuations and reduced activity in the investment banking sector. Subtracting income arising from the agreement with ASPIS Group to provide bancassurance services (€ 14 mil.), net fee and commission income would have declined by 50.8% on an annual basis, largely due to falling brokerage and investment banking fee and commission income, following the negative capital markets conjuncture and the consequent slowing down in the respective activities.

The net result of the trading portfolio recorded a loss of € 35 mil., vis-à-vis a gain of € 8.2 mil. for 2007. The significant fall of both domestic and international markets during the year has had a profound impact on the Bank's trading portfolio, especially during the last four months of the year, when markets fell beyond proportion.

Operating expenses before depreciation and provisions on a Group basis for 2008 reached € 48.8 mil., as compared to € 50 mil. in 2007, corresponding to a 2.2% decline. This is rather encouraging given the expansion of the Bank's branch network during the year, implying that cost containment efforts pay fruit. Total operating expenses before provisions declined by 1.4% y-o-y, reaching €56.4 mil., versus €57.1 mil. in 2007.

The Group proceeded to a significant increase in provisions in 2008. New loan loss and investment impairment provisions, together with goodwill, burdened consolidated results with € 31.2 mil. Of these, € 11.7 mil. are accounted for by the result of the impairment test of goodwill from the acquisition of Omega Bank and its Group companies. Furthermore, the Bank increased loan loss provisions by €15.8 mil. and impairment provisions of other assets by € 3.2 mil. as a further safety net against a potential deterioration of economic activity. It should be noted that the Bank proceeded to € 8.7 mil. write-offs, continuing the improvement of the quality of its loan portfolio.

Group results have also been negatively affected by losses of subsidiary/associate companies. Proton Insurance, which is consolidated in Group results as a discontinued activity, recorded in 2008 operational losses of € 3 mil. Taking into account an additional € 10.7 mil. due to the change in its valuation because of its transfer agreement, the loss from discontinued activities reaches € 13.7 mil.

Proton Mutual Funds Management recorded losses before consolidation of € 116 ths., burdening the Bank's net position by € 13.7 mil., due to the recent adjustment of its fair value. Omega Portfolio Investment Company burdened the Group with a further loss of € 1.7 mil. The results of the other subsidiaries did not have a significant impact on consolidated results.

Consolidated after tax results from continuing activities amount to a loss of € 48.1 mil., vis-à-vis profits of € 20.1 mil in 2007. Earnings per share attributable to equity holders of the Bank amount to € -0.9942, versus € 0.3309 in 2007.

Consolidated profits before provisions and results from financial instruments reached € 20 mil., versus € 23 mil. in 2007, corresponding to a 12.7% decline.

Amidst a negative conjuncture and a general slowdown in banking operations, the losses of Proton Bank Group are largely accounted for by the negative results of the trading portfolio, by increased loan-loss provisions, by the impairment test of goodwill from the acquisition of Omega Bank Group and by the valuation of Proton Insurance in the lowest price between its accounting vale and its fair value, less the cost of sale. These factors are not related to the Bank's principal activity and to a large extent are one-off.

Group total assets at 31.12.2008 stood at € 1,980 mil., versus € 2,365 mil. at 31.12.2007, recording a 16.3% decline. This decline was largely due to the decrease in loans and receivables, to the fair value of securities and to the goodwill of acquired companies.

Total equity reached € 268 mil., versus € 368 mil. in 31.12.2007, mainly because of the negative results for the period and the decrease of the fair value of available for sale securities.

LOANS & DEPOSITS			
Amounts in thousands of Euro	**31.12.2008**	**31.12.2007**	**Δ (%)**
Total Loans (before provisions)	**1.181720**	**1.368.023**	**-13.62%**
Mortgages	40.820	48.341	-15.58%
Consumer/personal	164.542	196.242	-16.15%
Finance lease receivables	83.689	69.858	19.80%
Corporate entities	892.669	1.053.582	-15.27%
Total Deposits	**918.015**	**1.450.287**	**-36.70%**

CONSOLIDATED RESULTS

Amounts in Thousands of Euro	**1.1-31.12 2008**	**1.1-31.12 2007**	**Δ (%)**
Net Interest Income	42.553	43.262	-1.64%
Net Fee and Commission Income	31.524	35.606	-11.46%
Other Operating Income	2.564	1.480	73.24%
Net Income from Financial Instruments	(35.674)	13.886	-356.91%
Total Operating Income	**40.967**	**94.234**	**-56.53%**
Personnel Expenses	(24.981)	(25.037)	-0.22%
Other Administrative Expenses	(23.839)	(24.914)	-4.31%
Depreciation Expenses	(7.581)	(7.226)	4.91%
Impairment Losses of goodwill	(11.696)	-	
Impairment Losses of loans and other assets	(19.514)	(6.981)	179.53%
Total Operating Expenses	**(87.611)**	**(64.158)**	**36.56%**
Share of profit/loss of associates	**(1.459)**	**255**	**-672.16%**
Profit / loss form continuing activities	**(48.102)**	**30.331**	
Profit / Loss from discontinued activities	**(13.689)**	**152**	
Profit / Loss before taxes	**(61.791)**	**30.483**	**-302.71%**
Income Tax	7	(9.732)	
Net Profit / Loss	**(61.784)**	**20.751**	**-397.74%**
Attributable to:			
Equity holders of the Bank	**(61.467)**	**20.609**	
Minority interests	**(317)**	**142**	

The capital adequacy ratio (in accordance with Basel II) is estimated at 9.3% on a consolidated basis and at 9.6% on a parent company basis, whereas the NPL ratio stood at 7.0%, versus 5.1% in 2007, both at a Group and at a Bank level.

At a parent company level, the Bank recorded a net loss of € 56.3 mil. in 2008, versus net profits of € 20.3 mil. in 2007. Bank assets at 31.12.2008 reached € 1,965 mil., versus € 2,355 at 31.12.2007. As mentioned earlier, this decline was largely due to the decrease in loans and receivables, and to the fair value

of securities. Total equity of the Bank reached € 275 mil., versus € 383 in 2007, manly because of the period's losses and the decrease of the fair value of available for sale securities.

The losses of the Bank's trading portfolio reached € 34.7 mil., versus profits of € 8.2 mil. in 2007. Based on the amendments of IAS 39 and IFRS 7, the Bank transferred during the 3rd quarter of 2008 € 22 mil. of ASE-listed equities from financial assets at fair value through profit or loss, to the available-for-sale investment securities. This was because the Bank intends to hold these positions for a period longer than a year. Furthermore, the present conditions prevailing in the equity market imply discrepancies between the market and the true value of these companies.

Depreciation/amortisation reached € 7.5 mil., and mainly consists of € 4.9 mil. intangible assets. The Bank undertook additional loan loss and other provisions of € 19 mil., together with the result of the impairment test of goodwill from the acquisition of Omega Bank and its Group companies of € 11.7 mil.

Post- accounting period important events

In view of the need to both strengthen the Bank against a potential further deterioration of the economic and financial environment in the future and facilitate the continuation of loan provision towards individuals, companies and productive activities in general, under the terms and conditions of law 3723/2008, the Bank decided to be incorporated in the government scheme, under the provisions of the respective law. More specifically, the Extraordinary General Assembly of the Bank's Shareholders at its 28.1.2009 meeting, decided to increase the Bank's share capital by € 80 mil., with the issuance of preferred shares in favour the Greek State, in accordance with the terms and conditions of law 3723/2008.

This development is expected to boost the liquidity and the capital strength of the Bank.

Main risks and uncertainties for 2009

The international financial crisis continues to unfold in 2009. At present it is not possible to predict with a reasonable degree of credibility either the extent, or the duration of the crisis. The main risks for the Group therefore, are macroeconomic and credit risks, directly related to the general course of the global banking system. Risk margins remain high, both due to capital markets turmoil and due to credit sector risks arising from the deceleration of economic activity.

By and large, the liquidity risk for the Bank in 2009 is the outcome of the international crisis and consists of the likelihood of potential massive deposit outflows, at conditions of non-existent interbank market. We nevertheless believe that the participation of Piraeus Bank in the Bank's share capital, apart from support at times of interbank market failures, contributes to the enhancement of Proton's credibility and facilitates the Bank's efforts to attract customer deposits, which is the central target for this year. As mentioned earlier, the Bank tackled this risk with the decision of the Extraordinary General Assembly Meeting of the Bank's Shareholders of 28.1.2009, to increase its share capital by € 80 mil., with the issuance of preferred shares for the Greek State, in accordance with the terms and conditions of law 3723/2008.

Regarding credit risk, a potential further deterioration of economic conditions, may lead the real sector to an extensive recession. Such an outcome would result to a disproportional increase in non-performing loans. In order to allow for such an eventuality, the Bank, among other things, undertook increased provisions in 2008. Moreover, the Bank remains alert and follows closely all pertinent developments, looking for early signs and indications related to the likelihood of new non-performing loans.

With respect to market risk, the Bank makes every effort to manage and control its exposure to market related risks, aiming to maximise its return, while maintaining risk at acceptable levels. Market risk consists of foreign exchange risk, interest rate risk and the risk arising from the valuation of the Bank's trading portfolio.

Foreign exchange risk mainly arises from the Bank's exposure in USD and JPY, basically in investment products. The fact that the main exposure of the Bank, i.e. the bulk of its activities is in Euro, reduces foreign exchange risk. Concerning the risk related to the valuation of the Bank's trading portfolio, it should be noted that the Bank maintains positions in bond and equity markets. In the event that capital markets commotion continues, there is a risk of further related losses in 2009. The Bank's ALCO Committee monitors closely all market related risks, with active management and hedging of positions, mainly through derivatives.

Expectations for operations during 2009

Given the risks and uncertainties, inherent in the present economic conjuncture, Proton Bank will continue with its conservative stance in terms of expanding its

activities.

The Bank considers the attraction of client deposits as its core target for 2009. Assuming that the process of gradual restoration of confidence in the banking system continues, the Bank believes that it is in a position to increase deposits and recover part of the respective outflows realised during the last quarter of the past financial year, reducing this way its dependency on interbank borrowing. It should be noted that in a period less than two months since the beginning of the year, clients deposits have increased by 11.1%, thus the rate of deposit recovery is, so far, satisfactory.

The Bank also continues its efforts to control and lower its operational costs, given that it has been rather successful, in that front, during the course of 2008. The Bank therefore expects that personnel and administrative costs will decrease in 2009, along the lines of the previous financial year.

Regarding credit expansion, the Bank will continue its conservative policy. It is nevertheless expected that the contraction of the loan portfolio will be reversed in 2009. Following the support of the Bank by the governmental scheme to strengthen the liquidity of the economy, the Bank is in a position to continue its loan provision towards corporates and individuals, expanding its loan portfolio. Given the present economic environment, the Bank monitors closely all current loans and their implied risks, aiming at the re-pricing of limits relatively to changes in the cost of funding and the respective risk and at the control and gradual reduction of non-performing loans as a percentage of the total loan portfolio, so as to avoid increased provisions and write-offs.

By and large, the Bank does not expect to realise during this year losses from financial instruments, equivalent to those of 2008, which accounted for a large portion of the Bank's negative result. Conditions of high risk and uncertainty still prevail in capital markets. However, the downfall of indices during 2008 was so extensive, that it is unlikely to see equivalent losses in 2009. This factor is expected to have a positive impact on results. Yet, it is not possible to predict with a reasonable degree of safety the time and extent of the capital markets recovery and the consequent impact on the Bank's trading portfolio.

The selling of Proton Insurance is expected to have a positive impact on Group results in 2009. The contribution of this activity to the growth and expansion of the Group was insignificant and in any event, the Group will avoid the respective losses. The Bank presently evaluates its policy with respect to its other subsidiary/associate companies, namely Proton Mutual Funds Management, Omega Portfolio Investment and the Serbian brokerage house FGB, looking for those business plans, or other corporate actions that will improve consolidated results in the future.

Last, but not least, the Group expects to benefit from its cooperation with the Group of Piraeus Bank. The participation of Proton in one of the biggest Greek banking organisations presents significant opportunities to expand its know-how and exploit synergies. At a time of uncertainties and rapid changes in economic circumstances, the participation of Piraeus Bank in Proton's share capital, implies confidence and optimism for the clients personnel and shareholders of PROTON BANK.

Own Shares

At its November 24, 2006, meeting, the Extraordinary General Assembly of the Bank's shareholders approved a share buy-back program, up to the 10% of the total number of the Bank's shares, i.e. up to 6,268,382 shares, at a price range of € 5-15 per share, for a period of up to twelve months, starting from the date of the respective General Assembly decision. As of December 31, 2007, the Bank and its Group subsidiaries had acquired 859,483 shares of the Bank, at a cost of € 8,646 ths., with the Bank holding 760,483 own shares at a cost of € 7,668 ths. As of December 31, 2007 associate companies had acquired 60,000 shares of the Bank, at a cost of € 684 ths. During 2008, associate companies acquired a further 10,000 shares of the Bank, at a cost of 96 ths. The fair value of the total number of Bank shares held by the Bank, its subsidiaries and its associate companies at December 31, 2008, amounted to € 567 ths., corresponding to the 1.48% of the total share capital of the Bank.

Related Party Transactions

All with related parties transactions have been conducted within the normal course of business, on a purely commercial basis. The analysis of the related party transactions is as follows:

TABLE I: INTRA-GROUP TRANSACTIONS OF 2008

(BANK REVENUES FROM TRANSACTIONS WITH ASSOCIATED COMPANIES)

	PROTON'S PARTICIPATION at 31.12.2008		TYPE OF TRANSACTION			
	DIRECT	INDIRECT	INTEREST ON LOANS	RENT	OTHER INCOME	COMMISSIONS
COMPANY EXPENSES						
PROTON MUTUAL FUNDS S.A.	99,91%			36	22	46
FIRST GLOBAL BROKERS SA AD	82,49%					5
OMEGA INSURANCE BROKERAGE S.A.	66,00%			12	7	29
PROTON INSURANCE S.A.	92.71%		274	11	40	80
INTELLECTRON SYSTEMS S.A.	55,64%					
OMEGA PORTFOLIO INVESTMENTS	24,88%	4,91%		25	20	11
TOTAL			274	84	89	170

TABLE II: INTRA-GROUP TRANSACTIONS OF 2008

(BANK EXPENSES FROM TRANSACTIONS WITH ASSOCIATED COMPANIES)

	PROTON'S PARTICIPATION at 31.12.2008		TYPE OF TRANSACTION	
	DIRECT	INDIRECT	INTEREST ON DEPOSITS	INSURANCE FEES
COMPANY REVENUES				
PROTON MUTUAL FUNDS S.A.	99,91%		237	
FIRST GLOBAL BROKERS SA AD	82,49%			
OMEGA INSURANCE BROKERAGE S.A.	66,00%		12	
PROTON INSURANCE S.A.	92.71%		666	22
INTELLECTRON SYSTEMS S.A.	55,64%			
OMEGA PORTFOLIO INVESTMENTS	24.88%	4,91%	242	
TOTAL			1.157	22

TABLE III: INTRA-GROUP TRANSACTIONS 2008

(BANK CLAIMS FROM TRANSACTIONS WITH ASSOCIATED COMPANIES)

	PROTON'S PARTICIPATION at 31.12.2008		TYPE OF TRANSACTION		
	DIRECT	INDIRECT	LOANS	LETTERS OF GUARANTEE	OTHER
LIABILITIES OF COMPANIES					
PROTON MUTUAL FUNDS S.A.	99,91%			421	5
FIRST GLOBAL BROKERS SA AD	82,49%			500	
OMEGA INSURANCE BROKERAGE S.A.	66,00%				32
PROTON INSURANCE S.A.	92.71%		3.718	145	73
INTELLECTRON SYSTEMS S.A.	55,64%				
OMEGA PORTFOLIO INVESTMENTS	24,88%	4,91%			60
TOTAL			3.718	1.066	171

TABLE IV: INTRA-GROUP TRANSACTIONS 2008

((BANK LIABILITIES FROM TRANSACTIONS WITH ASSOCIATED COMPANIES)

	PROTON'S PARTICIPATION at 31.12.2008		TYPE OF TRANSACTION		
	DIRECT	INDIRECT	CASH DEPOSITS	FIXED DEPOSITS	COLLATERAL
CLAIMS OF COMPANIES					
PROTON MUTUAL FUNDS S.A.	99,91%		4.985	2.730	
FIRST GLOBAL BROKERS SA AD	82,49%				
OMEGA INSURANCE BROKERAGE S.A.	66,00%		172	335	
PROTON INSURANCE S.A.	92,71%		1.895	11.031	772
INTELLECTRON SYSTEMS S.A.	55,64%				
OMEGA PORTFOLIO INVESTMENTS	24,88%	4,91%		7.144	
TOTAL			7.052	21.240	772

TABLE V: 2008 TRANSACTIONS WITH OTHER RELATED PARTIES

Directors and key management personnel

	31.12.2008	31.12.2007
Assets		
Loans	25.990	22.467
Other assets	127	195
Total	**26.117**	**22.662**
Liabilities		
Deposits	29.118	67.775
Debts securities in issue	-	1.539
Other liabilities	53	177
Total	**29.171**	**69.490**

Income	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Interest and similar income	2.463	1.419
Other income	1.369	394
Total	**3.832**	**1.813**

Expenses	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Salaries and other remuneration	5.680	5.124
Interest expense and similar charges	2.207	3.120
Other operating expenses	657	491
Total	**8.544**	**8.735**

	31.12.2008	**31.12.2007**
Letters of guarantee	**245**	**18.195**

Stock option plan as at 31 December 2008

	STOCK OPTION	VALUE
Key management personnel	1.280.200	431
Directors	1.544.610	520
Total	**2.824.810**	**951**

PIRAEUS GROUP

	31.12.2008
Assets	
Claims form bond loans	19.395
Claims from equity shares	3
Claims from deposits	3.597
Σύνολο	**22.995**
Liabilities	
Liabilitiles from interbank deposits	366.630
Other liabilites	200
Σύνολο	**366.830**
Income	**5.11.-31.12.2008**
Interest received from bond loans	**13**
Expenses	
Interest paid to interbank deposits	**2.616**
pledged assets as guarantees	**248.983**

Explanatory Report of the Board of Directors for financial year 2008 to the Ordinary General Meeting of the Shareholders of "PROTON BANK S.A."

The present explanatory report of the Board of Directors to the Ordinary General Meeting of the Shareholders of "PROTON BANK S.A." contains detailed information in relation to the issues of paragraph 1 of article 11a of Law 3371/2005:

(a) Structure of the share capital of the Bank

The share capital of the Bank amounts today to two hundred and eighty one million four hundred fifty thousand three hundred and sixty euros and seventy eight cents (€ 281,450,360.78) and is divided into sixty two million six hundred eighty three thousand and eight hundred twenty two (62,683,822) common registered by vote shares, of a nominal value of four euro and forty nine cents (€ 4.49) each.

The Extraordinary General Meeting of the Bank's shareholders of 28.01.2009, decided to increase the Bank's share capital up to the amount of € 79,999,995.79. This increase will be covered by Hellenic State bonds and the issuance of 17,817,371 redeemable preferred shares of nominal value and price € 4.49, in accordance with article 1 of Law 3723/2008, with the cancellation of the pre-emptive right of existing shareholders in favour of the Hellenic State. This increase has not been completed yet.

Upon completion, the Bank's share capital will amount to three hundred and sixty one million four hundred fifty thousand three hundred and fifty six euros and fifty seven cents (€ 361,450,359.57) and will be divided into sixty two million six hundred eighty three thousand and eight hundred twenty two (62,683,822) common registered by vote shares (henceforth 'Common Shares'), and seventeen million eight hundred seventeen thousands and three hundred and seventy one (17,817,371) preferred registered by vote shares (henceforth 'Preferred Shares'), all of a nominal value of four euro and forty nine cents (€ 4.49) each. Common Shares will represent 77.87% of the Bank's total share capital, whereas Preferred Shares will represent 22.13%.

The shares of the Bank are mandatorily registered shares, according to article 11a par. 2 of Codified Law 2190/1920, as in force. The shares are listed for trading on the Main Market of the Athens Stock Exchange and are therefore maintained in electronic form in the files of the company "EXAE AE (ex Central Securities Depository S.A.)".

The rights of the Bank's Common Shareholders derived from its share, are equivalent to the percentage of the capital, to which the paid value of the share corresponds to. Each Common Share provides all the rights that are allowed for by the law and the articles of association of the company. More specifically:

- Each Shareholder, who is registered with the Registry of Shareholders of the Bank, at the date that defines the beneficiaries of dividends, has a

right to the dividend from the annual profits or under liquidation profits of the Bank.

According to the provisions of articles 44a, 45 and 46a of Codified Law 2190/1920, as in force and the provisions of article 3 of the Compulsory Law 148/1967, as amended by article 1 of the Law 876/1979 as in force, a percentage of 35% of the net profits, following a deduction only of the ordinary reserves. The granting of an additional dividend is decided by the General Meeting of the Shareholders.

Following a decision of the General Meeting of the Shareholders, which takes place according to the provisions of article 22 of the Bank's Articles of Association, the remaining net profits, after the formation of the ordinary reserve and the distribution of the first dividends may be used, in whole or in part, for the increase of the share capital with the issuance of new shares, which are provided to the shareholders without any payment in cash, instead of an additional dividend, according to the article 3a par. 3 of Codified Law 2190/1920, as in force.

Any distributed provisional dividends or percentages cannot exceed half (50%) of each financial year's net profits.

The payment of the dividends takes place within two (2) months following the decision of the Ordinary General Meeting of the Shareholders, which approved the annual financial statements and at a date which is set by the Ordinary General Meeting, or by the Board of Directors, if there is an authorization in the decision of the General Meeting of the Shareholders. Shareholders that have not collected in time their dividends do not have any right for interest. Any claims regarding the dividends which have not been paid to the shareholders, lapsed after five (5) years from the date that became due and payable and the relevant amount comes to the Hellenic State.

- The right to withdraw the contribution at the expiration of the time set or the liquidation or respectively at the amortization of the share capital which corresponds to the share, if this has been decided by the General Meeting of the Shareholders.
- The pre-emption right in any case of an increase of the Bank's share capital, which is not realized with contribution in kind, or issuance of bonds with the transformation right to shares and the undertaking of the new shares or bonds.
- The right to participate in the General Meeting, which is specified in the following rights: authorization, presence, participation in the meetings, submission of proposals to the items of the agenda, registration of opinion in the minutes and right to vote.

The liability of the shareholders of the Bank, either Common, or Preferred shareholders, is up to the amount of the nominal value of the share.

In particular, with respect to the rights and liabilities related to Preferred Shares, it is noted, according to par. 1 (a) of article 11a of Codified Law 2190/1920, the following:

The State cannot transfer the Preferred Shares to third parties. The Preferred Shares are not susceptible for listing on an organised market and they allow the Hellenic State the following prerogatives:

- The right to draw a fixed return, calculated at 10% over the price of each Preferred Share to the Hellenic State:
  (i) before the Common Shares,
  (ii) before the dividend amounts distributed in accordance to par. 3 of article 1 of Law 3723/2008 and
  (iii) irrespective of the dividend amounts distributed to the other shareholders of the Bank and provided that after the payment of this return the capital adequacy ratios of the Bank an a consolidated and a parent company basis satisfy the minimum requirements set each time by the Bank of Greece.

  The fixed return accruing annually, is calculated in relation to the time period that the State remains as a Preferred Shareholder and is paid within a month from the approval by the Ordinary General Meeting of the annual financial statements of the respective financial year, and is subject to the condition that there are amounts to be distributed, in accordance with article 44a of Codified Law 2190/1920 and more specifically profits during the last or previous financial years, or reserve, provided there has been a respective decision for their distribution by the General assembly of the Common Shareholders of the Bank. In case that the aforementioned amounts to be distributed are insufficient, there is the right of preferred (before the common shareholders) drawing of the aforementioned return, up to using up these amounts.
- The right to vote in the General Meeting of Preferred Shareholders, as defined by Codified Law 2190/1920.
- The right to participate in the Board of Directors of the Bank, through a representative, which may be appointed as an additional member of the Board of Directors.
- The right of the representative of the State which has been appointed as a member of the Board of Directors to veto any decision in relation to the distribution of dividends and compensation policies for the Chairman, the Managing Director, the other members of the Board of Directors, as well as the general managers and their alternates, with a decision of the Minister of Economy and Finance, or if the representative considers that the respective decision may endanger the interests of depositors, or may essentially affect the solvency and the operation of the Bank.
- The right of presence in the General Meeting of Common Shareholders, with a veto right of the representative of the State which has been appointed as a member of the Board of Directors during the discussion and decision of the aforementioned issues.
- The right of the representative of the State for free access to the books and information of the Bank for the purposes of law 3723/2008 and
- The right of Preferred, versus all other Common Shareholders, to satisfaction from the outcome of liquidation.

The aforementioned privileges, do not affect the bearers of hybrid securities Tier I, neither do the affect any other, titles which are included in the Bank's supervisory capital, except Common Shares.

In any event, these shares have the general characteristics, based on which they should be accepted as part of the Bank's Tier I capital and they will be repurchased by the Bank, in the price they were put up, mandatorily after five years, or optionally, at an earlier time, not earlier than 01.07.2009, subject to approval by the Bank of Greece. The repurchase of the Preferred Shares will be effected either with bonds of the Hellenic State, of an equivalent amount, or with the corresponding amount of cash. In the event that the Bank is not in apposition to repurchase them, then these shares will be converted to common registered by vote shares, in accordance with law 3723/2008 and Decision of the Minister of Economy and Finance ref. no. 54201/B'2884/26-11-2008.

(b) Restrictions in the transfer of the Bank's shares

The transfer of the Bank's shares takes place according to the provisions of the article 8b of Codified Law 2190/1920 as in force and there is no restriction to their transfer in its Articles of Association. It should also be noted that the Bank's shares are listed on the Athens Stock Exchange.

(c) Important direct or indirect participations in the scope of the provisions of the P.D. 51/1992.

The following table presents individual shareholders (individual persons or legal entities) who own directly or indirectly a percentage over 5% of the total number of the Bank's shares as of 31st December 2008:

Shareholder's name	Number of shares	% of the total number of shares
Piraeus Bank S.A.	19,629,247	31.31469%
Drawbridge Global Macro Fund	4,510,000	7.1948%
Morgan Stanley and CO International PLC	3,458,102	5.51674%
UBS A.G.	3,357,500	5.35625%

(d) Shares that provide special control rights.

There are no shares of the Bank which provide to their beneficiaries special control rights.

(e) Restrictions in the right of vote.

Each Common Share gives the right of one vote in the General Meeting of the Common Shareholders. Every Preferred Share gives the right to vote in the General Meeting of the Preferred Shareholders, as defined by Codified law 2190/1920. There are no provisions in the Articles of Association of the Bank for restrictions in the right of the vote derived from its shares. In case of co-ownership of one or more shares, the rights of the co-owners will be exercised by a common representative and in case of its absence, the exercise of the rights will be withheld.

(f) Agreements between the Shareholders of the Bank.

The Bank is not aware of any agreements between its shareholders that imply restrictions in the transfer of its shares or in the exercise of the rights of vote derived from its shares. It is noted that according to the provisions of Law 3723/2008 and the decision of the Extraordinary General Meeting of the Bank's shareholders of 28.01.2009, the State cannot transfer its preferred shares to third parties.

(g) Regulations for the appointment and replacement of Members of the Board of Directors, and for the amendment of the Articles of Association.

The regulations of the Articles of Association of the Bank for the appointment and the replacement of the members of the Board of Directors and for the amendment of the provisions of the Articles of Association do not differ from the provisions of Codified Law 2190/1920. There are no special agreements between Shareholders concerning the appointment of BoD members of the Bank. Preferred Shares allow the State the right to participate in the Board of Directors of the Bank, through a representative, which may be appointed as an additional member of the Board of Directors.

(h) Power of the Board of Directors or of certain Members of the Board of Directors for the issuance of new shares or for the purchase of own shares according to article 16 of the CL 2190/1920.

- According to the provisions of article 6 of the Bank's Articles of Association, during the first five (5) years from the establishment of the Bank, the Board of Directors may decide by a majority of at least two-thirds (2/3) of the total number of its members:
  a) to increase the share capital in whole or in part with the issuance of new shares, for an amount that cannot exceed the initial share capital and b) to issue a bond loan with the issuance of bonds convertible to shares, for an amount that cannot exceed the half of the paid share capital. The above powers can also be assigned to the Board of Directors with a decision of the General Meeting, which is under the provisions of publicity of the

article 7b CL 2190/1920, as in force. In that case, the share capital can be increased up to the amount of the paid capital at the same date that the Board of Directors was authorized with that power while the amount of the bond loan cannot exceed the half of the paid share capital at the same date. The aforementioned powers of the Board of Directors can be renewed by the General Meeting for a period that cannot exceed five years for each renewal and their validity will start after the expiration of each five year period. This decision of the General Meeting is under the provisions of publicity of article 7b of Codified Law 2190/1920, as in force.

The power of the Board of Directors to increase the share capital of the Bank, according to paragraph 1, can also be exercised in parallel to that of the General Meeting of the Shareholders according to paragraph 2 of article 6 of the Bank's Articles of Association.

According to paragraph 6 of article 6 of the Bank's Articles of Association, in each case of increase of the share capital, which is not made in kind, the right of pre-emption is provided for the whole new share capital, in favour of all the Shareholders at the time of the issuance, in relation to their participation in the existing share capital. After the expiration of the deadline, which was defined by the corporate body of the Bank which decided the increase for the exercise of the pre-emption right, which in no circumstance can be less than one (1) month period, the shares which have not be taken, in accordance with the above, will be at the disposal of the Bank's Board of Directors for offering. Additionally, in case that the corporate body which has decided the increase of the share capital, failed to set a deadline for the exercise of the pre-emption right, this deadline or its extension will be defined by a decision of the Board of Directors as provided for in article 11 of Codified Law 2190/1920 as in force.

The Ordinary General Meeting of 23.05.2008 decided (i) to recall-cancel the power granted by the Extraordinary General Meeting of the Bank's shareholders, of 23.09.2005, to the Board of Directors for the issuance of a convertible bond loan and share capital increase, since the Board of Directors never exercised this power and (ii) the renewal of the power to the Board of Directors for a period of five years to (a) issue a bond loan convertible to shares in accordance with article 3a of C.L. 2190/1920 and (b) increase the share capital in part or in whole, in accordance with article 13 par.1 of C.L. 2190/1920 through the issuance of new shares, for an amount which cannot exceed the existing share capital, i.e. the amount of two hundred and eighty one million four hundred fifty thousand three hundred and sixty euros and seventy eight cents (€ 281,450,360.78).

It is noted that until today the Board of Directors of the Bank has not exercised its right based on the above power granted to it by virtue of the decision of the Extraordinary General Meeting of 23.05.2008 concerning the share capital increase or/and the issuance of a convertible bond loan.

- According to the provisions of article 13 par. 9 of Codified Law 2190/1920, a stock option plan to the members of the Board of Directors and the personnel can be set up, following a decision of the General Meeting of the Shareholders with the form of pre-emption rights for the purchase of shares according to the specific terms of this decision. The Bank's Extraordinary General Meeting of the Shareholders of 24.11.2006, decided a stock option plan to the members of the Board of Directors and the Bank's personnel as well as of its affiliated companies, with the form of pre-emption rights for the purchase of shares (stock option plan), according to article 13 par. 9 of Codified Law 2190/1920. In particular, the General Meeting approved the regulation for the disposal of pre-emption rights for the purchase of Bank's shares for the executive and non-executive members of the Board of Directors, the executive managers and the personnel of Bank and its affiliated companies, by which the terms of operation of the aforementioned stock-option plan (the "Program") are defined as follows:

  (1) The duration of the Program was set up for 6 years beginning with the approval of the General Meeting and ending December 2012.

  (2) The executive and non-executive members of the Board of Directors, the managers and the remaining personnel of the Bank and its affiliates, can participate in the Program.

  (3) In the context of the Program, in case that equivalent rights are exercised, common nominal shares may be issued, partially, up to 6,268,382 in favour of the beneficiaries of the Program. The disposal price of the shares will be 10.46 euro per share, while the deadline for exercising the pre-emption rights will be up to three (3) years.

  (4) The pre-emption rights are granted in favour of the beneficiaries following an ad hoc decision of the Board of Directors within the duration of the Program following a proposal of the Management and Fee Commission.

  In case that not all rights for the purchase of shares are exercised by the beneficiaries, during the program and the increased amount of the share capital is not fully covered, the share capital is increased up to the covered amount according to the provisions of article 13a par. 1 of Codified Law 2190/1920.

  (5) The pre-emption rights are exercised under the terms of the program and the decisions of the Board of Directors, by 1/3 of the total number of the rights annually under the sole discretion of the beneficiaries according to the provisions of the relevant Regulation. Specifically, the rights which have not been exercised by a beneficiary will be transferred to the next period of rights' exercising.

  (6) The beneficiary has the right to exercise the total of its non-exercised rights of the whole period of the program in case of change of the share participation of the Bank that has as a result in the change of its control within the meaning of the terms of article 42e of Codified Law 2190/1920 etc., with the exception of the occasion that the change of control refers to the biggest shareholder of the Bank at the date that the Program was approved, which is IRF European Finance Investments LTD (i.e if IRF LTD assumes control according to the scope of article 42e of Codified Law 2190/1920), according to which the whole exercise of the non-exercised rights will not stand. In the event of change in the shareholders' interest, if all his rights are not exercised, the non-exercised rights are transferred to the next year until the end of the Program.

Any other terms are included in the Regulation in force, as included in the minutes of the Extraordinary General Meeting dated 24.11.2006, registered in the Registry of Societe Anonymes dated 22.12.2006.

The Board of Directors of the Bank during its meeting dated 16.04.2007 resolved to grant a total number of 4,943,815 Option Rights (hereinafter the "Rights") to 553 individuals in total with an exercise deadline of three-years. The exercise of the Rights, after the date of their maturity, was resolved to be conducted as follows:

1. Up to 1/3, to the maximum, of all Rights are exercised during the time period as of November 1, 2007 until November 30, 2007 by simultaneously paying the corresponding amount to the Bank (first strike period).
2. Cumulatively up to 2/3, to the maximum, of all Rights are exercised during the time period as of November 1, 2008 until November 30, 2008 by simultaneously paying the corresponding amount to the Bank (second strike period).
3. Cumulatively and up to 100%, to the maximum, of all Rights are exercised during the time period as of November 1, 2009 until November 30, 2009 by simultaneously paying the corresponding amount to the Bank (third strike period).

It is noted that during the first and second exercise time periods, 1st to 30th November 2007 and 1st to 30th November 2008, no option rights were exercised and no amount was paid for the share capital increase. Consequently, the share capital of the Bank was not amended and amounts to the sum mentioned in paragraph (a) above.

- According to the provisions of article 16 of Codified Law 2190/1920, the Bank has the right, following a relevant decision by the General Meeting of the Shareholders, to proceed to the purchase of own shares through the Athens Stock Exchange up to a percentage of 10% of the total number of the shares with the special terms and procedures of the aforementioned provisions. The Extraordinary General Meeting of the Shareholders of the Bank of 24.11.2006 decided the purchase of own shares, according to article 16 par. 5 of Codified Law 2190/1920, as in force before its amendment with article 21 of law 3604/2007, with the following main terms, i.e.:

1) The maximum number of shares to be purchased was set to a percentage up to 10% of the total of the shares of the Company, i.e. up to 6,268,382 shares.
2) The maximum and the minimum price (price range) at which the purchases would be permitted to take place was set between five (5) Euros and fifteen (15) Euros.
3) The time period during which the purchases could take place was set to twelve (12) months from the date that the decision was taken, i.e. until 24.11.2007.

In implementing the above decision of the General Meeting of the Bank's shareholders, the Board of Directors by virtue of its decision dated 08.05.2007, resolved to purchase own shares. During the time period from 24.05.2007 until 23.11.2007 (inclusive), 760,483 own shares in total were purchased, i.e 1.2132% of the total amount of its shares, of contractual value equal to € 7,667,744.46, with an average purchasing price of € 10.083 per share. Consequently, the Bank possesses today 760,483 own shares in total, i.e a percentage of 1.2132% of the total number of its shares.

i) Important agreements that the Bank has entered.

There are no important agreements that the Bank has entered, that are in force, amended or expire in case of a change in its control, following a tender offer.

j) Agreements that the Bank has concluded with Members of its Board of Directors or with its personnel.

There are no agreements of the Bank with members of its Board of Directors or its personnel that allow compensation to be paid, especially in case of resignation or dismissal without an important reason, or expiration of their term, or their departure in case of the filing of a tender offer. The provisions for compensation for retirement, due to the implementation of the provisions of Law 3371/2005, amounted on 31st of December 2007 to € 1,079 thousands. There are no provisions for compensation due to retirement for the members of the Board of Directors of the Bank except for the Managing Director and the General Manager, who are also members of the Board of Directors. The provisions relating to personnel of General Manger positions amount to € 280 thousands.

Athens, 9Th March 2009

The Vice Chairman of the Board
Antonios I. Athanassoglou

IV. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Note	1.1.-31.12.2008	1.1.-31.12.2007
Interest and similar income		130.503	112.194
Interest expense and similar charges		(87.950)	(68.932)
Net interest income	6	**42.553**	**43.262**
Fee and commission income		40.118	43.966
Fee and commission expense		(8.594)	(8.360)
Net fee and commission income	7	**31.524**	**35.606**
Dividend income	8	1.933	3.412
Net trading income	9	(34.957)	8.211
Net income from financial instruments designated at fair value	10	(2.610)	2.263
Net gains less losses from investment securities		(40)	
Other operating income	11	2.564	1.480
Operating income		**40.967**	**94.234**
Personnel expenses	12	(24.981)	(25.036)
Other administrative expenses	13	(23.838)	(24.914)
Depreciation expenses	14	(7.581)	(7.225)
Impairment losses on financial assets	15	(31.210)	(6.981)
Total operating expenses		**(87.610)**	**(64.156)**
Share of profit of associates	16	**(1.459)**	**255**
Profit/ (loss) before tax		**(48.102)**	**30.333**
Income tax expense	17	7	(9.732)
Profit / (loss) after tax from continuing activities		**(48.095)**	**20.601**
Profit / (loss) after tax from discontinued activities	18.1	**(13.689)**	**152**
Profit / (loss) for the period		**(61.784)**	**20.753**
Attributable to:			
Equity holders of the Bank		(61.467)	20.611
Minority interests		(317)	142
Earnings per share:	18		
From continuing and discontinued activities			
Basic in € per share		**(0,9942)**	**0,3309**
From continuing activities		**(0,7780)**	**0,3293**
Basic in € per share			

The notes on pages 23 to 67 are an integral part of these consolidated financial statements as at 31 December 2008.

CONSOLIDATED BALANCE SHEET

(in thousands of euros)	Note	31.12.2008	31.12.2007
ASSETS			
Cash and balances with the Central Bank	19	35.386	52.796
Loans and advances to banks	20	46.260	205.055
Loans and receivables	21	1.181.720	1.368.023
Derivative financial instruments	22	21.186	11.529
Financial assets at fair value through profit or loss	23	121.716	174.381
Financial assets designated at fair value	24	38.255	5.421
Investment securities:			
- Held-to-maturity	25	6.664	9.717
- Available-for-sale	26	309.424	250.227
Investments in associates	27	2.221	3.886
Intangible assets	28	87.947	104.271
Property, plant and equipment	29	26.796	27.880
Deferred tax assets	30	16.822	7.098
Other assets	31	48.808	91.420
		1.943.205	2.311.704
Non-current assets held for sale	32	36.602	53.727
Total assets		**1.979.807**	**2.365.431**
LIABILITIES			
Due to banks	33	689.254	433.941
Due to customers	34	918.015	1.450.287
Derivative financial instruments	22	20.670	14.570
Debt securities in issue	35	25.255	25.283
Retirement benefit obligations	36	1.293	1.140
Current income tax liabilities	37	2.949	10.498
Deferred tax liabilities	30	3.728	6.928
Other liabilities	38	9.163	10.880
		1.670.327	1.953.527
Liabilities related to non-current assets held for sale	32	41.172	44.339
Total liabilities		**1.711.499**	**1.997.866**
EQUITY			
Share capital	39	281.450	281.450
Share premium	40	85.446	85.456
Less: Treasury shares		(8.646)	(8.646)
Other reserves	41	(34.062)	(9.943)
Retained earnings		(56.200)	18.579
		267.988	366.896
Minority interests		320	669
Total equity		**268.308**	**367.565**
Total equity and liabilities		**1.979.807**	**2.365.431**

The notes on pages 23 to 67 are an integral part of these consolidated financial statements as at 31 December 2008.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Share capital	Treasury shares	Attributable to equity holders of the Bank Share premium	Revaluation reserve	Employ share option plan reserve	Statutory reserve	Retained earnings/ (losses	Total	Minority interest	Total equity
Balance at 1 January 2007	281.450		85.478	(11)		528	16.612	384.057	687	384.744
- Available-for-sale investments: valuation gains/(losses) taken to equity				(12.582)				(12.582)		(12.582)
- Exchange differences on translating foreign operations							(11)	(11)	(3)	(14)
- Other consolidation adjustments				(6)			81	75	(105)	(30)
-Cost in share capital increase Proton Insurance			(21)					(21)	(4)	(25)
Net income and expense recognized directly in equity			(21)	(12.588)			70	(12.539)	(112)	(12.651)
Profit for the year ended 31.12.2007							20.611	20.611	142	20.753
Total recognized income and expenses			(21)	(12.588)			20.681	8.072	30	8.102
- Statutory reserve						1.145	(1.145)			
- Acquisition of minority interests (Omega Mutual Funds SA)									(131)	(131)
- Fair value of employee services received					983			983		983
- Dividend relating to 2006							(17.551)	(17.551)	(32)	(17.583)
- Shift of interest due to share capital increase (Proton Insurance SA)							(19)	(19)	19	
- Participation in share capital increase (Proton Insurance SA)									96	96
- Purchases/ Sales of treasury shares		(8.646)						(8.646)		(8.646)
Balance at 31 December 2007	281.450	(8.646)	85.457	(12.599)	983	1.673	18.579	366.896	669	367.565
Balance at 1 January 2008	281.450	(8.646)	85.457	(12.599)	983	1.673	18.579	366.896	669	367.565
- Net revaluation gains /(losses) on available-for-sale assets				(25.752)				(25.752)		(25.752)
-Cost in share capital increase Proton Insurance			(11)					(11)		(11)
- Exchange differences on translating foreign operations							5	5	1	6
Net income and expense recognized directly in equity			(11)	(25.752)			5	(25.758)	1	(25.757)
- Profit/(loss) for the year ended 31.12.2008							(61.467)	(61.467)	(317)	(61.784)
Total recognised income and expense			(11)	(25.752)			(61.462)	(87.225)	(316)	(87.541)
-Increase of participation of association Proton Insurance SA									24	24
-Sale of Omega Kahn Financial Services									(10)	(10)
- Capitalization of reserves						951	(951)			
- Dividend relating to 2007							(12.365)	(12.365)	(47)	(12.412)
- Fair value of employee services received					682			682		682
Balance at 31 December 2008	281.450	(8.646)	85.446	(38.351)	1.665	2.624	(56.200)	267.988	320	268.308

The notes on pages23 to 67 are an integral part of these consolidated financial statements as at 31 December 2008.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)	1.1-31.12.2008	1.1-31.12.2007
Cash flows from operating activities:		
Profit before taxation	(51.094)	30.501
Adjustments for:		-
Add: impairment losses on financial assets	19.514	6.981
Add: impairment losses on non-financial assets	11.696	
Add: depreciation expense	7.707	7.361
Add: provisions for retirement benefits	562	678
Add: Fair value of employee stock options	682	983
Gains (-)/ losses (+) from revaluation of financial assets at fair value through profit or loss	23.659	4.498
Gains (-)/ losses (+) from investment activities	495	(7.993)
Cash flows from operating activities before changes in operating assets and liabilities	**13.221**	**43.009**
Changes in operating assets and liabilities:		
Net (increase)/decrease in cash and balances with the Central Bank	(13.672)	9.298
Net (increase)/decrease in loans and advances to banks	(17.765)	(15.082)
Net (increase)/decrease in loans and receivables	170.550	(437.290)
Net (increase)/decrease in financial assets at fair value through profit or loss	(26.585)	62.711
Net (increase)/ decrease in insurance receivables	2.891	(2.889)
Net (increase)/ decrease in reinsurance contracts	361	(293)
Net (increase)/ decrease in other assets	39.145	(60.250)
Net increase/ (decrease) in due to banks	255.313	343.045
Net increase/ (decrease) in due to customers	(532.272)	408.131
Net increase/ (decrease) in provisions for insurance contracts	(152)	2.001
Net increase/ (decrease) in other liabilities	(1.988)	(6.373)
Net cash flows from operating activities before tax payment	**(110.953)**	**346.018**
Income tax paid	(14.572)	(189)
Net cash flows from operating activities	**(125.525)**	**345.829**
Cash flows from investing activities:		
(Purchase) / sale of property, plant and equipment and intangible assets	(2.012)	506
(Acquisition) / disposal of held-to-maturity financial assets	3.000	-
(Acquisition) / disposal of available-for-sale financial assets	(71.748)	(227.029)
Repurchase / sale of companies	(16)	(136)
Dividends received from available-for-sale financial assets	140	15
Dividends received from investments in subsidiaries and associates	267	395
Dividends received from financial assets at fair value through profit or loss	1.794	3.453
Net cash flows from investing activities	**(68.575)**	**(222.796)**
Cash flows from financing activities:		
Proceeds/ (repayment) from debt securities in issue	(1.285)	24.671
Dividends paid	(12.389)	(17.547)
Net (decrease)/ increase in treasury shares		(8.646)
Increase receiving of share capital	(12)	70
Net cash flows from financing activities	**(13.686)**	**(1.452)**
Foreign exchange differences on cash equivalents		
Net increase/ (decrease) in cash and cash equivalents	**(207.786)**	**121.581**
Cash and cash equivalents at beginning of period (note 42)	**237.017**	**115.436**
Cash and cash equivalents at end of period (note 42)	**29.231**	**237.017**

The notes on pages 23 to 67 are an integral part of these consolidated financial statements as at 31 December 2008.

1 General information

PROTON BANK SA (the Bank, thereafter) and its subsidiaries (together, the Group, thereafter) provide private and corporate banking, investment banking, financial services, portfolio management, insurance and other services. The Bank is established in Greece and has a network of 33 branches. The Group's commerce business is found mainly in Greece and Serbia.

The Bank's shares have been listed since December 2005 on the Athens Stock Exchange, and apart from the General Index they are also included in the FTSE-40 index. The total number of common shares outstanding at 31 December 2007 was 61.923.339 (note 39).

On 24 September 2008, the company "IRF European Finance Investments LTD" proceeded to the sale of the Bank's 10.000.000 ordinary shares, resulting in the decrement of its participating interest in the voting rights to 4,645%, which was completely disposed as of 31 December 2008. The aforementioned transaction also resulted in the loss of financial and operating control of the Bank on behalf of the "IRF European Finance Investments LTD". The consolidated profit and loss accounts up to the date of the completion of the sale (24 September 2008) are included in "IRF European Finance Investments LTD" income statement.

On 5 November 2008 the Management of the Bank and other shareholders, that represent the 31,3147% of the issued and authorized share capital, entered into an agreement of transferring 19.629.247 ordinary shares to the Bank of Piraeus. Group results from the period 5 November 2008 to 31 December 2008, were consolidated under the equity method, in the Income Statement of Bank of Piraeus.

The number of personnel as of 31 December 2008 was 646.

The attached financial statements were approved by the Board of Directors of the Bank on 9 March 2009, and are subject to the approval of the General Meeting of Shareholders.

1.1 Subsidiaries and associates

Investments in subsidiaries at 31 December 2008

Name	Country	Participation %
Proton Mutual Funds SA	Greece	99,91%
First Global Brokers SA	Serbia	82,49%
Omega Brokerage SA	Greece	66,00%
Proton Insurance SA	Greece	92,71%
Intellectron Systems SA	Greece	55,64%

As at 31 December 2007

Name	Country	Participation %
Proton Mutual Funds SA	Greece	99,91%
First Global Brokers SA	Serbia	82,49%
Omega Brokerage SA	Greece	66,00%
Omega Insurance SA	Greece	91,29%
Omega Kahn Financial Services SA	Switzerland	80,00%
Intellectron Systems SA	Greece	55,64%

(1) Proton Insurance

On 6 October 2008, the Bank entered into a new contractual agreement with the "ASPIS HOLDINGS PUBLIC COMPANY LIMITED" to transfer 92, 71% of the outstanding common shares of the "PROTON SOCIETY ANONYM PROVISION INSURANCE" to the aforementioned company "ASPIS HOLDINGS PUBLIC COMPANY LIMITED", with its headquarters in Cyprus, is listed on the Cyprus Stock Exchange. At the same time, the old contractual agreement with the "COMMERCIAL VALUE S.A." to transfer 91, 29% of the outstanding common shares, at a price of € 19 man, of the "PROTON SOCIETE ANONYME PROVISION INSURANCE" were cancelled. The sale contract will be finalized after receiving the relevant authorization of the local authorities, as it is strongly prescribed by the Commerce Law. The equity investment in Proton Insurance, in the consolidated financial statements, has been reported as a discontinued operation (note 32 of the consolidated financial statements). The Profit and Loss accounts from discontinued operations of 31.12.2008 and 31.12.2007 are presented in the consolidated income statement. The net cash flows from discontinued operations of 31.12.2008 and 31.12.2007 are presented in the consolidated cash flow statement

(2) Omega Kahn Financial Services S.A.

On 26 February 2008, the Bank sold its participation in subsidiary Omega Kahn Financial Services S.A. From this disposal, no significant effect over 25% has occurred on the revenues, profit before tax, minority rights and equity, in the period ending 31.12.2008. . The resulted effect of that sale in the income statement and equity is calculated in -40 thousands € and has no significant effect in the annual consolidated financial statements.

Investments in associates at 31 December 2008

Name	Country	% Participation*
Omega Portfolio Investment Co. SA	Greece	29,43%

Investments in associates at 31 December 2007

Name	Country	% Participation*
Omega Portfolio Investment Co. SA	Greece	29,20%

*(31.12.2008: indirect 4, 55%, direct 24, 88%. 31.12.2007: indirect 4, 48%, direct 24, and 72%)

1.2 Changes in the composition of the Bod

a) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of August 29th 2008, Mrs Sotiria Massaveta - Theodossi was elected as a new member, in replacement of Mr. Elias S. Tsotakos, who resigned from the Board. Mrs Sotiria Massaveta - Theodossi has been elected as an Executive Member. The election of the new member will be submitted to the next General Meeting for approval.

Consequently, the Board of Directors of PROTON Bank S.A., consists of the following members:

1. Angeliki N.Frangou, Chairman, Non-Executive Member
2. Anthony I. Athanassoglou, Executive Vice-Chairman, Executive Member
3. Elias G. Lianos, Managing Director, Executive Member
4. Athanasios J. Papaspiliou, Executive Member
5. Dimitrios G. Saramantis, Executive Member
6. Sotiria Massaveta - Theodossi, Executive Member
7. Loucas N. Valetopoulos, Non-Executive Member
8. George P. Minettas, Non-Executive Member
9. Markos A. Foros, Non-Executive Member
10. Alexandra G. Stavropoulou, Independent Non-Executive Member
11. Panagiotis D. Alexakis, Independent Non-Executive Member

b) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of September 30h 2008, Mr. Evangelos Papaevangelou, Mrs. Mary Markopoulou and Mr. Paschalis Giouchas were elected as new members for the remaining time of its tenure, in replacement of Mrs. Angeliki Frangou, Mr. Loukas Valetopooulos and Mr. Markos Foros, who resigned from the Board. The election of the new members will be submitted to the next General Meeting for approval.

Consequently, after the above replacements, the Board of Directors of PROTON Bank S.A., convened into a Body as follows:

1. Anthony I. Athanassoglou, Chairman, Executive Member.
2. Elias G. Lianos, Vice-Chairman, Managing Director, Executive Member.
3. Athanasios J. Papaspiliou, Executive Member.
4. Dimitrios G. Saramantis, Executive Member.
5. Sotiria Massaveta - Theodossi, Executive Member.
6. Evangelos D. Papaevangelou, Non-Executive Member.
7. Paschalis P. Giouchas, Executive Member.
8. George P. Minettas, Non-Executive Member.
9. Mary D. Markopoulou, Non-Executive Member.
10. Alexandra G. Stavropoulou, Independent Non-Executive Member.
11. Panagiotis D. Alexakis, Independent Non-Executive Member.

c) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of November 21st 2008, Mr. Stavros M. Lekkakos and Mr. Ioannis F. Viggopoulos were elected as new members for the remaining time of its tenure, in replacement of Mr. Elias G. Lianos and Ms. Maria D. Markopoulou who resigned from the Board. The election of the new members will be submitted to the next General Meeting for approval. Mr. Stavros Lekkakos and Mr. Antonios Athanassoglou were designated as persons responsible towards the Bank of Greece.

Consequently, after the above replacements, the Board of Directors of PROTON Bank S.A., convened into a Body as follows:

1. Stavros M. Lekkakos, Chairman, Non-Executive Member.
2. Anthony I. Athanassoglou, Vice- Chairman, Executive Member
3. Athanasios J. Papaspiliou, Managing Director, Executive Member
4. Dimitrios G. Saramantis, Executive Member
5. Sotiria Massaveta - Theodossi, Executive Member

6. Paschalis P. Giouchas, Executive Member
7. Evangelos D. Papaevangelou, Non-Executive Member
8. George P. Minettas, Non-Executive Member
9. Ioannis F. Viggopoulos, Non-Executive Member
10. Alexandra G. Stavropoulou, Independent Non-Executive Member
11. Panagiotis D. Alexakis, Independent Non-Executive Member

d) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of December 2nd 2008, Mr. Panagiotis M. Giannopoulos, Management Advisor of Piraeus Bank, was elected as a new member for the remaining time of its tenure, in replacement of Mr. Paschalis P. Giouchas who resigned from the Board. The election of the new member will be submitted to the next General Meeting for approval. Consequently, after the above replacement, the Board of Directors of PROTON Bank S.A., convened into a Body as follows:

1. Stavros M. Lekkakos, Chairman, Non-Executive Member
2. Anthony I. Athanassoglou, Vice- Chairman, Executive Member
3. Panagiotis M. Giannopoulos, Vice- Chairman, Non-Executive Member
4. Athanasios J. Papaspiliou, Managing Director, Executive Member
5. Dimitrios G. Saramantis, Executive Member
6. Sotiria Massaveta - Theodossi, Executive Member
7. Evangelos D. Papaevangelou, Non-Executive Member
8. George P. Minettas, Non-Executive Member
9. Ioannis F. Viggopoulos, Non-Executive Member
10. Alexandra G. Stavropoulou, Independent Non-Executive Member
11. Panagiotis D. Alexakis, Independent Non-Executive Member

The managing and supervisory duties of the above-mentioned new Board of Directors lasts, according with the article of 9 Statute of the Bank, for three-years, being started from the date of the Bank's Extraordinary General Shareholders' Meeting, on 7 September 2006, and will normally expire with the election of the new Board of Directors under the Bank's Regular General Shareholders' Meeting in 2009, with the restriction that it cannot be extended of more than four (4) years.

2 Summary of significant accounting policies

The accounting policies adopted in the preparation of these financial statements are set out below and have been consistently applied to all the years presented.

The Group's functional currency is the euro and the amounts included in the financial statements are presented in thousands of euros, unless otherwise stated in the respective notes. Any differences in the tables are due to rounding.

2.1 Basis of preparation

The attached consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their Interpretations as adopted by the European Union. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities held at fair value through profit or loss, and all derivative financial instruments.

Besides, the International Accounting Standards Board (IASB) completed amendments to IAS 39 and IFRS 7 " Reclassification of Financial Assets", which was adopted by the European Union under the regulation 1004/15.10.2008. These amendments permit, under specific prerequisites, the reclassification of well-defined non-derivative financial assets other than those classified upon initial recognition. These amendments might be applied in periods beginning on or after 1 July 2008. The Group utilized the above mentioned amendments, where the relevant effect in the financial statements is presented in the note 26.

The adoption by the European Union, till 31 December 2008, of standards and interpretations or their amendments, which have been completed or will be completed within the year by the International Accounting Standards Board (IASB), and their application might be either mandatory or optional for periods beginning on or after 1 January 2008. might have a retrospective effect on previously reported financial statements.
In addition, contracts to normally deliver non-derivative financial assets are recognized and derecognized with the utilization of the trade date.

Adoption of new standards, amendments and interpretations with value date as of 1 January 2008:

(a) IFRIC 11, "Group and treasury share transactions":

IFRIC 11 provides guidance on IFRS 2 application in three cases: i) share-based payment arrangements involving an entity's own equity instruments, ii) share-based payment arrangements involving equity instruments of the parent and iii) a subsidiary granting rights to equity instruments of its parent to its employees. An entity shall apply this Interpretation for annual periods beginning on or after 1 March 2008. The application of the Interpretation is not expected to have significant impact on the Financial Statements of the Group.

(b)) IFRIC 12, "Service concession arrangements" (effective for annual periods beginning on or after 1 January 2008):

This interpretation has no application to the Group's activities.

(c) IFIRC 14: " IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008):

This interpretation has no application to Group activities.

d) Amendment of International Accounting Standard 39 and International Financial Reporting Standard 7

On 13 October 2008, the International Accounting Standard Board issued an amendment to IAS 39 and IFRS 7 "Financial Instruments: Disclosures", which has been adopted by European Union. The amendment permits, under circumstances, the reclassification of certain financial assets to different categories from the ones they have been classified on the initial recognition. The aforementioned option can be applied from the 1st of July 2008.

New standards, amendments and interpretations issued but not yet effective

(a) IFRS 8, "Operating segments" (effective from 1 January 2009):

IFRS 8 replaces IAS 14 "Segment Reporting". The new IFRS requires a "management approach" to the Group's presentation of financial information under segment reporting. Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement. Furthermore, the standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed.

(b) IFRIC 13, "Customer Loyalty Programmes (effective for annual accounting periods beginning on or after 1 July 2008):

IFRIC 13 is applied on customer loyalty programmes. This interpretation is applicable to credit card customer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Group's financial position.

(c) IAS 23: (Revised 2007) "Borrowing Costs" (effective from 1 January 2009):

The revised IAS 23 removes the option of immediately expensing borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The adoption of the revised IAS will have no significant impact on the Group's financial statements.

(d) IAS 1: "Presentation of Financial Statements" – revised 2007 (effective from 1 January 2009):

The fundamental change in IAS 1 is concerned with the segregation of the presentation of owner changes in equity in those which are due to transactions with owners and because of their capacity as owners (e.g. dividends, capital increase), from those which are due to other changes in equity (e.g. reserves). The revision of the Standard produces changes in both the terminology and the presentation of financial statements.

However, the new terms do not affect the rules of recognition, measurements and disclosure of equity transactions and all other events which are required by other standards. The adoption of the revised standard is expected to transform the structure and description in the presentation of financial statements without, however, causing any alternations to the financial position of an entity.

(e) IFRS 2: "Share-based Payment" – Amendment 2008: Vesting Conditions and Cancellations (effective from 1 January 2009):

This amendment clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the grant date fair value. The Group is currently assessing the implications from the adoption of the aforementioned amendment.

(f) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from 1 January 2009):

These amendments address the classifications of some puttable financial instruments as well as instruments or their components that impose to the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation. The above mentioned amendments are not applicable at present for Group activities.

Moreover, the following standards, amendments and interpretations have been issued and are subject to endorsement by the European Union.

(a) IFRS 3: "Business Combinations" – Revised 2007 and subsequent amendments in IAS 27, 28 and 31 (effective the first annual reporting period beginning on or after 1 July 2009):

The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transaction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1st, 2009, while no consolidation adjustments are required for the period before the revised standard will become effective. Thus, the adoption of the revised standards will have no significant impact on the Group's financial statements.

b) I.F.R.I.C. 15: «Agreements for the Construction of Real Estate»

An entity shall apply I.F.R.I.C. 15 "Agreements for the Construction of Real Estate" for annual periods beginning on or after 1 January 2009.This Interpretation applies to the accounting for revenue which refer to the real estates' disposal.

This interpretation does not apply to the Group's activities.

c) I.F.R.I.C. 16 Hedges of a Net Investment in a Foreign Operation

An entity shall apply I.F.R.I.C. 16 for annual periods beginning on or after 1 October 2008.This Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with I.A.S. 39. The objective of I.F.R.I.C. 16 is to provide guidance concerning the nature of the hedged risk and the amount of the hedged item for which a hedging relationship may be designated, where in a group the hedging instrument can be held and what amounts should be reclassified from equity to profit or loss as reclassification adjustments on disposal of the foreign operation. This interpretation does not apply to Group activities.

d) I.F.R.I.C. 17 «Distribution of non-cash assets to owners »

Effective for annual periods beginning on or after 1/7/2009.

This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners. The Group is in the process of evaluating the potential effects of this interpretation.

e) I.F.R.I.C. 18 «Transfer of assets from customers»

Effective for annual periods beginning on or after 1.7.2009

This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above. This interpretation does not apply to Group activities.

f) I.A.S. 39. Financial instruments: Recognition and Measurement

Eligible Hedged Items Amendment to I.A.S. 39

Amendment to I.A.S. 39 clarifies accounting hedges issues and, in particular, inflation and one-sided risk of a hedged item. An entity shall apply those amendments to I.A.S. 39 for annual periods beginning on or after 1 July 2009.

2.2 Estimates and judgments

The preparation of financial statements in conformity with the IFRS, requires the use of certain estimates, and management to exercise its judgment which may affect the carrying amounts of the items in the financial statements. Estimates and assumptions are based on historical data and other factors that are considered reasonable under the current circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in accounting estimates are recognized prospectively in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both current and future periods.

Judgments made by management in the application of the IFRS that have a significant effect on the financial statements, and estimates with significant risk of material adjustments in future periods, are disclosed in note 4.

2.3 Comparatives

For the preparation of the balance sheet and the income statement of the period ended 31 December 2008, comparatives as of 31 December 2007 have been used.

2.4 Consolidation

The consolidated financial statements are included the Proton Bank, its subsidiaries and associates.

2.4.1.Investments in subsidiaries

Subsidiaries are all entities controlled by the Bank. Control is the power to govern directly or indirectly the financial and operating policies of the entity so as to obtain benefits from its activities. The existence of any potential voting rights which are exercisable are taken into consideration when assessing whether the Bank controls another entity or not. All subsidiaries are consolidated (full consolidation) from the date on which control is transferred to the Bank and are no longer consolidated from the date that control ceases to exist.

2.4.2.Investments in associates

Associates are all entities over which the Group has significant influence but does not exhibit control. Investments in associates are accounted for by applying the equity method from the date on which significant influence is obtained until the date that the influence ceases to exist. When the Group's share in the post acquisition net assets of the investee equals or exceeds the cost of investment, the Group ceases to recognize any further losses, unless the Group has a legal or constructive commitment for all or part of the liabilities of the associate.

2.4.3.Elimination of intragroup transactions

Intragroup balances, unrealized gains or losses and income or expenses on transactions between group companies, are eliminated in preparing the consolidated financial statements. Gains or losses from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.5 Segment reporting

A business segment represents a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments of the Bank.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns which are different from those of segments operating in other economic environments.

2.6 Foreign currency transactions

a)The items, which are included in the financial statements of the foreign subsidiaries, are measured in the currency of economic environment in which is functioned each foreign subsidiary company. The consolidated financial statements are created in Euros that are the currency of country in which has settled

the parent company.

b)Transactions in foreign currencies are translated into the functional currency (i.e. euro) using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at that date. Translation differences from monetary items are recognized in the income statement. Translation differences arising from non-monetary assets and liabilities which are stated at historical cost, are recognized in the income statement. Translation differences on non-monetary items carried at fair value through profit or loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items classified as available-for-sale financial assets and qualifying cash flow hedges are included in the fair value reserve in equity.

2.7 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss: This category has two sub-categories: a) financial assets held for trading, and b) those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedging instruments.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods of services directly to a debtor with no intention of trading the receivable.

Loans and receivables are carried at amortized cost using the effective interest rate method.

Financial assets held-to-maturity: Financial assets held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the intent and ability to hold to maturity. Were the Group to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

Available-for-sale financial assets: Available-for-sale financial assets are non derivative financial assets that are either designated in this category or not classified in any other categories. They include investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Financial assets of this category are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value with changes recognized in a separate component of equity until they are sold or impaired. When they are impaired, any cumulative loss that had been previously recognized directly in equity is removed from equity and recognized in profit or loss. Furthermore, the fair value of investments in equity instruments that do not have a quoted market price, is based on valuation techniques, and taken under consideration assumptions and references to the current fair value of another instrument that is substantially the same and discounted cash flow analysis.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, and available-for-sale are recognized at trade date; the date on which the Group commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

2.7.1 Derecognition
Financial assets are derecognized when the rights to receive cash flows from the financial assets expires or when the Group transfers substantially all the risks and rewards of ownership.

2.8 Offsetting
Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis.

Income and expenses are offset only when permitted by the accounting standards or for gains and losses arising from a group of similar transactions.

2.9 Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently reassessed at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received).

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Bank designates certain derivatives as either:

(1) hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge);

(2) hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge : Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

Cash flow hedge : The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged items will affect profit or loss.

When a hedging instrument expires or it is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast

transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

When using derivatives for hedging, the Group documents at the inception of the transaction, the relationship between hedged items and hedging instruments, and whether the hedging transactions are highly effective in offsetting fair values or cash flows of hedged items at each balance sheet date.

Derivatives that do not qualify the standards for hedge accounting: Changes in the fair value of derivatives that do not qualify for hedge accounting under IAS 39, are immediately recognized in the income statement. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

2.10 Fair value measurement of financial assets and liabilities

The determination of fair value of financial assets and liabilities is based on quoted market prices for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques which is not materially different from the values presented in the financial statements. More specifically:

For investments traded in active markets, fair value was based on quoted market prices at the balance sheet date.

For investments in financial instruments that do not have a quoted price, fair value was determined by using valuation techniques such as discounted cash flow models, comparison to similar instruments for which market observable prices are available, and valuation models.

The fair value of derivative financial instruments for which quoted prices are not available is based on valuation models. Although these models are based on market inputs, they require assumptions and estimates about volatility and other inputs which are periodically reviewed when market conditions change.

2.11 Interest income and expense

Interest income and expense are recognized in the income statement on an accrual basis using the effective interest rate. Interest income and expense includes the amortization of any discount or premium, transaction costs or other differences between the initial cost of an interest bearing financial asset and the amount to be received or paid at maturity using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the future cash receipts or payments through the expected life of the financial instrument.

Once a financial asset or a group of financial assets has been written down as a result of an impairment loss, interest income is recognized using the original effective interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

2.12 Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commissions and fees arising from third party transactions are recognized in the income statement on completion of the underlying transaction. Portfolio management fees and other advisory and service fees are recognized in the income statement based on the applicable service contracts, usually on a time-apportion ate basis.

2.13 Dividend income

Dividend income is recognized in the income statement when the entity's right to receive payment is established. Dividends are normally received in a subsequent date that that when the Bank's right to receive payment is established.

2.14 Sale and repurchase agreements

The Group enters into agreements to purchase (sale) and to resell (repurchase) investments at a certain date in the future at a predetermined price.

Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized as loans and receivables to other banks or customers. The receivables are collateralized by the underlying security.

Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are recognized as liabilities to other banks or customers.

The difference between the sale and repurchase price is recognized as interest on an accrual basis over the life of the agreement.

2.15 Impairment of financial assets

(a) Assets carried at amortized cost

For the measurement of impairment on loans, the Bank assesses from the date of transition to the IFRS, and at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. The assumptions and the methodology used are regularly reviewed in order for any deviations between actual and estimated losses to be insignificant.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

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 by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

(b) Financial assets at fair value

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the asset is impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value less any impairment loss on the financial asset previously recognized in profit or loss is removed from equity and recognized in the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

2.16 Intangible assets
Intangible assets include goodwill arising from acquisitions as well as software which is carried at amortized cost less accumulated amortization.

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiary or associate at the date of the acquisition. Negative goodwill is recognized immediately as a gain in the income statement. Goodwill is not subject to amortization but is tested annually for impairment.

Goodwill is allocated to cash-generating units on the date of acquisition. When the allocation can only be provisionally determined, the process can be extended but not beyond twelve months from the date of acquisition.

(b) Other intangible assets coming from business combination

An intangible asset shall be recognized if, and only if, it is probable that the expected future economic benefits that are attributed to the asset will flow to the Bank, where the cost of the intangible asset can be measured reliably. The cost of separately intangible assets comprises any directly attributable cost of originating, producing and preparing the asset for its intended use. Examples of directly attributable costs are:

- personnel expenses arising directly from bringing the asset to its working condition;
- third party fees arising directly from producing the asset;
- allocated administrative expenses based on working hours as a cost driver from producing the asset.

The Group has recognized the following intangible assets in their fair value that was acquired at the take-over of Omega Bank as part of a business combination on 30 September 2006.

- Intangible asset from conventions of customer loans
- Intangible asset from conventions of customer deposits
- Intangible asset from conventions of financial brokerage

Depreciation of other intangible assets coming from business combination is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, which extends from 4 to 5 years. Other intangible assets coming from business combination that are subject to amortizations are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

(c) Software

Amortization is charged over the estimated useful life, which the Group has defined to five years.

Expenditures incurred to maintain software programs are recognized in the income statement when incurred. On the contrary, expenditures incurred to enhance or improve the performance of the software as well as expenditures incurred for conversion of the software, are included in the carrying amount of the asset provided that these can be measured reliably.

2.17 Property, plant and equipment
This category includes land, head offices, lease hold improvements and office equipment.

Property, plant and equipment are stated at historical cost less depreciation, except land and buildings which are carried at fair value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Repair and maintenance expenses are charged to the income statement when incurred.

Depreciation on buildings and other tangible assets is calculated using the straight line method to allocate their cost or fair value to their residual values over their estimated useful lives.

Land is not depreciated, but is reviewed for impairment.

The carrying amount of impaired assets is written down to their recoverable amounts. Gains and losses from disposals are recognized in the income statement.

Depreciation is calculated using the straight-line method to allocate their cost or fair value to their residual values over their estimated useful lives as follows:

- Land: not depreciated
- Buildings: 50 years.
- Lease hold improvements: over the lease period
- Computers: 3 years
- Vehicles: 5-7 years
- Furniture and equipment: 10 years.

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

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

Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.18 Non-current assets held-for-sale
The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This category comprises of tangibles and other assets acquired from auctions with the intention to recover loans and receivables past due. For this to be the case, these assets are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale is highly probable. This category also includes PROTON Insurance SA (disposal group) where management is committed to sell this subsidiary.

Before classifying an asset or a group as a non-current asset (or disposal group), the asset is recognized and subsequently measured following the relevant

IFRS measurement guidelines.

The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of their carrying amount and fair value less cost to sell, and presents this asset separately from other assets in the balance sheet. Any gain or loss on the remeasurement of a non-current asset (or disposal group) classified as held for sale is included in the income statement. According to IFRS 5, any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized for a write-down to fair value less costs to sell, should be directly attributable to these assets, except otherwise stated.

The Group does not depreciate (or amortize) a non-current (or disposal group) classified as held for sale, but this asset is subject to impairment testing at the balance sheet date.

The gain or loss measured from the sale of a non-current (or disposal group) classified as held for sale is recognized in the income statement.

2.19 Leases
2.19.1. The Group is the lessor

(a) Financial leases:

When assets are held subject to a finance lease and the risks and rewards of ownership are transferred to the lessee, the present value of the lease payments is recognized as receivable from loans and receivables.

Lease payments reduce the receivable from leases and interest income is recognized on an accrual basis over the lease term.

Receivables from financial leases are reviewed for impairment, according to the applicable procedure for loans and receivables as described in note 2.12.

(b) Operating leases:

When assets are held subject to an operating lease, they are recognized in the balance sheet and are depreciated over their useful life. The lease payments are recognized as interest income on an accrual basis over the lease term.

2.19.2. The Group is the lessee

Lease agreements that the risks and rewards of ownership are not substantially transferred by the lessor are classified as operating leases. In these cases, the leased asset is not recognized as a separate asset. Lease payments are recognized as an expense on a straight line basis over the lease term.

2.20 Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents include monetary assets with less than three months to 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.

2.21 Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of a post event and it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.22 Employee benefits
(a) Defined contribution plans

The Group's personnel is insured for its main pension to publicly administered pension insurance funds (i.e Social Security Foundation and other) depending on their specialty. The contributions paid by the Bank are included in "personnel expenses".

The Group's personnel is also insured for medical care in multiemployer funds. In these funds, there no separate accounts for each Bank, hence accounting for defined contribution is followed. Once the contribution has been paid, the Bank has no further payment obligations.

(b) Defined benefit plans

Provisions for employee retirement, such as compensation defined under Law 2112/20, is determined actuarially using the projected unit credit method.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service 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 and past service costs. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited income over the employee's expected average remaining working lives. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience and changes in actuarial assumptions in excess of the greater of 10% of the fair value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employee's expected average remaining working lives. Actuarial gains or losses below the 10% corridor are not recognized.

(c) Share-based compensation

The Group rewards key management executives, according to their efficiency with options on its own shares.

At each balance sheet date, the Bank revises its estimates of the number of options that are expected to become exercisable.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense (personnel expense) with a corresponding increase in equity during the grand date and exercise date.

The proceeds received are credited to share capital and share premium when the options are exercised.

2.23 Deferred tax

A deferred tax asset and/or liability is being recognized for all temporary differences by applying the liability method arising between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill, or/and (2) the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profits nor taxable profits. A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax asset arises from the initial recognition of an assets or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profits nor taxable profits.

The Group reassesses deferred tax asset and proceeds to a decrease whenever it has become probable that future taxable profit will not allow the deferred tax asset to be recovered.

The method of accounting of the deferred tax is based on the current legislating tax rates or on tax rates being enacted after the balance sheet date.

The income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, directly in equity. A s such, if the tax relates to items that are credited or charged directly to equity current tax and deferred tax shall be charged or credited directly to equity.

The income tax represents the current tax obligation over the taxable profit which results from tax rates or tax laws, by taking into consideration any adjustment which might affect a deferred tax asset or liability relating to a transaction or item that was previously charged or credited to equity.

In Greece, any taxable profits are being considered temporary till our Local Tax Authorities proceed in the relevant audit which is fully prescribed and enforced by the current Tax Legislation. As such, additional tax burden and differences might be incurred as a result of such an audit.

2.24 Financial liabilities

Financial liabilities are treated as held for trading if:

a) acquired principally for the purpose of selling or repurchasing them in the near term

b)a derivative financial instrument (except for a designated and effective hedging instrument)

Financial liabilities are initially recognized at fair value. Subsequently any changes in their fair value are recognized in the income statement.

The Group has classified in this category derivative financial instruments not held or qualifying for hedging purposes.

Derivative financial liabilities that are part of a hedging relationship are measured at fair value. Subsequently, any changes in their fair value are subject to principles described in note 2.9.

Liabilities not included in the above categories are carried at amortized cost using the effective interest rate method

2.25 Fiduciary activities

The Group provides custody services to individuals and financial institutions. These assets and income (i.e. interest, dividends) arising thereon are excluded from these financial statements, as they are not assets of the Group.

2.26 Insurance contracts

Since January 1st 2005 risk bearing contracts are separated into insurance contracts and financial contracts (IFRS 4). Group's insurance company issues only insurance contracts covering property and casualty risks up to one year of duration.

Insurance contracts are those contracts when the insurer has accepted significant risk from another party (the policyholders) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholders.

Gross earned recurring premiums are recognized as revenue when payable by the policyholder. Gross changes in the unearned premium provision are recorded against premiums.

Gross earned insurance premiums are recognized including corresponding commissions.

Property and casualty insurance contracts are separated in two categories:

(a) automobile third party liability
This category includes insurance contracts covering the risk of automobile third party liability

(b) non-automobile lines
This category includes insurance contracts covering the risk of fire and allied lines, marine, general liability, legal protection, road assistance, etc.

2.26.1.Deferred acquisition costs

Those direct (commissions) and indirect costs incurred during the financial period arising from the writing or renewing of insurance contracts, are deferred to the extent that these costs are recoverable out of future premiums.

2.26.2.Non-life insurance contract liabilities

Non-life insurance contract liabilities are recognized when contracts are entered into and premiums are charged. These liabilities are known as the unearned premiums reserves and the provisions for outstanding claims. Unearned premium reserves include the gross premium corresponding to the unexpired part of insurance contracts.

Provisions for outstanding claims are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs. The amount of provisions is estimated based on available information (adjuster reports, court decisions etc.) at the balance sheet date.

Provisions for outstanding claims include reserves for incurred claims, which are not reported to the company at the balance sheet date (I.B.N.R.). Provisions for outstanding claims are reported at the balance sheet date according to the requirements of regulatory authority legislation in force (law 400/1970). Specifically the automobile third party liability related claims reserves, are checked according to the K3-3975/11.10.1999 decision of The Ministry of Development, forming the greater possible reserve. I.B.N.R. provisions are estimated based on the K3-3974/11.10.1999 decision of The Ministry of Development.

The difference in non-life insurance contract liabilities (increase/decrease) related to their previous assessment is transferred to the profit and loss accounts as far as the company's own retention, while the rest is transferred to the reinsurance accounts, according to the reinsurance agreements.

2.26.3. Liability adequacy tests

At each reporting date, the Group's Insurance Company performs a liability adequacy test according to IFRS 4, using updated estimates of future cash flows arising out of the insurance contracts and outstanding claims portfolio.

In the case that the adequacy test reveals insufficient reserves, provisions are adjusted accordingly.

The liability is derecognized when the contract expires, is discharged or is cancelled.

2.26.4.Reinsurance contracts

The Group's insurance company benefits from reinsurance contracts are recognized as assets «reinsurance receivables». Liabilities towards reinsures are reinsurance premiums due. An impairment review is performed at each reporting date against reinsurance receivables. Any impairment loss is reported in the profit and loss accounts.

2.27 Equity

The Share Capital is defined by the par value of the ordinary shares outstanding during the reported period. The ordinary shares outstanding are classified as equity. Any Share Capital increase engaged in cash settled transaction contains share premium, which represents the extra amount received per share above its par value. Incremental external costs and benefits directly attributable to the issue of new shares are deducted from or added to equity net of any related income taxes.

Whenever share capital recognized as equity is repurchased ("treasury shares"), the amount of consideration paid is presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received, net of any incremental costs or benefits, is added to equity. No profit or loss is recognized in the income statement whenever share capital is repurchased, subsequently sold, reissued or cancelled out.

Share-based employ benefits which fall due are classified as equity. Revaluation reserve results from the gains less losses of the revaluation of specific financial assets and property, plant and equipment. The currency translation account, which results of all currency differences arising from the translation of assets net of the translation impact on liabilities in foreign exchange, is reported as equity. Retained earning and losses include current and previous results as these have already been reported in the income statement.

3 Financial risk management

In this section the Group discloses information regarding its exposure to financial risks and analyzes the methodology, objectives, policies and processes, used by management in order to monitor and control them. The most significant risks to which the Group is exposed to are: credit risk, liquidity risk and market risk; market risk comprises three types of risk: currency risk, interest rate risk and price risk.

3.1 Credit risk

The Group is exposed to Credit Risk, the possibility of a counterparty defaulting partially or fully on its financial obligations when these become due. Credit risk arises from a variety activities, indicatively a) extending credit facilities and loans to customers, placing deposits with other entities, (b) entering into OTC derivative transactions (c) extending LG and LC, and (d) approving committed credit facilities that are irrevocable or are revocable only in case of a material adverse change and entering unsettled transactions.

The Group defines monitors and controls the level of credit risk exposure it deems appropriate by establishing credit limits for particular countries, geographic area, economic sectors, and customer types. The amount that best represents the Group's maximum exposure to credit risk are regularly reviewed by taking into account of any collateral held as security and other credit enhancements.

The Group monitors and controls its exposure to credit risk through regular, at least yearly, internal credit rating revisions of its counterparties and if necessary, the Group proceeds in adjustment of the existing counterparty limits. In addition exposure to credit risk is partially minimized by the use of collaterals and other credit enhancement pledges.

3.1.1 Credit risk exposure

a) Loans and receivables

In measuring credit risk exposure of loan and receivables at a counterparty level, the Group reflects four components (i) the financial position; (ii) the qualitative elements and the 'probability of default' on the existing contractual obligations; (iii) the historical reimbursement and transactional attitude; and (iv) the probable existence of reliable and solvent collaterals held as security and other credit enhancements and their respective fair value.

Loans and receivables with insignificant fair value, as those that are neither past due nor impaired, are summarized in clusters which exhibit similar credit risk elements, such as credit cards, consumer/personal loans, mortgage loans etc. As a consequence, the Group reassess for any potential allowance for impairment on a cluster basis. During the reassessment process, the volume of probable doubtful debts, time-lag, time horizon of the collectability of doubtful debts, the macroeconomic and microeconomic environment, the industry position and any past empirical evidence related with the level of the expected loss.

Whenever loans and receivables are characterized as doubtful their carrying amount is adjusted to its replacement value, which is defined as the net present value of all the expected cash flows including the expected discounted recoverable amount from collateral held as security and other credit enhancements.

Any differences arising from subsequent reassessments in the recoverable amount and time horizon where these amounts are expected to be collected are recorded in the income statement. Allowance for impairment should be reversed whenever the credit quality of the counterparty has been improved insomuch that the timely liquidation of the debt (capital and interest), based on the contractual agreement, is feasible.

For doubtful debts past due over 180 days no interest calculation takes place, while the respective claim is depicted on off-balance sheet items.

After all necessary judicial and other procedures have been exhausted and once it is highly expected that doubtful and bad debts will not be collected, the Group proceeds with write-offs against their allowance for impairment.

b) Securities

For the evaluation and measurement of credit risks that is included in securities, are used mainly the gradations of foreign organizations of borrowing evaluation. The exposure of Group in the credit risk by securities is measured on the basis of fair value openings. Investments in securities constitute a different instrument of credit risk and at the same time ensure a reliable and direct liquidity.

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3.1.2 Financial assets subject to credit risk exposure before collateral held or other credit:

In the here below table the maximum credit risk exposure is depicted as at 31 December 2008 and 31 December 2007 respectively, without taking into account any collaterals, information about the credit quality of financial assets that are neither past due nor impaired or other credit enhancements pledged. All figures in the table mirror the carrying value of the assets, as well as the off-balance sheet items:

Maximum credit risk exposure

	31.12.2008	31.12.2007
Credit risk exposures relating to on-balance sheet assets are as follows:		
Due from banks	46.260	205.055
Loans and advances to banks		45.906
Loans and receivables:		
Loans to individuals and households:		
-Credit cards	33.474	37.232
-Consumer / personal loans	131.068	159.010
-Mortgage loans	40.820	48.341
Loans to corporate businesses	1.018.999	1.113.216
Derivative financial instruments	21.186	11.529
Financial assets at fair value through profit or loss	113.126	126.792
Financial assets designated at fair value	38.255	5.421
Investment securities:		
-Held-to-maturity investments	6.664	9.717
-Available-for-sale financial assets	287.878	242.144
Other assets	48.808	91.420
Credit risk exposures relating to off-balance sheet items are as follows:		
Letter of guarantees and credits	104.878	113.409
Loan commitments and other liabilities	2.530	3.830
Total	**1.893.946**	**2.213.022**

3.1.3 Loans and receivables

Loans and receivables are summarized as follows:

	31.12.2008		31.12.2007	
	Loans and receivables	**Loans and advances to banks (1)**	**Loans and receivables**	**Loans and advances to banks**
Loans and receivables without impairment losses	1.061.329	46.260	1.219.570	250.961
Doubtful debt without any impairment losses	83.662	-	72.323	-
Loans and receivables with impairment losses	79.369	-	65.906	-
Total loans and receivables without allowance for impairment	**1.224.359**	**46.260**	**1.357.799**	**250.961**
Less: Allowance for impairment	(42.640)		(35.680)	
Total loans and receivables after allowance for impairment	**1.181.719**	**46.260**	**1.322.119**	**250.961**

(1) The loans and advances to banks item includes amount of 46.260 th. euros (2007: 205.055 th. euros) that reported under the B/S line " Loans and advances to Banks.

a) Loans and receivables without impairment losses:

At 31 December 2008:

	Loans to individuals and households				Loans to corporate businesses			
Rating	Consumer/ personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Standard monitoring	104.732	16.201	30.621	**151.554**	847.247	62.528	**909.775**	**1.061.329**

At 31 December 2007:

	Loans to individuals and households				Loans to corporate businesses			
Rating	Consumer/ personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Standard monitoring	135.243	17.844	39.271	**192.358**	**895.353**	**131.859**	**1.027.212**	**1.219.570**

Under this category, restructured claims from loans are also included which, otherwise, they would be included in one of the two subcategories that are analyzed as follows:

	2008	**2007**
Loans to individuals and households	26.344	32
Loans to corporate businesses	22.650	11.117
	48.993	**11.149**

b) Loans and advances to banks without impairment losses:

	31.12.2008	**31.12.2007**
Standard monitoring	45.000	250.961
Excellent	1.260	
Total	**46.260**	**250.961**

The loans and advances to banks item includes amount of 46.260 th. euros (2007: 205.055 th. euros) that reported under the B/S line " Loans and advances to Banks.

c) Non performing loans without any impairment losses:

31.12.2008

	Loans to individuals and households				Loans to corporate businesses			
	Consumer/personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Past due up to 1-90 days	6.021	4.862	4.717	**15.600**	52.084	1.817	**53.901**	**69.501**
Past due up to 91-180 days	2.615	667	355	**3.637**	4.441	2.970	**7.411**	**11.047**
Past due up to over 180 days	1.371	10	20	**1.401**	1.342	371	**1.713**	**3.114**
Total	**10.007**	**5.539**	**5.093**	**20.638**	**57.867**	**5.157**	**63.024**	**83.662**
Fair value of collaterals and other credit enhancements pledged	6.910		3.719	10.629			33.059	**43.688**

31.12.2007

	Loans to individuals and households				Loans to corporate businesses			
	Consumer/personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Past due up to 1-90 days	13.111	4.864	4.917	**22.892**	24.587	9.520	**34.107**	**56.999**
Past due up to 91-180 days	1.810	761	1.533	**4.104**	4.628	1.890	**6.518**	**10.622**
Past due up to over 180 days	265	29	13	**307**	4.171	223	**4.394**	**4.702**
Total	**15.186**	**5.655**	**6.463**	**27.304**	**33.387**	**11.633**	**45.020**	**72.323**
Fair value of collaterals and other credit enhancements pledged	7.680		5.944	13.614			29.791	**43.415**

d) Loans and receivables with impairment losses:

31.12.2008

	Loans to individuals and households				Loans to corporate businesses			
	Consumer/ personal loans	Credit risk	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Loans and receivables with impairment losses	16.330	11.734	5.106	**33.170**	8.353	37.846	**46.199**	**79.369**
Fair value of collaterals and other credit enhancements pledged	7.077		1.221	8.298			20.786	**29.084**

31.12.2007

	Loans to individuals and households				Loans to corporate businesses			
	Consumer/ personal loans	Credit risk	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Loans and receivables with impairment losses	8.582	13.733	2.607	**24.923**	23.884	17.099	**40.983**	**65.906**
Fair value of collaterals and other credit enhancements pledged	3.030		1.808	4.838			14.860	**19.698**

3.1.4.Debt securities and other eligible bills

The table below presents an analysis of debt securities, and other eligible bills by rating agency designation at 31 December 2007, based on Standard & Poor's rating system :

As at 31 December 2008:

	Due to banks	**Trading portfolio**	**Financial assets at fair value through profit or loss**	**Held-to-maturity investments**	**Available-for-sale financial assets**	**Total**
AAA	-	1.790	-	-	77.558	79.348
AA- to AA+	33.886	184	-	-	8.989	43.060
A- to A+	9.197	26.017	-	6.664	138.797	180.675
Lower than A-	559	896	-	-	22.369	23.824
Unrated	2.618	84.238	38.255	-	40.164	165.275
Total	**46.260**	**113.126**	**38.255**	**6.664**	**287.878**	**492.182**

As at 31 December 2007:

	Due to banks	Trading portfolio	Financial assets at fair value through profit or loss	Held-to-maturity investments	Available-for-sale financial assets	Total
AAA	-	4.735	-	-	51.334	56.069
AA- to AA+	14.579	81.733	-	-	12.402	108.714
A- to A+	6.441	18.684	-	6.659	129.805	161.589
Lower than A-	94.590	15.474	-	-	8.531	118.595
Unrated	135.351	6.166	5.421	3.058	40.072	190.068
Total	**250.961**	**126.792**	**5.421**	**9.717**	**242.144**	**635.035**

3.1.5. Repossessed collateral

The Group obtained assets by taking possession of collateral held as security, as follows:

Balance sheet item	**2008**	**2007**
Land	320	84
Buildings	830	70
Total	**1.150**	**154**

3.1.6.Concentration of risks of financial assets with credit risk exposure: analysis per industry

The here below table breaks down the Group's main credit exposure at their carrying amounts, as categorized by the industry sectors of our counterparties.

As at 31 December 2008:

	Financial institutions	Manufacturing	Transportations/ telecommunications	Public sector	Trade	Leasing	Other industries	Individuals and households	**Total**
Loans and advances to banks	46.260								46.260
Loans and receivables:									
Loans to individuals and households:									
-Credit cards								33.474	33.474
-Consumer / personal loans								131.068	131.068
-Mortgage loans								40.820	40.820
Loans to corporate businesses:		148.841	210.616		174.855	83.689	400.998		1.018.999
Derivative financial instruments	21.186								21.186
Financial assets at fair value through profit or loss	91.557	1.633	333	22.618	1.063		4.511		121.716
Financial assets designated at fair value			35.783				2.473		38.255
Investment securities:									
-Held-to-maturity investments				6.664					6.664
-Available-for-sale financial assets	160.424		518	130.750			17.732		309.424
Total maximum credit risk as at 31 December 2008	319.426	150.474	247.250	160.032	175.918	83.689	425.714	205.362	1.767.866
Total maximum credit risk as at 31 December 2007	476.676	120.820	207.525	160.314	281.160	69.858	497.778	244.583	2.058.714

3.1.7 Concentration of risks of financial assets with credit risk exposure: analysis per geographical region

The Group presents a huge width of credit risk in Greece . as in the table below:

As at 31 December 2008:

ASSETS	GREECE	OTHER COUNTRIES	**TOTAL**
Loans and advances to banks	2.007	44.253	46.260
Loans and receivables	890.760	290.960	1.181.720
Derivative financial instruments		21.186	21.186
Financial assets at fair value through profit or loss	29.867	91.850	121.716
Financial assets designated at fair value	38.255		38.255
Investment securities:			
-Held-to-maturity investments	6.664		6.664
-Available-for-sale financial assets	146.352	163.072	309.424
Other assets	48.148	660	48.808
Total assets	**1.162.052**	**611.981**	**1.774.033**

As at 31 December 2007:

ASSETS	GREECE	OTHER COUNTRIES	**TOTAL**
Loans and advances to banks	112.349	92.706	205.055
Loans and receivables	1.071.356	296.667	1.368.023
Derivative financial instruments	-	11.529	11.529
Financial assets at fair value through profit or loss	21.039	105.753	126.792
Financial assets designated at fair value	5.421	-	5.421
Investment securities:			
-Held-to-maturity investments	9.717	-	9.717
-Available-for-sale financial assets	204	241.940	242.144
Other assets	81.852	9.568	91.420
Total assets	**1.301.938**	**758.163**	**2.060.101**

3.2 Market risk

The Group is exposed to market risk, this risk includes price risk, interest rate risk, currency risk and volatility risk stemming from its open positions. In preparing market risk analysis, the Group employs, on a daily basis, contemporary methods and processes, such as VaR calculations, sensitivity analysis (delta, gamma, PV01) and stress testing.

In the beginning of 2007, the ALCO committee established a set of market limits and procedures in order to monitor risk in accordance to the Bank's risk appetite. Market risk limits are VaR limits, pertain both trading book and banking book positions and are monitored on a daily basis. Market risk limits are set both in terms of product, risk factor and business unit.

The Group uses the historical methodology in its VaR calculations with a 99% confident interval and a 10 days holding period. This methodology calculates value at risk for each rate based on daily historical perturbations and determines VaR by each risk factor (interest, price, volatility). The 99th percentile VaR results from the subtraction of the worst 1% historical perturbations. The Group constantly revises its internal VaR model and performs in constant intervals back testing in order to evaluate the VaR results to the actual daily P&L. In the following table VaR by risk factor as well as the minimum, maximum and average levels are presented.

VaR review	**VaR 99% 1day**	
	31.12.2008	**31.12.2007**
Trading-book VAR		
Foreign-exchange risk	166	66
Interest-rate risk	866	290
Equities risk	755	1.075
Total VAR	**1.086**	**1.064**

	VaR 99% 1day	
	31.12.2008	**31.12.2007**
maximum	2.790	2.394
minimum	914	1.031
medium	1.537	1.608

In addition a stress test scenario is performed on daily basis in order to evaluate the extent of extreme losses in highly unlikely economic circumstances. The stress scenario used is selected from a list of historical and simulated scenarios and it is the one with the worst calculated results for the Group's portfolio. This scenario is dynamic and is the current credit crunch. In particular the stress test results for the 31.12.2008 was a loss of €3.918 thousand for interest rate risk, €418 thousand loss for price risk and €100 thousand profit for currency risk.

3.3 Liquidity risk

Liquidity risk arises whenever the Group might encounter difficulty in meeting commitments associated with financial liabilities when they fall due. The factors that the Group might consider in estimating liquidity risk exposure, but are not limited to, are (a) an expectation that some of its liabilities to be paid later than the earliest date on which the Group can be required to pay, (b) there is not a liquid market for some financial assets, and (c) if, indeed, there is a liquid market, but some financial assets are not readily saleable in their value.

The Group has very diverse funding sources which is attainable through a wide range of products including, deposits, debt securities and equity. This improves its financing capability, reduces the dependence from few funding sources, and generally lowers its borrowing cost. The Group tries to balance the need between financing and flexibility, by maintaining a portfolio with different maturities.

Besides, the Group measures and monitors, on a daily basis, the mandatory liquidity ratios, "Liquid Assets / Total Liabilities" and "Net Current Assets / Total Liabilities", as these prescribed by the Bank of Greece, whereas, on regular time intervals, the Group works out scenarios of liquidity crisis and the ability of handling such crisis is thoroughly appreciated.

The monitoring and controlling of the liquidity risk exposure represents a dynamic procedure in order the Group's business and strategic goals to be fully fulfilled.

3.3.1.Non-derivative cash flows

The here below table presents the cash flows payable by the Group under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date by using an appropriate number of time bands. The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 December 2008:

LIABILITIES	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	603.410	19.168	50.000	16.676	-	689.254
Due to customers	415.722	201.616	88.442	220.560	3.209	929.549
Debt securities in issue	291	290	-	-	25.000	25.581
Retirement benefit obligations	-	-	-	-	1.293	1.293
Current income tax liabilities	-	2.949	-	-	-	2.949
Deferred tax liabilities	-	-	-	-	3.728	3.728
Other liabilities	-	9.163	-	-	-	9.163
Total liabilities	**1.019.423**	**233.186**	**138.442**	**237.236**	**33.230**	**1.661.517**

As at 31 December 2007:

LIABILITIES	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	288.506	145.435	-	-	-	433.941
Due to customers	1.041.364	278.979	112.359	13.852	3.733	1.450.287
Debt securities in issue	-	580	984	3.998	30.556	36.118
Retirement benefit obligations	-	-	-	-	1.140	1.140
Current income tax liabilities	-	10.498	-	-	-	10.498
Deferred tax liabilities	-	-	-	6.928	-	6.928
Other liabilities	260	10.615	-	-	5	10.880
Total liabilities	**1.330.130**	**446.107**	**113.343**	**24.778**	**35.434**	**1.949.792**

3.3.2.Derivative cash flows

The Bank has entered into the following derivative financial instruments:

1. Interest rate swaps
2. Futures
3. Credit default swaps
4. Options
5. Forwards
6. Synthetic Swaps on Futures

The table below analyses the Group's derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

a)Derivatives settled on a net basis:

As at 31 December 2008

	Up to 1 month	1 – 3 months	3 - 12 months	1 – 5 years	Over 5 years	Total
Derivatives held for trading:						
-Other derivative contracts	4.761	-	-	-	-	**4.761**
Total	**4.761**	**-**	**-**	**-**	**-**	**4.761**

As at 31 December 2007

Derivatives held for trading:						
-Other derivative contracts	1.444	-	(297)	-	-	**1.147**
Total	**1.444**	**-**	**(297)**	**-**	**-**	**1.147**

b) Derivatives settled on a gross basis:

As at 31 December 2008

	Up to 1 month	1 – 3 months	3 - 12 months	1 – 5 years	Over 5 years	Total
Derivatives held for trading:						
-Foreign exchange derivatives						
-Outflow	100.131	30.795	19.708	1.437	-	**152.071**
-Inflow	102.104	32.121	19.742	1.329	-	**155.295**
-Interest rate derivatives						
-Outflow	255	565	5.252	14.682	20.270	**41.023**
-Inflow	208	726	5.923	14.658	20.643	**42.158**
-Other derivative contracts						
-Outflow	-	306	4.242	3.358	-	**7.905**
-Inflow	-	262	1.932	1.929	-	**4.122**
Total Outflow	**100.386**	**31.666**	**29.201**	**19.477**	**20.270**	**200.999**
Total Inflow	**102.312**	**33.108**	**27.596**	**17.915**	**20.643**	**201.576**

As at 31 December 2007

	Up to 1 month	1 – 3 months	3 - 12 months	1 – 5 years	Over 5 years	Total
Derivatives held for trading:						
-Foreign exchange derivatives						
-Outflow	180.428	46.529	37.258			**264.214**
-Inflow	177.738	46.444	36.781			**260.963**
-Interest rate derivatives						
-Outflow	197	2.152	6.139	8.943	15.737	**33.168**
-Inflow	62	1.124	7.730	9.760	15.539	**34.215**
-Other derivative contracts						
-Outflow	-	-	-	-	-	**-**
-Inflow	-	4	13	52	-	**70**
Total Outflow	**180.625**	**48.681**	**43.397**	**8.943**	**15.737**	**297.383**
Total Inflow	**177.800**	**47.572**	**44.525**	**9.812**	**15.539**	**295.248**

3.4 Foreign exchange risk

The Group takes on foreign exchange risk arising from the exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The here below table below summaries the Group's exposure to foreign currency exchange risk at 31 December.

Included in her below table are the Group's financial assets and liabilities categorized by currency:

As at 31 December 2008

ASSETS	**EUR**	**USD**	**GBP**	**JPY**	**OTHER**	**TOTAL**
Cash and balances with the central bank	35.247	67	22		50	35.386
Loans and advances to banks	42.874	751	511	116	2.008	46.260
Loans and receivables	1.036.485	119.878	7	3.576	21.773	1.181.720
Derivative financial instruments	5.681	15.085	420			21.186
Financial assets at fair value through profit or loss	120.904	2	44		765	121.716
Financial assets designated at fair value	38.255					38.255
Investment securities:						
- Held-to-maturity	6.664					6.664
- Available-for-sale	307.278	2.146				309.424
Investments in subsidiaries and associates	2.221					2.221
Intangible assets	87.947					87.947
Property, plant and equipment	26.765				31	26.796
Non-current assets held for sale	36.602					36.602
Deferred tax assets	16.822					16.822
Other assets	48.138		162	192	315	48.808
Total assets	**1.811.884**	**137.929**	**1.166**	**3.885**	**24.943**	**1.979.807**

LIABILITIES	EUR	USD	GBP	JPY	OTHER	TOTAL
Due to banks	619.555	69.699				689.254
Due to customers	715.761	51.931	2.928	144.523	2.872	918.015
Derivative financial instruments	2.845	17.825				20.670
Debt securities in issue	25.255					25.255
Retirement benefit obligations	1.293					1.293
Current income tax liabilities	2.949					2.949
Deferred tax liabilities	3.728					3.728
Other liabilities	50.244	15			76	50.335
Total liabilities	**1.421.630**	**139.470**	**2.928**	**144.523**	**2.948**	**1.711.499**
Net on-balance sheet financial position	**390.253**	**(1.541)**	**(1.762)**	**(140.638)**	**21.996**	**268.308**

As at 31 December 2008	EUR	USD	GBP	JPY	OTHER	TOTAL
Total assets	**1.811.884**	**137.929**	**1.166**	**3.885**	**24.943**	**1.979.807**
Total liabilities	**1.421.630**	**139.470**	**2.928**	**144.523**	**2.948**	**1.711.499**
Net on-balance sheet financial position	**390.253**	**(1.541)**	**(1.762)**	**(140.638)**	**21.996**	**268.308**

As at 31 December 2007	EUR	USD	GBP	JPY	OTHER	TOTAL
Total assets	2.189.536	139.287	4.572	3.397	28.639	2.365.431
Total liabilities	1.615.950	192.771	4.563	183.153	1.429	1.997.866
Net on-balance sheet financial position	**573.586**	**(53.484)**	**9**	**(179.756)**	**27.210**	**367.565**

3.5 Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fluctuations in market interest rates affect significantly the present value of expected future cash flows from investments and liabilities.

The here below table summarizes the Bank's exposure interest rate risks. It includes the Group's financial instruments at carrying amounts, categorized by the earlier of contractual reprising or maturity dates.

As at 31 December 2008:

ASSETS	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Cash and balances with the central bank	35.386	-	-	-	-	-	35.386
Loans and advances to banks	46.260	-	-	-	-	-	46.260
Loans and receivables	510.267	347.639	273.800	49.771	243	-	1.181.720
Derivative financial instruments	21.186	-	-	-	-	-	21.186
Financial assets at fair value through profit or loss	51.810	30.174	15.637	1.820	13.684	8.590	121.716
Financial assets designated at fair value	12	-	-	35.783	2.461	-	38.255
Investment securities:							
- Held-to-maturity	-	-	6.664	-	-	-	6.664
- Available-for-sale	56.495	14.807	-	216.576	-	21.546	309.424
Investments in subsidiaries and associates	-	-	-	-	-	2.221	2.221
Intangible assets	-	-	-	-	-	87.947	87.947
Property, plant and equipment	-	-	-	-	-	26.796	26.796
Non-current assets held for sale	-	-	-	-	-	36.602	36.602
Deferred tax assets	-	-	-	-	-	16.822	16.822
Other assets	-	-	-	-	-	48.808	48.808
Total assets	**721.416**	**392.620**	**296.101**	**303.949**	**16.389**	**249.332**	**1.979.807**

LIABILITIES	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Due to banks	619.880	19.168	50.000	-	206	-	689.254
Due to customers	618.079	202.702	90.822	3.567	2.845	-	918.015
Derivative financial instruments	20.670	-	-	-	-	-	20.670
Debt securities in issue	-	-	-	-	25.255	-	25.255
Retirement benefit obligations	-	-	-	-	-	1.293	1.293
Current income tax liabilities	-	-	-	-	-	2.949	2.949
Deferred tax liabilities	-	-	-	-	-	3.728	3.728
Other liabilities	-	-	-	-	-	50.335	50.335
Total liabilities	**1.258.629**	**221.870**	**140.822**	**3.567**	**28.306**	**58.305**	**1.711.499**
Interest sensitivity gap	**(537.212)**	**170.750**	**155.279**	**300.382**	**(11.917)**	**191.027**	**268.309**

As at 31 December 2007:

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Total assets	1.028.112	435.860	220.906	254.039	15.854	410.661	2.365.432
Total liabilities	1.354.738	418.754	109.784	12.405	28.400	73.785	1.997.866
Interest sensitivity gap	**(326.626)**	**17.106**	**111.122**	**241.634**	**(12.546)**	**336.876**	**367.566**

3.6 Capital management and capital adequacy

The Group's objectives when managing capital, which is a broader concept than the "equity" on the face of the balance sheets, are:

- To comply with the capital requirements set by the regulators of the Banking markets where the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the Bank of Greece. The required information is filed with the Authority on a quarterly basis.

The Group's capital adequacy is calculated according to the relevant directive by the Bank of Greece, which is an enforcement of the directive of the European Union for the capital adequacy of financial institutions and investment funds.

The Group's regulatory capital as managed by the Treasury Department is divided into two tiers:

- Tier 1 capital: share capital (net of any book values of the treasury shares), minority interests arising on consolidation from interests in permanent shareholders' equity, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and
- Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealized gains arising on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of –and reflecting an estimate of credit, market and other risks associated with-each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table here below summarizes the composition of regulatory capital of the Group for the years ended 31 December 2008 and 2007 respectively, according to Bank of Greece methodology :

Tier 1 Capital	**31.12.2008**	**31.12.2007**
Share Capital	281.450	281.450
Share Premium	85.478	85.478
Less: Treasury shares	(7.668)	(7.668)
Minority interests	134	191
Other reserves	9.190	2.656
Retained earnings	(59.381)	18.238
Revaluation reserves	(13.038)	12.540
Less: Dividends for the period	-	(12.385)
Less: Regulatory adjustment at revaluation reserve (available-for-sale assets)	-	**(12.526)**
Less: Revaluation reserve (available-for-sale investments)		(13)
Upper Tier 1 Capital	**296.165**	**367.961**
Less: Intangible assets	(87.947)	(104.271)
Less: Proportion of other deductible items*	(19.267)	(17.242)
Total Tier 1 Capital	**188.951**	**246.449**
Tier 2 Capital		
Less: Proportion of other deductible items *	(26.323)	(34.282)
Total Tier 2 Capital	**(26.323)**	**(34.282)**
Total Regulatory Capital	**162.628**	**212.167**
Risk-weighted assets	**1.751.165**	**1.807.109**
Capital adequacy ratio	**9,29%**	**11,74%**
*** Other deductible items from Tier 1 Capital and Tier 2 Capital**		
Less: Equity investments (> 10%) in financial institutions	(3.660)	(5.236)
Less: Equity investments in insurance companies	(7.056)	(17.040)
Less: Double-gearing loans and advances	(34.874)	(29.247)
Total other deductible items	**(45.590)**	**(51.523)**
Allocated to:		
Tier 1 Capital	(19.267)	(17.242)
Tier 2 Capital	(26.323)	(34.282)
	(45.590)	**(51.523)**

4 Critical accounting estimates and judgments

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Recognition of the identifiable intangible assets acquired from business combinations

The Group identifies a non-monetary asset without physical substance as an intangible asset if it:

- is separable, i.e. capable of being separated or divided from the Bank and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or

- arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Bank or from other rights and obligations.

Thus, the Group has identified intangible assets from a business combination as follows:
- intangible assets from loan contractual agreements

- intangible assets from deposits contractual agreements

- intangible assets from contractual agreements in brokerage services.

The amortization method being used to allocate the depreciable amount of the identifiable intangible assets acquired from business combinations is the straight-line method, with a finite useful life between 4 to 5 years.

4.2 Impairment losses on loans and receivables

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. If such evidence exists, the recoverable amount of the financial asset or group of financial assets is calculated and an impairment provision is accounted. The impairment is charged to the income statement. The methodology and assumptions used are reviewed regularly in order for any deviations between loss estimates and actual loss experience is minimized.

4.3 Fair value of derivative financial instruments

The fair value of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. Those models even though are dependent on measurable data, they require estimates and judgments (i.e. to determine volatility and credit risk). Those estimates and judgments are regularly assessed and whenever market conditions change. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.4 Impairment of available-for-sale financial assets
The available-for-sale portfolio is measured at fair value with any changes in fair value recognized in a fair value reserve. Available-for-sale equity investments are impaired when there has been a significant or prolonged decline in fair value below its cost. When the declines in fair value are considered significant or prolonged, the fair value reserve is transferred to the income statement. Furthermore, estimates are used to determine the fair value of equity investments which are not quoted in active markets. For those investments, the fair value is determined by using valuation techniques taking under consideration assumptions about industry and sector performances as well as the financial position of the investee.

4.5 Impairment test of goodwill acquired in a business combination

The Group assesses at each balance sheet date, after initial recognition, goodwill acquired in a business combination at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment (Note 281).

4.6 Held-to-maturity investments
The Group follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgment. In making this judgment, the bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire category as available for sale. The investments would therefore be measured at fair value and not amortized cost.

4.7 Income taxes

The Group is subject to income tax according to the tax legislation in Greece. The Bank's tax obligations are considered to be finalized after the completion of the review by the tax authorities.

Due to the method according to which the tax liabilities are settled in Greece, the Bank remains contingently liable for any additional taxes and penalties for the un-audited tax periods. Relevant provision has been taken according to IFRS. Where the final tax outcome of such an audit is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4.8 Provisions for insurance activities

Reserve adequacy test was performed with the link ratio methodology, using last six years data. Said methodology assumes persistence of accumulated losses ratios (paid and outstanding claims).

5 Segment analysis

5.1 Business segment

The Group is divided into three main business segments on conducting its business:

- Commercial banking – incorporating personal banking, private banking, corporate banking, mortgage banking, etc; and
- Investment banking – incorporating trading, structured financing, brokerage services, merger and acquisitions advice, etc.
- Insurance and other activities

The here below table summarizes the Bank's financial position by business segment:

As at 31 December 2008:

	Retail Banking	Investment Banking	Insurance and other activities	Group	Discontinued activity	Continuing activity
Interest and similar income	97.713	32.788	270	130.771	269	130.502
Interest and similar expense	(66.704)	(21.247)	(211)	(88.162)	(211)	(87.951)
Net interest income	**31.009**	**11.542**	**59**	**42.609**	**58**	**42.550**
Income from insurance activities	-	-	30.161	30.161	30.161	-
Expense from insurance activities	-	-	(9.148)	(9.148)	(9.148)	-
Net income from insurance activities			**21.013**	**21.013**	**21.013**	**-**
Fee and commission income	9.974	30.144	-	40.118	-	40.118
Fee and commission expense	(854)	(7.739)	-	(8.593)	-	(8.593)
Net fee and commission income	**9.120**	**22.406**	**-**	**31.525**	-	**31.525**
Dividend income	-	1.936	2	1.935	2	1.933
Net trading income	-	(34.958)	(704)	(35.662)	(705)	(34.957)
Net income from financial instruments designated at fair value	-	(2.610)	-	(2.610)	-	(2.610)
Net gains less losses from investment securities	-	(40)	-	(40)	-	(40)
Other operating income	674	969	1.001	2.643	78	2.565
Operating income	**40.803**	**(716)**	**21.370**	**61.412**	**20.446**	**40.965**
Administrative expenses	(31.642)	(13.213)	(2.593)	(47.449)	(4.615)	(42.833)
Depreciation expenses	(3.825)	(1.056)	(2.827)	(7.708)	(127)	(7.581)
Insurance compensation	-	-	(18.407)	(18.407)	(18.407)	-
Impairment losses on financial assets	(15.756)	(3.172)	-	(18.928)	-	(18.928)
Profit before tax	**(10.420)**	**(18.198)**	**(2.456)**	**(31.080)**	**(2.703)**	**(28.377)**
Share of profit of associates				**(1.748)**	**(289)**	(1.459)
Non-allocated expenses				(5.984)	-	(5.984)
Impairment loss from participation in associate				(10.698)	(10.698)	-
Impairment loss from Available for sale securities				(586)	-	(586)
Impairment loss from goodwill				(11.696)	-	(11.696)
Income tax expense				8	1	7
Profit for the period				**(61.784)**	**(13.689)**	**(48.095)**

	Retail Banking	Investment Banking	Insurance and other activities	Group	Discontinued activity	Continuing activity
Total assets	1.292.301	648.620	38.886	1.979.807	35.465	1.944.342
Total liabilities	1.117.564	550.903	43.032	1.711.499	41.172	1.670.327

As at 31 December 2007:

	Retail Banking	Investment Banking	Insurance and other activities	Group	Discontinued activity	Continuing activity
Interest and similar income	109.138	3.056	106	112.300	106	112.194
Interest and similar expense	(68.416)	(516)	(312)	(69.244)	(312)	(68.932)
Net interest income	**40.722**	**2.540**	**(206)**	**43.057**	**(206)**	**43.262**
Income from insurance activities		-	39.643	39.643	39.643	-
Expense from insurance activities		-	(11.936)	(11.936)	(11.936)	-
Net income from insurance activities			**27.707**	**27.707**	**27.707**	**-**
Fee and commission income	5.924	38.042	-	43.966	-	43.966
Fee and commission expense	(887)	(7.473)	-	(8.360)	-	(8.360)
Net fee and commission income	**5.037**	**30.568**	-	**35.606**	-	**35.606**
Dividend income	-	3.412	55	3.467	55	3.412
Net trading income	338	7.873	(15)	8.196	(15)	8.211
Net income from financial instruments designated at fair value	-	2.263	-	2.263	-	2.263
Other operating income	714	12	756	1.482	2	1.480
Operating income	**46.811**	**46.668**	**28.298**	**121.778**	**27.543**	**94.234**
Administrative expenses	(31.671)	(14.389)	(5.633)	(51.693)	(4.951)	(46.741)
Depreciation expenses	(3.646)	(1.006)	(140)	(4.792)	(136)	(4.656)
Impairment losses on financial assets	(6.892)	(89)	(22.335)	(29.316)	(22.335)	(6.981)
Profit before tax	**4.602**	**31.189**	**190**	**35.977**	**121**	**35.856**
Share of profit of associates	-	**302**	-	**302**	**47**	**255**
Non-allocated expenses				(5.778)	-	(5.778)
Income tax expense				(9.748)	(16)	(9.732)
Profit for the period				**20.753**	**152**	**20.601**
Total assets	1.430.478	878.647	56.306	2.365.431	53.727	2.311.704
Total liabilities	1.509.061	442.039	46.766	1.997.866	44.339	1.953.527

5.2 Geographical segment

The Group mainly operates in Greece and therefore no results per geographical area are presented.

6 Net interest income

	1.1.-31.12.2008	1.1-31.12.2007
Interest and similar income		
Loans and receivables	91.890	84.652
Debt securities	27.433	15.537
Loans and advances to banks	4.487	8.837
Other interest and similar income	6.693	3.168
Total	**130.503**	**112.194**
Interest expense and similar charges		
Due to customers	(59.744)	(52.740)
Due to banks	(17.590)	(7.649)
Contributions (Law N.128)	(4.950)	(4.849)
Other interest and similar expense	(4.483)	(3.082)
Debt securities in issue	(1.183)	(612)
Total	**(87.950)**	**(68.932)**
Net interest income	**42.553**	**43.262**

7 Net fee and commission income

	1.1.-31.12.2008	1.1-31.12.2007
Fee and commission income		
Investment Banking:		
Investment activities	17.090	15.303
Securities brokerage	12.153	21.050
Asset management	164	1.613
Retail Banking:		
Loans and receivables	7.019	2.051
Credit cards	1.673	2.111
Letters of guarantee	874	878
Imports-exports	336	486
Fund management:		
Foreign currency transactions	329	332
Remittance	480	142
Total	**40.118**	**43.966**
Fee and commission expense		
Investment Banking:		
Investment activities	(2.999)	(1.953)
Securities brokerage	(4.662)	(5.320)
Retail Banking:		
Credit cards	(765)	(838)
Remittance fees/commissions from LGs	(89)	(49)
Fund management:		
Fiduciary activities	(35)	(73)
Other activities:		
Other commissions	(43)	(127)
Total	**(8.594)**	**(8.360)**
Net fee and commission income	**31.524**	**35.606**

8 Dividend income

	1.1.-31.12.2008	1.1-31.12.2007
Trading securities	1.792	3.397
Available-for-sale securities	140	15
Total	**1.933**	**3.412**

9 Net trading income

	1.1.-31.12.2008	1.1-31.12.2007
Transaction gains less losses	(14.807)	14.723
Foreign exchange translation and transaction (gains less loss)	(7.098)	409
Securities valuation	(14.239)	(8.631)
Derivative financial instruments	1.187	1.708
Total	**(34.957)**	**8.211**

The Group has utilized the amendments of IAS 39 and IFRS 7, while the Bank exerted them during the 3rd quarter of 2008 and reclassified equity securities, listed in the Athens Stock Exchange, totaled 22 mln euros, from financial assets designated at fair value to Available-for sale investment securities.

More precisely, we refer in note 26.

10 Net income from financial instruments designated at fair value

	1.1.-31.12.2008	1.1-31.12.2007
Securities valuation	(2.610)	2.263
Total	**(2.610)**	**2.263**

11 Other operating income

	1.1.-31.12.2008	1.1-31.12.2007
Other income	1.718	1.347
Rentals	83	74
Non-banking activities	763	59
Total	**2.564**	**1.480**

12 Personnel expense

	1.1.-31.12.2008	1.1-31.12.2007
Salaries	(18.622)	(18.351)
Social security costs	(4.235)	(4.066)
Other employee costs	(1.094)	(1.012)
Pension and retirement costs	(348)	(625)
Share-based payment transactions	(682)	(983)
Total	**(24.981)**	**(25.036)**

13 Other administrative expenses

	1.1.-31.12.2008	1.1-31.12.2007
Subscriptions and other contributions	(3.602)	(4.626)
Operating lease rentals	(4.471)	(4.060)
Other expenses	(4.352)	(4.156)
Third party fees	(3.245)	(3.418)
Contribution to Hellenic Deposit Guarantee Fund	(1.484)	(1.455)
Taxes and duties	(1.743)	(2.016)
Maintenance costs	(2.051)	(1.562)
Telephone – posting expenses	(1.094)	(1.247)
Promotion and advertising expenses	(581)	(1.077)
Consumables	(400)	(518)
Utilities	(478)	(440)
Insurance costs	(337)	(338)
Total	**(23.838)**	**(24.914)**

14 Depreciation expenses

	1.1.-31.12.2008	1.1-31.12.2007
Identifiable intangible assets acquired from business combinations	(4.173)	(4.173)
Property, plant and equipment	(2.644)	(2.368)
Other intangible assets	(764)	(684)
Total	**(7.581)**	**(7.225)**

15 Impairment losses on financial assets and non financial assets

	1.1.-31.12.2008	1.1-31.12.2007
Loans and receivables	(15.755)	(6.892)
Impairment of goodwill	(11.696)	-
Available-for-sales equity investments	(587)	(36)
Other assets	(3.172)	(53)
Total	**(31.210)**	**(6.981)**

16 Share of profit of associates

Proportion in profits in the subsidiary undertaking Omega Portfolio Investment Co. SA for the period 1.1-31.12.2008 totalled to (1.459) thousands euro (1.1-31.12.2007: 255 thousands euro).

17 Income tax expense

	1.1.-31.12.2008	1.1-31.12.2007
Current tax	(3.011)	(10.258)
Tax on reserves	(336)	-
Deferred tax	4.226	1.362
Tax provisions	(872)	(835)
Total	**7**	**(9.732)**

The Bank has been reviewed by the Local Tax Authorities for the years up to and including 2006. For the un-audited period ended on 31 December 2008 the Bank has accounting allowances for potential taxable differences.

The tax rate for Greek legal entities, in accordance with the articles of the Greek tax legislation (Article 109 § 1, Law 2238/94) is 25% for the year 2007 and for the year 2008.

The income tax expense charged in the income statement of the subsidiaries has been calculated by strictly applying the nominal tax rate over the taxable profits as these prescribed by the Greek Tax Legislation.

According Law 3697/2008 tax rate for the next years have aw follows:

2009	25%
2010	24%
2011	23%
2012	22%
2013	21%
2014	20%

The calculation of the deferred tax has been based on the tax rate that it is estimated to stand on the applicable tax law when the temporary tax or deductible differences will be reversed.
The Group has been reviewed by the Local Tax Authorities and fully settled their tax obligations for all the years unless otherwise stated in the here below note:

Proton Bank SA:	2007,2008
Proton Mutual Funds Co SA :	2007,2008
Omega Brokerage SA	2002-2008
First Global Brokers	2007,2008
Intellectron Systems A.E.	2001-2008
Omega Portfolio Investment Co SA	2006-2008

Due to the method according to which the tax liabilities are settled in Greece, the Group remains contingently liable for any additional taxes and penalties for the un-audited tax periods.

The income tax expense charged in the consolidated income statement differs with the one that would be calculated by strictly applying the nominal tax rate over the taxable profits. The here below table depicts a reconciliation of the income tax expense at the consolidated balance sheet date:

Income tax expense charged to the income statement	**1.1-31.12.2008**	**1.1-31.12.2007**
Profit before tax	**(48.104)**	**30.333**
Income tax expense calculated at a 25% tax rate	12.026	(7.583)
Income not subject to tax	(11.671)	(1.830)
Non-deductible expenses	(3.356)	(272)
Supplementary tax 3% on real estate	(10)	(8)
Tax on tax differences	-	(557)
Tax on tax difference	(872)	(844)
Deferred tax charge to the income statement	3.890	1.362
Total income tax	**7**	**(9.732)**

Deferred income tax assets and liabilities are attributable to the following items:	**1.1.-31.12.2008**
Loans an receivables	(139)
Allowance for impairment, net of revaluation	(451)
Impairment losses of other assets	616
Derivative financial instruments	1.065
Impairment of investments held for sale	(390)
Financial instruments	1.541
Property, plant and equipment, and intangibles	968
Leasing	(728)
Financial assets at Net Present Value)	595
Retirement benefit obligations	(24)
Financial liabilities	(64)
Total deferred income tax assets and liabilities	**3.890**

Further information on deferred income tax assets and liabilities is presented in Note 30.

18 Earnings per share

From continuing and discontinued activities (attributable to:	**1.1.-31.12.2008**	**1.1-31.12.2007**
Net profit)	**(61.467)**	**20.611**
Number of ordinary shares outstanding at the beginning of period	62.683.822	62.683.822
Less: Treasury shares	(859.483)	(859.483)
Number of ordinary shares outstanding at the end of period	61.824.339	61.824.339
Weighted average number of ordinary shares in issue	61.824.339	62.303.991
Basic and diluted earnings per share (expressed in euro per share)	**(0,9942)**	**0,3309**
From continuing activities(attributable to:		
Net profit)	**(48.099)**	**20.512**
Weighted average number of ordinary shares in issue	61.824.339	62.303.991
Basic and diluted earnings per share (expressed in euro per share)	**(0,7780)**	**0,3293**

Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

- Diluted earnings

Basic and diluted earnings per share remain the same since the effect of the employee share options are antidilutive for the current period and therefore has not been considered.

18.1 Net profit from discontinued activities

As it is mentioned in the note 1.1, on 6 October 2008, after the cancelling out of the signed contractual agreement, on 28 December 2007, between the Bank and the "COMMERCIAL VALUE SOCIETE ANONYME INSURANCE", the Bank entered into a new contractual agreement with "ASPIS HOLDINGS PUPLIC COMPANY LIMITED" to sell 92.71% of the outstanding ordinary shares of "PROTON SOCIETE ANONYME PROVISION INSURANCE". As a consequence, the investment in the subsidiary undertaking is considered "non-current assets held for sale". The sale contract, as this is prescribed by the new contractual agreement, will be finalized after receiving the relevant authorization, as it is strongly prescribed by the Commerce Law, by the local authorities.
The net profits from the equity investment in the «PROTON SOCIETE ANONYME PROVISION INSURANCE» which reported as a discontinuing operation, is as follows:

	1.1.-31.12.2008	**1.1.-31.12.2007**
Interest and similar income	269	106
Interest expense and similar charges	(211)	(312)
Net interest income	**58**	**(206)**
Income from insurance activities	30.161	39.643
Expense from insurance activities	(9.148)	(11.936)
Net income from insurance activities	**21.013**	**27.707**

Dividend income	2	55
Net trading income	(705)	(15)
Other operating income	78	2
Operating income	**20.446**	**27.543**
Personnel expenses	(1.827)	(1.969)
Administrative expenses	(2.788)	(2.982)
Depreciation expenses	(127)	(136)
Insurance	(18.407)	(22.335)
Net operating income	**(23.149)**	**(27.422)**
Share of profit of associates	**(289)**	**47**
Profit/(loss) before tax	**(2.992)**	**168**
Income tax expense	1	(16)
Impairment loss from discontinued activities	**(10.698)**	**-**
Loss for the period from discontinued activities	**(13.689)**	**152**

It is noted that the subsidiary has been reviewed by the Local Tax Authorities for the years up to and including 2007.

The subsidiary employs 50 individuals in 31.12.2008.

19 Cash and cash equivalents

	31.12.2008	31.12.2007
Cheques receivable	7.231	12.344
Cash in hand and items in course of collection	8.416	34.384
Included in cash and cash equivalents (note 42)	**15.646**	**46.728**
Mandatory reserve deposits with the Central Bank	19.740	6.068
Total cash and cash equivalents	**35.386**	**52.796**

20 Loans and advances to banks

	31.12.2008	31.12.2007
Interbank deposits	11.873	155.133
Placements with other banks (up to 90 days)	1.347	33.787
Cheques receivable	193	1.053
Included in cash and cash equivalents (note 42)	**13.413**	**189.972**
Placements with other banks (over 90 days)	32.847	15.082
Total	**46.260**	**205.055**

21 Loans and receivables

	31.12.2008	31.12.2007
Individuals:		
Mortgages	40.820	48.341
Consumer/personal	131.068	159.010
Credit cards	33.474	37.232
Total loans and receivables to individuals	**205.362**	**244.583**
Corporate entities:		
Other entities	192.196	222.280
Commercial-insurance	171.135	259.391
Credit institutions		45.906
Transportation-Telecommunication	210.619	205.918
Building-construction	117.247	139.832
Manufacture	148.841	113.773
Services	25.957	29.752
Small industry	13.097	12.946
Agricultural	55.024	57.847
Energy	303	310
Mining	892	1.309
Total loans and receivables to corporate entities	**935.310**	**1.089.264**
Finance lease receivables (1)	**83.689**	**69.858**
Gross loans and receivables	**1.224.361**	**1.403.705**

Less: allowance for impairment		
Individuals:		
Balance at December	(14.181)	(16.271)
Impairment charge for the year	(1.580)	2.090
Write offs	3.621	-
Total allowances for individuals	**(12.140)**	**(14.181)**
Corporate entities:		
Balance at December	(21.500)	(23.027)
Impairment charge for the period	(4.180)	(8.982)
Derecognition of financial assets	-	10.509
Write offs	5.080	-
Total allowances for corporate entities	**(20.601)**	**(21.500)**
General allowances	**(9.900)**	
Total allowances at 31 December	**(42.641)**	**(36.681)**
Net loans and receivables	**1.181.720**	**1.368.023**

(1) Finance lease receivables	**31.12.2008**	**31.12.2007**
Gross investment in the lease	99.784	98.710
Less: unearned finance income	(16.095)	(28.852)
Net investment in lease at the end of period	**83.689**	**69.858**
Present value of minimum lease payments receivable at 31 December :		
No later than 1 year	17.879	11.286
Later than 1 year and no later than 5 years	52.177	43.733
Later than 5 years	13.634	14.839
Total	**83.689**	**69.858**

22 Derivative financial instruments

As at 31 December 2008		Fair values	
Derivatives held for trading	Contract/ notional amount	Assets	Liabilities
a) Foreign exchange derivatives			
- Options	537	31	-
- Futures	116.078	-	-
	116.615	**31**	**-**
b) OTC derivatives			
- Interest rate swaps	185.553	2.618	(2.488)
- Options	1.870.019	14.805	(14.805)
- Forwards	158.498	3.121	-
- Credit default swaps	63.346	611	(3.377)
	2.277.416	**21.155**	**(20.670)**
Total identifiable derivative assets/(liabilities) held for trading	**2.394.031**	**21.186**	**(20.670)**

As at 31 December 2007		Fair values	
Derivatives held for trading	Contract/ notional amount	Assets	Liabilities
a) Foreign exchange derivatives			
- Options	3.583	-	(136)
- Futures	9.418	-	-
	13.001	**-**	**(136)**
b) OTC derivatives			
- Interest rate swaps	489.672	4.302	(4.240)
- Options	1.770.193	6.861	(6.836)
- Forwards	324.064	-	(3.358)
- Credit default swaps	30.000	72	-
-Share options	10.000	294	-
	2.623.929	**11.529**	**(14.434)**
Total identifiable derivative assets/(liabilities) held for trading	**2.636.930**	**11.529**	**(14.570)**

The Group does not utilize the hedge accounting, as this is prescribed in IAS (though there is a designated hedging relationship between a hedging instrument and a hedged item. Changes in the fair value of any derivative instrument that are not considered for hedge accounting are recognized immediately in the income statement under net trading income. The contractual or notional amount of certain types of financial instrument provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

23 Trading portfolio

	31.12.2008	31.12.2007
Government bonds	16.230	23.850
Corporate bonds	96.897	102.942
Mutual funds	1.566	8.903
Equity securities	7.023	38.686
Total	**121.716**	**174.381**

24 Financial assets at fair value through profit or loss

	31.12.2008	31.12.2007
Corporate bonds	38.255	5.421
Total	**38.255**	**5.421**

The here above figure refers to structured products which are revalued at their fair value and conform to the IAS 39.

25 Held-to-maturity investments

	31.12.2008	31.12.2007
Government bonds	6.664	6.659
Corporate bonds	-	3.058
Total	**6.664**	**9.717**

Mainly include bonds, that are held from the issue date and for which the Bank intends to hold until maturity. The fair value of the above mentioned bonds as of 31 December 2008 is 6.707 thousands of euros.

26 Available-for-sale assets

	31.12.2008	31.12.2007
Corporate bonds	157.128	112.339
Other financial assets	2.146	2.092
Equity securities	19.400	5.991
Government bonds	130.750	129.805
Total	**309.424**	**250.227**

All the above mentioned available-for-sale financial assets are reported at their fair value.

According to the amendments of IAS 39 and I.F.R.S.7 , an amount of 22 mln € representing the market value of equity securities listed in the Athens Stock Exchange, has been transferred by the "Financial assets at fair value through profit or loss" to the "Available-for-Sale Investment Securities" due to the extraordinary conditions prevailing in the financial markets; it is estimated that the market value of these equity securities as of 31 December 2008 does not represent the internal value of the underlying business entities. These equity securities are intended to be held for a definite period of time, which will not be sold in the near future. Losses resulted from the revaluation of these equity securities, from the period from 1 July 2008 up to and including 31 December 2008, amounted to 11 mln € which has been booked as a reserve account under the Balance Sheet item "Other Reserves". In addition, losses resulted from the revaluation of these equity securities, from the period from 1 January 2008 up to and including 30 June 2008, amounted to 5,4 mln € are reported in the income statement under the item "Net trading income". No reason has been raised to treat debt securities and derivatives likewise and adopt the above mentioned amendments; changes in fair values of debt securities and derivatives that are characterized as "Financial assets at fair value through profit or loss" are being directly reported in the income statement.

27 Investment in associates

	31.12.2008	31.12.2007
Investment in associates	2.221	3.886
Total	**2.221**	**3.886**

As at 31 December 2008

Name	Country	% Participation*	Assets*	Liabilities	Income	Profit	Carrying value
Omega Portfolio Investment Co. SA	Greece	29,43%	9.068	116	(5.492)	(5.882)	**2.221**

As at 31 December 2007

Name	Country	% Participation *	Assets	Liabilities	Income	Profit	Carrying value
Omega Portfolio Investment Co. SA	Greece	29.20%	15.824	91	1.523	1.034	**3.886**

*(31.12.2008: indirect 4, 55%, direct 24, 88%. 31.12.2007: indirect 4, 48%, direct 24, and 72%)

Investments in associates, in the non-consolidated financial statements, are reported in their fair value according to IAS 39 as Available-for-sale financial assets at fair value through equity. Its fair value, as at 31 December 2008, is calculated to 1.165 thousands euro.

28 Intangible assets

As at 31 December 2008:

	Combination difference	Other	Software	Total
Balance at 1 January 2007				
Cost	87.206	19.538	4.076	110.820
Accumulated depreciation	-	(5.216)	(1.333)	(6.549)
Net book value	**87.206**	**14.322**	**2.743**	**104.271**
Year ended 31 December 2008				
Opening net book value	**87.206**	**14.322**	**2.743**	**104.271**
Exchange differences	(4)			(4)
Additions			314	314
Impairment	(11.696)			(11.696)
Depreciation charge		(4.173)	(764)	(4.937)
Closing net book value	**75.506**	**10.149**	**2.293**	**87.948**
Balance at 31 December 2008				
Cost	87.206	19.538	4.390	111.134
Accumulated depreciation	(11.700)	(9.389)	(2.098)	(23.187)
Net book value	**75.506**	**10.149**	**2.292**	**87.947**

As at 31 December 2007:

	Combination difference	Other	Software	Total
Balance at 1 January 2007				
Cost	99.599	19.538	3.902	123.039
Accumulated depreciation	-	(1.043)	(650)	(1.693)
Net book value	**99.599**	**18.495**	**3.252**	**121.346**
Year ended 31 December 2007				
Opening net book value	99.599	18.495	3.252	121.346
Transfer in discontinuing operations:				
-Cost	(12.393)	-	(126)	(12.519)
-Accumulated depreciation	-	-	46	46
Additions	-	-	308	308
Disposals –cost	-	-	(8)	(8)
Disposals - accumulated depreciation	-	-	1	1
Depreciation charge	-	(4.173)	(730)	(4.903)
Closing net book value	**87.206**	**14.322**	**2.743**	**104.271**
Balance at 31 December 2007				
Cost	87.206	19.538	4.076	110.820
Accumulated depreciation	-	(5.216)	(1.333)	(6.549)
Net book value	**87.206**	**14.322**	**2.743**	**104.271**

28.1 Impairment testing of goodwill

Goodwill has been generated from the acquisition of Omega Bank and refers to the excess of the cost of acquisition over the fair value of the Bank's share of the net identifiable assets of the acquired company at the date of acquisition.

Goodwill is allocated to cash-generating units for the purpose of impairment testing; each of those cash-generating units is represented by each primary reporting segment. Goodwill has been allocated in the cash-generating units, comprising the banking operations, namely commercial banking and investment banking.

The second impairment testing of the goodwill resulting from the acquisition of Omega Bank and its subsidiaries on 29 September 2006 finalized on 31 December 2008. The recoverable amount of the cash-generating units has also been determined based on value in use calculations. For the determination of the value in use, the pre-tax expected future cash flows has been utilized based on the approved by the management business plan and projections covering a four-year period. The estimation of the pre-tax expected future cash flows beyond the current period of four years has been resulted by utilizing the average growth. The estimation of pre-tax expected future cash flows requires high degree of management judgment and is based on assumptions about future events, and know-how from trends and elements from the past. The key assumptions used for the value in use calculations are the following:

Key assumptions for the year 2008:

Average growth of net interest and similar income 2009-2012	16,4%
Average growth of profits 2009-2012	55.8%
Average growth of loans and receivables 2009-2012	24,6%
Average growth of customer deposits 2009-2012	25.5%
Average growth of the risk weighted assets 2009-2012	21,1%
Minimum capital requirements (Tier I) (2012)	8.5%
Average growth after 2012	2,0%
Discount rate (pre-tax cost of equity) after 2012	12,5%

Key assumptions for the year 2007	
Average growth of net interest and similar income 2008-2011	25,0%
Average growth of profits 2008-2011	31,1%
Average growth of loans and receivables 2008-2011	27,8%
Average growth of customer deposits 2008-2011	24,3%
Average growth of the risk weighted assets 2008-2011	22,7%
Minimum capital requirements (Tier I)	8,0%
Average growth after 2011	2,00%
Discount rate (pre-tax cost of equity) (2011)	10,4%

The average growth of net interest and similar income has been estimated by the management based on past experience, together with the provision for the growth of loans and advances and the net interest margin of the market in the future.
The average growth of loans and advances has been estimated by the management based on the market growth, macroeconomics conditions prevailing in the future, the growth of branch network and development of the product bundle.
The average growth of customer deposits has been estimated by the management based on the budgeted significant increment for 2009 vis-à-vis 2008, since the recovery of depository funds that have been lost during the last quarter of 2008 represents the major priority to be met.
On 31 December 2008, the average recovery value amounted to 261.617 thousands €, falls short by 11.696 thousands € of the respective accounting value which also included the goodwill amounted to 273.313 thousands € which has burdened the income statement.
The calculation of the recovery value has been estimated by the management business plan and projections with respect of future events and parameters of the market which might not be verified. Specifically, the recovery value is especially sensitive on the projections of the average growth of net interest and similar income, the future average growth and the cost of funds. Any negative variation on the above mentioned might result on further impairment losses of goodwill. If the future annual growth is limited to 1, 75% and the cost of funds calculated to 12, 98%, the recovery value will be totaled to 242.678 thousands € and the impairment of goodwill will be estimated to 30.635 thousands €.
If the average growth net interest and similar income was decreased by 5%, the recovery valued would be totaled to 237.359 thousands € and the impairment of goodwill would be calculated to 35.954 thousands €.

29 Property, plant and equipment

As at 31 December 2008:

	Land	Buildings	Machinery	Vehicles	Furniture	Total
Balance at 1 January 2008						
Cost	7.233	14.900	72	185	10.266	32.656
Accumulated depreciation	-	(1.824)	(34)	(116)	(2.803)	(4.777)
Net book value	**7.233**	**13.076**	**38**	**69**	**7.463**	**27.879**
Year ended 31 December 2008						
Opening net book value	7.233	13.076	38	69	7.463	27.879
Exchange differences		1			(4)	(3)
Additions		561	6		1.259	1.826
Disposals - cost of acquisition					(158)	(158)
Disposals - accumulated depreciation					32	32
Impairment - cost of acquisition					(179)	(179)
Impairment - accumulated depreciation					43	43
Depreciation charge		(1.070)	(10)	(34)	(1.530)	(2.644)
Closing net book value	**7.233**	**12.568**	**34**	**35**	**6.926**	**26.796**
Balance at 31 December 2008						
Cost	7.233	15.462	78	185	11.184	34.142
Accumulated depreciation	-	(2.894)	(44)	(150)	(4.258)	(7.346)
Net book value	**7.233**	**12.568**	**34**	**35**	**6.926**	**26.796**

As at 31 December 2007:

	Land	Buildings	Machinery	Vehicles	Furniture	Total
Balance at 1 January 2007						
Cost	11.151	15.400	62	220	9.025	35.858
Accumulated depreciation	-	(871)	(24)	(84)	(1.477)	(2.456)
Net book value	**11.151**	**14.529**	**38**	**136**	**7.548**	**33.402**
Year ended 31December 2007						
Opening net book value	11.151	14.529	38	136	7.548	33.402
Transfer to available-for-sale assets						
Cost	(813)	(1.301)	-	(36)	(221)	(2.370)
Accumulated depreciation	-	43	-	6	66	115
Additions	-	1.854	10	4	1.464	3.332
Disposals - cost of acquisition	(3.105)	(1.053)	-	(3)	(2)	(4.163)
Disposals - accumulated depreciation	-	22	-	-	1	23
Depreciation charge	-	(1.018)	(10)	(38)	(1.393)	(2.459)
Closing net book value	**7.233**	**13.076**	**38**	**69**	**7.463**	**27.880**
Balance at 31 December 2007						
Cost	7.233	14.900	72	185	10.266	32.656
Accumulated depreciation	-	(1.824)	(34)	(116)	(2.803)	(4.777)
Net book value	**7.233**	**13.076**	**38**	**69**	**7.463**	**27.880**

For the period ended 31 December 2008, the Bank proceeded in revaluation of the buildings for own use, thus affecting their value. The revaluation process has been completed by the independent valuator "Danos & Associates International property & Values". For the estimation of the fair value the comparative method has been adopted. The major factors which have been taken into consideration, during the revaluation process, are the followings: (a) the specific traits of each tangible asset, (b) the urban-planning status, (c) total supply and total demand, and market prices in the greater area of the region where these tangible assets are located, and (d) the use character in the greater area of the region where these tangible assets are located. From this revaluation process, no significant variation in the fair value of the tangible assets under consideration emerged. The fair value of the tangible assets under consideration is calculated to 13 mln euros and does not vary from the value that would be calculated if the cost method was adopted.

30 Deferred tax assets/ liabilities

	31.12.2008	31.12.2007
Deferred tax assets:		
Financial assets designated at fair value through profit or loss	2.971	1.430
Financial assets designated at fair value through equity	9.593	3.359
Financial assets	613	9
Financial liabilities	127	192
Derivatives	1.072	
Finance leases		567
Commission from loans and advances	29	168
Provisions for bad debts	1.514	1.062
Retirement benefit obligations	273	295
Other assets	630	16
Total	**16.822**	**7.098**
Deferred tax liabilities:		
Intangible assets	(2.436)	(3.582)
Finance leases	(161)	-
Property, plant and equipment	(726)	(548)
Financial assets designated at fair value through equity		(2.798)
Impairment of investments held for sale	(390)	-
Financial assets	(8)	-
Derivatives listed on the Athens Derivatives exchange	(7)	-
Total	**(3.728)**	**(6.928)**
Net deferred tax liability	**13.094**	**171**

The movement in the investment securities portfolio had as follows:

Balance at 1 January 2008	**171**
Deferred tax assets / (liabilities) from:	
Loans and receivables	(139)
Provisions for bad debts	451
Provisions for other assets	616
Derivative financial instruments	1.065
Non-derivative financial instruments	10.575
Intangible assets	967
Leasing	(728)
Financial assets, at net present value	595
Retirement benefit obligations	(23)
Financial liabilities	(64)
Impairment of investments held for sale	(390)
Balance at 31 December 2008	**13.094**

31 Other assets

	31.12.2008	31.12.2007
Receivables from brokerage	246	15.539
Receivables from foreign stock exchange	3.534	4.608
Bond subscriptions		30.411
Other debtors	24.566	17.382
Contributions to Co-Guarantee Fund and Supplementary Fund	6.365	12.639
Greek state, prepaid taxes	13.202	8.963
Bad debts, other than loans and receivables	3.575	4.206
Credit card receivables	1.686	1.751
Guarantees	2.900	621
Advances to third parties	44	52
Receivables from transactions for third parties	92	139
Short term receivables from subsidiaries other than loans	8	2
Advances to employees	80	28
	56.297	**96.341**
Less: allowances for impairment	(7.489)	(4.921)
Total	**48.808**	**91.420**

32 Discontinued operations

In the account the following are includes:

1) Land acquired from foreclosure and auctions. According to IFRS 5, the Bank must sell any assets of this category within twelve months from the date of acquisition:

	31.12.2008	31.12.2007
Land	304	148
Buildings	833	70
Total	**1.137**	**218**

2) On 6 October 2008, the Bank entered into a new contractual agreement with the "ASPIS HOLDINGS PUBLIC COMPANY LIMITED" to transfer 92, 71% of the outstanding common shares of the "PROTON SOCIETE ANONYME PROVISION INSURANCE" to the aforementioned company, at a price of € 7, 8 mln, payable in 8 semiannual installments; "ASPIS HOLDINGS PUBLIC COMPANY LIMITED", with its headquarters in Cyprus, is listed on the Cyprus Stock Exchange. At the same time, the old contractual agreement with the "COMMERCIAL VALUE S.A." to transfer 91, 29% of the outstanding common shares, at a price of € 19 mln, of the "PROTON SOCIETE ANONYME PROVISION INSURANCE" was cancelled. The sale contract will be finalized after receiving the relevant authorization of the local authorities, as it is strongly prescribed by the Commerce Law. The equity investment in Proton Insurance, in the consolidated financial statements, has been reported as a discontinued operation

The Group, by applying IFRS 5 "Non-current assets Held- for- Sale and Discontinued Operations", is presenting separately from other assets (liabilities) in the balance sheet the assets (liabilities) of the Proton Insurance SA under the headings "Non-current assets held for sale" and Liabilities related to non-current assets held for sale". Besides, the gain or loss recognized by the Proton Insurance SA is separately presented on the face of the consolidated income statement.

Assets and liabilities of discontinued operations related to the activities of Proton Insurance SA, after taking into consideration the eliminating entries, are as follows:

ASSETS	**31.12.2008**
Cash	6
Loans and advances to banks	166
Financial assets at fair value through profit or loss	10.120
Investments in associates	292
Intangible assets	1.751
Property, plant and equipment	2.161
Investment property	50
Insurance receivables	16.719
Reinsurance contracts	1.271
Deferred tax assets	54
Other assets	2.874
Total assets	**35.465**
LIABILITIES	**31.12.2008**
Debt securities in issue	1.539
Retirement benefit obligations	217
Provisions for insurance contracts	35.942
Deferred tax liabilities	78
Other liabilities	3.396
Total liabilities	**41.172**

a) An amount of 1.701 thousands euro, reported under balance sheet line "Intangible assets", represents goodwill from the acquisition of Proton Insurance SA.

From the revaluation of Proton Insurance SA, in the lower value between its carrying amount (net assets and goodwill) and its fair value less sales cost, a loss of 10.698 thous. euros accrue.

b) Under the balance sheet item "Debt securities in issue", a convertible loan is included. More precisely:

The Managing Director in order to participate in the placement of the convertible bond issued by Omega Insurance S.A., has entered into an equal-amount loan agreement with Omega Bank. Basic characteristics of the convertible bond are the following:

Issue date: June 27, 2006
Par value: 1.500 t
Coupon rate: 5%
Title form and number: 500.000 coupon bonds with par value 3 euro each, can be formed in a single or multiple cumulative title
Duration: Perpetuity with five-year notice of prepayment from the issuer, or relevant decision of the general assembly of the bondholders
Conversion ratio: One (1) bond is convertible to one (1) ordinary share of stock with par value 3 euro.
Use of funds: Strengthening of capital requirements.

The conversion option is not reported separately from the liability since it is considered immaterial.

c) Cash flows from discontinued operations for the periods ended 31 December 2008 and 31 December 2007, are as follows:

CASH FLOW STATEMENT	**1.1-31.12.2008**	**1.1-31.12.2007**
Net cash flows from discontinued operating activities	306	(5.612)
Net cash flows from discontinued investing activities	43	55
Net cash flows from discontinued financing activities	(86)	(908)
Net increase/ (decrease) in cash and cash equivalents from discontinued operations	**263**	**(6.465)**

d) Under the balance sheet item "Provisions for insurance contracts" provisions for insurances that cover the whole spectrum of insurances is included, presented in the here below table:

As at 31 December 2008:	
Unearned premiums 1.1.2008	11.683
Reported claims 1.1.2008	24.410
Total provisions for insurance contracts	**36.093**
Unearned premiums 1.1.2008 – 31.12.2008	(2.317)
Reported claims 1.1.2008 – 31.12.2008	2.165
Total provisions for insurance contracts 1.1-31.12.2008	**35.942**

As at 31 December 2008:	
Unearned premiums 31.12.2008	9.366
Reported claims 31.12.2008	26.576
Total provisions for insurance contracts	**35.942**
As at 31 December 2007:	
Unearned premiums 1.1.2007	10.721
Reported claims 1.1.2007	23.372
Total provisions for insurance contracts	**34.093**
Unearned premiums 1.1.2007 – 31.12.2007	962
Reported claims 1.1.2007 – 31.12.2007	1.038
Total provisions for insurance contracts 1.1-31.12.2007	**36.093**
As at 31 December 2007:	
Unearned premiums 31.12.2007	11.683
Reported claims 31.12.2007	24.410
Total provisions for insurance contracts	**36.093**

33 Due to banks

	31.12.2008	**31.12.2007**
Deposits from other banks	585.601	392.371
Current accounts	20.595	201
Short-tern loans	200	-
Time deposits	21.773	28.864
Repurchase agreements (Repos)	61.086	12.505
Total	**689.254**	**433.941**

The total of the repurchase agreements (repos) mature within one month from the balance sheet date.

34 Due to customers

	31.12.2008	**31.12.2007**
Individuals:		
Savings accounts	46.828	57.700
Current accounts	11.018	18.175
Under caution	2.761	1.738
Time deposits	534.658	794.343
	595.264	871.956
Corporate entities:		
Current accounts	35.651	67.898
Time deposits:		
Corporate entities	85.687	347.397
Public organizations		-
Municipal corporations	5.878	5.838
Other time deposits	27.950	55.694
Sale and repurchase agreement (repos)	-	986
	155.166	477.813
Blocked deposits	15.477	184
Pledged deposits	47.435	59.534
Margin accounts	104.673	40.800
Total	**918.015**	**1.450.287**

The total of the repurchase agreements (repos) mature within one month from the balance sheet date.

35 Debt in securities in issue

	31.12.2008	31.12.2007
Debt securities in issue	25.255	25.283
Total	**25.255**	**25.283**

Standard loan Eurobond with duration of 10 years, till 13 July 2017, closely related with DBFRB USD Index. The main elements of the debt securities in issue are as follows:

Issue date: 13 July 2007
Principal amount: 25.000.000 euros
Bond coupons: quarterly
Interest rate:

For the first six quarters 4, 65%

From the seventh till the 14th quarter 8, 50%, less the cumulative yield of the FRB index with a range of 8, 75% (max) and 0, 00% (min)

From the 15th till the 20th quarter 9,250%, less the cumulative yield of the FRB index with a range of 9, 25% (max) and 0, 00% (min)

From the 21st till the 38th quarter 9,750%, less the cumulative yield of the FRB index with a range of 9, 75% (max) and 0, 00% (min)

Form and denomination: The Bond Loan is constituted by five hundred (500) Bonds and the nominal amount of each Bond is EUR 50,000.
The aggregate nominal amount of the Bonds shall be EUR 25,000,000. The Bonds will be issued in Bond Certificates each one of which comprises one or more Bonds.
Duration: 10 years

Scheduled redemption: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Final Maturity Date.

Purpose of the issuance: To strengthen solvency.

36 Retirement benefit obligations

	31.12.2008	31.12.2007
Amounts recognized in the balance sheet:		
Present value of defined benefit obligations	1.521	1.317
Unrecognized actuarial losses	(228)	(178)
Total liabilities at end of the year	**1.293**	**1.140**
Amounts recognized in the income statement:		
Current service cost	257	277
Interest cost	75	44
Net actuarial losses recognized	174	1
Cutback effect	55	282
Removal personnel	-	20
Total	**562**	**625**
Principal actuarial assumptions:		
Discount rate	5,50%	4,90%
Future salary increases	4,70%	4,70%
The movement in the defined benefit obligation over the year has as follows::		
Balance at 1 January	1.140	1.228
Less: transfer in discontinued operations		(275)
	1.140	953
Charge in the income statement	347	625
Benefits paid	(194)	(438)
Total	**1.293**	**1.140**

37 Current income tax liabilities

	31.12.2008	31.12.2007
Income tax expense	1.278	9.670
Tax provision in tax reviews	1.671	828
Total	**2.949**	**10.498**

38 Other liabilities

	31.12.2008	31.12.2007
Taxes and duties payable:		
Taxes and duties relating to prior years from tax reviews		541
Taxes from interest on deposits	377	439
Taxes and duties from salaries	415	542
Other taxes and duties payable	200	188
Payables to social security funds	954	878
Other liabilities:		
Due from settlement of brokerage transactions	25	-
Suppliers and other liabilities	7.011	7.694
Salaries payable	54	239
Due to foreign derivative brokerage customers	14	262
Dividends payable	112	95
Total	**9.163**	**10.880**

39 Share capital

	31.12.2008	31.12.2007
Paid up share capital at beginning of period	281.450	281.450
Total	**281.450**	**281.450**
Ordinary shares (number of shares):		
At 1 January	62.683.822	62.683.822
Purchase treasury shares from Proton Bank	(760.483)	
Subtotal	**61.923.339**	**62.683.822**
Purchase treasury shares from Proton Bank		(760.483)
Total number of ordinary shares in circulation	**61.923.339**	**61.923.339**
At 1 January	(99.000)	
Purchase treasury shares from Proton Insurance		(99.000)
Total number of ordinary shares in circulation	**61.824.339**	**61.824.339**

40 Share premium

	31.12.2008	31.12.2007
Balance at 1 January	85.456	85.478
Share issue cost	(10)	(22)
Total	**85.446**	**85.456**

The share premium was created on the acquisition of Omega Bank SA and represents the difference between the market value and nominal value of exchanged shares for the acquisition.

41 Other reserves

	31.12.2008	31.12.2007
Available-for-sale reserve:		
Balance at 1 January	(12.599)	(11)
Change due to business combinations	-	(6)
Gains form change in fair value	(25.752)	(12.582)
Total available-for-sale reserve	**(38.351)**	**(12.599)**
Statutory reserves:		
Balance at 1 January	1.673	528
Change due to business combinations	-	10
Movements	951	1.135
Total statutory reserves	**2.624**	**1.673**
Stock option reserves :		
Balance at 1 January	983	-
Stock option reserve	682	983
Total stock option reserves	**1.665**	**983**
Total reserves	**(34.062)**	**(9.943)**

41.1. Statutory reserves

According to the article 44, Law 2190/1920, at least 5% of the annual profits after tax are transferred to form the statutory reserve. The statutory reserve is exclusively utilized before the payment of the dividends to extinguish accumulated losses..

42 Cash and cash equivalents

	31.12.2008	31.12.2007
Loans and advances to banks (note 20)	13.413	189.972
Cash and balances with the Central Bank (note 19)	15.646	46.728
Subtotal	**29.059**	**236.700**
Plus: Cash and cash equivalents from discontinued operations		
Cash	6	10
Deposits to banks	166	307
Total cash and cash equivalents	**29.231**	**237.017**

43 Dividend per share

The Bank´s Board of Directors, during its meeting on 23March 2008, decided to propose to the annual Regular General Shareholders' Meeting of the Bank dividends totaled to 12.385 thousands euros (euro 0,20 per share) . These financial statements do not include a provision for the proposed dividend, except for the tax relating to the proposed dividend.

44 Contingent liabilities and commitments

44.1 Legal proceedings

There are some claims and legal actions against the Group in the ordinary course of business. Except of a allowances of 694 thousands of euros no other provision in relation to these claims has been recognized, after the consultation with legal counsel, the final sentence judgment and their settlement are not expected to have a material impact on the financial statements of the Group.

44.2 Letters of guarantee /Irrevocable letters of credit

The off balance sheet items which represent the Group' s commitment to extend credit to its customers are analyzes as follows(in thousands of euros):

	2008	2007
Letters of guarantee	103.701	110.929
Irrevocable letters of credit	1.177	2.480
Total	**104.878**	**113.409**

44.3 Pledged assets

Greek Government debt securities with a nominal value of 1.500 thousands of euros, and shares listed in Athens Stock Exchange with a nominal value of 3.362 thousands of euros have been assigned to HELEX.

Greek Government debt securities with a nominal value of 21.630 thousands of euros, foreign government bonds with a nominal value of 2.000 thousands of euros, and foreign corporate bonds with a nominal value of 260.110 thousands of euros have been assigned to Bank of Greece.

Bank of Piraeus has granted a loan of 253 million of euros were the bank provided a loan portfolio of 249 million euros as pledged assets as this is prescribed in the relevant contractual agreement. According to the relevant agreement, Bank of Piraeus holds the right to transfer all the claims of these assets to a third party, together with any collateral, entitled or personal.

44.4 Capital commitments

(a) The Group leases for its operating purposes, offices for head quarters and branches. The future minimum lease payments under non cancellable operating leases, have as follow:

	31.12.2008	31.12.2007
Lease payments no later than 1 year	4.205	3.598
Lease payments later than 1 year and no later than 5 years	16.259	15.095
Lease payments later than 5 years	4.256	4.752
Total	**24.720**	**23.446**
Monthly lease payments	350	300
Guarantees which will be offset at lease termination	624	557

(b) The Group leases vehicles for private use. The future minimum lease payments for cars under non cancelable operating lease arrangements have as follow:

Leased tangible assets: vehicles for private use

Lease term: 4 years per leased vehicle

Lease guarantees offset at the end of the lease: 16 thousands of euros

Accrued lease payments recognized in the income statement during the period: 375 thousands of euros.

	2008	2007
Lease payments no later than 1 year	341	289
Lease payments later than 1 year and no later than 5 years	418	594
Lease payments later than 5 years		
Total	**759**	**883**

© As of 31 December 2007, the Group as a lessor, had signed non cancellable lease agreements for the acquisition of equipment for finance lease purposes amounting to 2.530 thousands of euros for which no payment had been.

44.5 Stock option plan

On 24 November 2006, the Extraordinary General Shareholders' Meeting of the Bank approved a share option plan for the members of the Board of Directors, key management personnel, its employees and the Bank's related companies in the form of stock options according to the article 13 $ 9 of Law 2190/1920 after the proposition of the Board of Directors and the Compensation Committee. The options are conditional on the beneficiaries remaining during the options life under employment or other relationship with the Bank or Group companies (vesting period). The options are exercisable every November starting from the year of the grand and have a contractual option term of three (3) years. The Bank has no legal or constructive obligation to repurchase or settle the options in cash.

Share options were granted on 15 June 2007 with an exercise price of 10, 46 euro. The fair value of options granted during the period determined using the Black-Scholes valuation model with the methodology of Monte Carlo simulation to 0,55 per option (0,28 euro for the period A, 0,57 euro for the period B, and 0,80 euro for the period C). The significant inputs into the model were: share price at the grand date (9, 96 euro), the exercise price, option life (as described above), expected volatility of share prices (12%), expected dividend yield (2, 5%) and the risk free rate (swap rate yield curve). Thus, an analysis of the existing stock option plan is as follows:

Exercise date	Expire date	Exercise price (in euros)	Fair value (in euros)	31.12.2008	31.12.2007
30.11.2007	30/11/2009	10,46	0,28	1.401.183	1.547.618
30.11.2008	30/11/2009	10,46	0,57	1.401.183	1.547.618
30.11.2009	30/11/2009	10,46	0,80	1.401.183	1.547.618
Total of outstanding stock options:				**4.203.550**	**4.642.854**

On 30 November 2008 expired the second exercise period without the stock options were exercised. On the basis of the share stock option plan, the unallocated stock options are transported in the next period. Because of the above occasion the share capital of Proton Bank was not altered.

The change of the number of stock options for this period presents as follows:

	31.12.2008	31.12.2007
Balance as at 1 January	4.642.855	-
Options granted	-	4.943.815
Options exercised	-	-
Options amortized	(439.305)	(300.960)
Balance as at 31 December	4.203.550	4.642.855

44.6 Purchase treasury shares

On 24 November 2006, the Extraordinary General Shareholders' Meeting of the Bank approved the repurchase of treasury shares up to and including 10% of the total authorized and issued number of ordinary shares, namely up to and including six million two hundred sixty eight thousands three hundred eighty two (6.268.382) shares in a price width from five (5.00 €) to fifteen (15,00 €) euros per share in a time interval up to and including 12 months from the date of approval by the Extraordinary General Shareholders' Meeting.

On 31 December 2007, the totality of the treasury shares, repurchased by the Bank and its subsidiaries, are calculated to 859.483 shares where the amount of consideration paid is 8.646 thousand euros (the Bank held 760.483 shares where the amount of consideration paid is 7.668 thousand euros, while its associate undertakings held 60.000 shares where the amount of consideration paid is 684 thousand euros). During 2008, 10.000 more repurchased shares which are classified as treasury shares have been added in the associate undertakings portfolio where the amount of consideration paid is 96 thousand euros. On 31 December 2008, the fair value of all the repurchased shares which are classified as treasury shares in the Group is calculated to 567 thousand euros and represent the 1, 48% of the Bank's share capital issued.

45 Related party transactions

Related parties include: a) Members of the Board of Directors, b) close members of the family and financial dependant of the above c) subsidiaries and associate companies of the Group.

The balances and transactions of the Group with its related parties are as follow:

I. Associated companies	**31.12.2008**	**31.12.2007**
Assets		
Other receivables	60	28
Total	**60**	**28**
Liabilities		
Deposits	7.142	5.188
Other liabilities	-	18
Total	**7.142**	**5.206**
Expenses	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Other operating expenses	**242**	**193**
Income	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Interest and similar income	**103**	**205**

II. Directors and key management personnel	**31.12.2008**	**31.12.2007**
Assets		
Loans	25.990	22.467
Other assets	127	195
Total	**26.117**	**22.662**
Liabilities		
Deposits	29.118	67.775
Debts securities in issue	-	1.539
Other liabilities	53	177
Total	**29.171**	**69.490**
Income	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Interest and similar income	2.463	1.419
Other income	1.369	394
Total	**3.832**	**1.813**
Expenses	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Salaries and other remuneration	5.680	5.124
Interest expense and similar charges	2.207	3.120
Other operating expenses	657	491
Total	**8.544**	**8.735**
	31.12.2008	**31.12.2007**
Letters of guarantee	**245**	**18.195**

Stock option plan as at 31 December 2008

	STOCK OPTION	VALUE
Key management personnel	1.280.200	431
Directors	1.544.610	520
Total	**2.824.810**	**951**

III. PIRAEUS GROUP

On 5 November 2008, the Management of the Bank and other shareholders, who represent the 31,3147% of the share capital issued, have entered into an agreement with the Management of the Bank of Piraeus to transfer the ownership of 19.629.247 ordinary shares. Since 5 November 2008, the Group income figures have been consolidated into the figures of the Bank of Piraeus by applying the equity method.

	31.12.2008
Assets	
Claims form bond loans	19.395
Claims from equity shares	3
Claims from deposits	3.597
Σύνολο	**22.995**
Liabilities	
Liabilitiles from interbank deposits	366.630
Other liabilites	200
Σύνολο	**366.830**
Income	**5.11.-31.12.2008**
Interest received from bond loans	**13**
Expenses	
Interest paid to interbank deposits	**2.616**
pledged assets as guarantees	**248.983**

46 Events after the balance sheet date

On 28 January 2009, the General Meeting of the shareholders of the Bank decided on the increase of share capital by € 80 mln, through issuing preference shares in favor of the Hellenic State, according to law 3723/2008 for "The liquidity support for the Economy and the confrontation of the sequences of global financial recession".

Beside the aforesaid, there were no significant events subsequent to the interim balance sheet date which are required to be mentioned.

Athens, 9 March, 2009

The Vice-Chairman of the BoD

Anthony I. Athanassoglou

The Managing Director

Athanasios I. Papaspiliou

The Chief Financial Officers

Georgios S. Nikiforakis

Polychronis V. Karachalios

V.INDEPENDENT AUDITORS' REPORT

To the Shareholders of PROTON BANK S.A.

Report on the financial statements
We have audited the accompanying financial statements of PROTON BANK S.A. ("the Bank"), which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Responsibility of the Auditor
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2008, and the financial performance and the cash flows of the Bank for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Athens, 9 March 2009

The Certified Public
Accountant Auditor

Athanasia M. Arabatzi
SOEL Reg. No 12821

GrantThornton

44, Vas. Konstantinou Str, 116 35
Athens
SOEL Reg. No 127

VI. FINANCIAL STATEMENTS OF PROTON BANK

INCOME STATEMENT OF PROTON BANK

(in thousands of euros)	Note	1.1-31.12.08	1.1-31.12.07
Interest and similar income		130.912	112.339
Interest expense and similar charges		(88.860)	(69.519)
Net interest income	6	**42.052**	**42.820**
Fee and commission income		40.163	42.483
Fee and commission expense		(8.548)	(8.187)
Net fee and commission income	7	**31.615**	**34.296**
Dividend income	8	**3.170**	**3.802**
Net trading income	9	**(34.742)**	**8.155**
Net income from financial instruments designated at fair value	10	**(2.610)**	**2.263**
Net gains less losses from investment securities		**(54)**	
Other operating income	11	**1.044**	**888**
Operating income		**40.475**	**92.224**
Personnel expenses	12	(24.125)	(24.062)
Other administrative expenses	13	(22.746)	(23.935)
Depreciation expenses	14	(7.546)	(7.194)
Impairment losses on financial assets	15	(42.555)	(7.093)
Total operating expenses		**(96.972)**	**(62.284)**
Profit / (loss) before tax		**(56.497)**	**29.940**
Income tax expense	16	186	(9.657)
Profit for the period		**(56.311)**	**20.283**
Earnings per share (in € per share)			
- Basic	17	**(0,9094)**	**0,3253**

The notes on pages 73 to 113 are an integral part of these financial statements as at 31 December 2008.

BALANCE SHEET OF PROTON BANK

(in thousands of euros)	Note	31.12.2008	31.12.2007
ASSETS			
Cash and balances with the Central Bank	18	35.341	52.554
Loans and advances to banks	19	46.158	205.047
Loans and receivables	20	1.185.439	1.372.538
Derivative financial instruments	21	21.186	11.529
Financial assets at fair value through profit or loss	22	121.219	173.060
Financial assets designated at fair value	23	38.255	5.421
Investment securities:			
- Held-to-maturity	24	6.664	9.717
- Available-for-sale	25	309.423	250.227
Investments in subsidiaries and associates	26	23.644	48.261
Intangible assets	27	86.330	102.661
Property, plant and equipment	28	26.765	27.809
Non-current assets held for sale	29	1.137	218
Deferred tax assets	30	16.794	7.073
Other assets	31	46.161	89.020
Total assets		**1.964.516**	**2.355.135**
LIABILITIES			
Due to banks	32	689.048	433.933
Due to customers	33	939.936	1.470.488
Derivative financial instruments	21	20.670	14.570
Debt securities in issue	34	25.255	25.283
Retirement benefit obligations	35	1.220	1.079
Current income tax liabilities	36	2.923	10.455
Deferred tax liabilities	30	3.710	6.917
Other liabilities	37	7.046	9.341
Total liabilities		**1.689.808**	**1.972.066**
EQUITY			
Share capital	38	281.450	281.450
Share premium	39	85.478	85.478
Less: Treasury shares		(7.668)	(7.668)
Other reserves	40	(35.358)	3.361
Retained earnings		(49.194)	20.448
Total equity		**274.708**	**383.069**
Total equity and liabilities		**1.964.516**	**2.355.135**

The notes on pages 73 to 113 are an integral part of these financial statements as at 31 December 2008.

STATEMENT OF CHANGES IN EQUITY OF PROTON BANK

(in thousands of euros)	Share capital	Treasury shares	Share premium	Revaluation reserve	Employ share option plan reserve	Statutory reserve	Retained earnings/ (losses)	Total equity
Balance at 1 January 2007	**281.450**	**-**	**85.478**	**13.794**	**-**	**361**	**18.751**	**399.834**
- Net revaluation gains /(losses) on available-for-sale assets				(12.912)				(12.912)
- Net change in equity due to merger with Proton Finance							100	100
- Net income and expense recognized directly in equity				**(12.912)**			**100**	**(12.812)**
- Profit for the period							20.283	20.283
Total recognized income and expenses				***(12.912)***			***20.383***	***7.471***
- Capitalization of reserves						1.135	(1.135)	-
-Dividends paid in 2006							(17.551)	(17.551)
- Net (purchases) /sales of treasury shares		(7.668)						(7.668)
-Fair value of employee services					983			983
Balance at 31 December 2007	**281.450**	**(7.668)**	**85.478**	**882**	**983**	**1.496**	**20.448**	**383.069**
Balance at 1 January 2008	**281.450**	**(7.668)**	**85.478**	**882**	**983**	**1.496**	**20.448**	**383.069**
- Net revaluation gains /(losses) on available-for-sale assets				(40.347)				(40.347)
- Net income and expense recognized directly in equity				**(40.347)**				**(40.347)**
- Profit for the period							(56.311)	(56.311)
Total recognized income and expenses				***(40.347)***			***(56.311)***	***(96.658)***
-Capitalization of reserves						946	(946)	-
-Dividends paid in 2007							(12.385)	(12.385)
-Fair value of employee services					682			682
Balance at 31 December 2008	**281.450**	**(7.668)**	**85.478**	**(39.465)**	**1.665**	**2.442**	**(49.194)**	**274.708**

The notes on pages 73 to 113 are an integral part of these financial statements as at 31 December 2008.

:CASH FLOW STATEMENT OF PROTON BANK

(in thousands of euros)

Cash flows from operating activities:	**1.1-31.12.2008**	**1.1-31.12.2007**
Profit before taxation	**(56.497)**	**29.939**
Adjustments for:		
Add: impairment losses on financial assets	30.859	6.942
Add: impairment losses on non-financial assets(goodwill)	11.696	
Add: depreciation expense	7.547	7.194
Add: provisions for retirement benefits	330	614
Add: Fair value of employee stock options	682	983
Gains (-)/ losses (+) from revaluation of financial assets at fair value through profit or loss	22.494	4.272
Gains (-)/ losses (+) from investment activities	(2.658)	(8.065)
Cash flows from operating activities before changes in operating assets and liabilities	**14.453**	**41.879**
Changes in operating assets and liabilities:		
Net (increase)/decrease in cash and balances with the Central Bank	(13.632)	9.298
Net (increase)/decrease in loans and advances to banks	(17.765)	(15.082)
Net (increase)/decrease in loans and receivables	171.343	(441.247)
Net (increase)/decrease in financial assets at fair value through profit or loss	(29.101)	68.274
Net (increase)/decrease in other assets	38.757	(61.190)
Net increase /(decrease) in due to banks	255.115	343.472
Net increase /(decrease) in due to customers	(530.555)	405.936
Net increase /(decrease) in other liabilities	745	(5.674)
Net cash flows from operating activities before tax payment	**(110.640)**	**345.666**
Income tax paid	(14.490)	-
Net cash flows from operating activities	**(125.130)**	**345.666**
Cash flows from investing activities:		
(Purchase) / sale of property, plant and equipment and intangible assets	(2.002)	560
Purchase/proceeds from the sale of held-to-maturity financial assets	3.000	-
Purchase/proceeds from the sale of available-for-sale financial assets	(71.748)	(227.030)
Repurchase / sale of companies	(1.216)	(734)
Dividends received from financial assets at fair value thought profit or loss	3.170	3.802
Net cash flows from investing activities	**(68.796)**	**(223.402)**
Cash flows from financing activities:		
Proceeds/ (repayment) from debt securities in issue	(1.210)	24.671
Dividends paid	(12.362)	(17.515)
Net (decrease)/ increase in treasury shares		(7.668)
Net cash flows from financing activities	**(13.572)**	**(512)**
Net increase/ (decrease) in cash and cash equivalents	**(207.498)**	**121.752**
Cash and cash equivalents at beginning of period (note 41)	**236.450**	**114.699**
Cash and cash equivalents at end of period (note 41)	**28.952**	**236.450**

The notes on pages 73 to 113 are an integral part of these financial statements as at 31 December 2008.

1 General information

PROTON BANK SA (the Bank, thereafter) and its subsidiaries (together, the Group, thereafter) provide private and corporate banking, investment banking, financial services, portfolio management, insurance and other services. The Bank is established in Greece and has a network of 33 branches. The Group's commerce business is found mainly in Greece and Serbia.

The Bank's shares have been listed since December 2005 on the Athens Stock Exchange, and apart from the General Index they are also included in the FTSE-40 index. The total number of common shares outstanding at 31 December 2008 was 61.923.339.

The number of personnel as of 31 December 2008 was 567.

The attached financial statements were approved by the Board of Directors of the Bank on 9 March 2009, and are subject to be approval of the General Meeting of Shareholders.

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are presented here below and are consistent with those previously followed.

The Bank's functional currency is the euro and the amounts in the financial statements are presented in thousands of euros, unless otherwise stated in the relevant notes. Any differences in the tables are due to roundings.

2.1 Basis of preparation of the condensed interim financial information

The attached financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their Interpretations as adopted by the European Union. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities held at fair value through profit or loss, and all derivative financial instruments.

Besides, the International Accounting Standards Board (IASB) completed amendments to IAS 39 and IFRS 7 " Reclassification of Financial Assets", which was adopted by the European Union under the regulation 1004/15.10.2008. These amendments permit, under specific prerequisites, the reclassification of well-defined non-derivative financial assets other than those classified upon initial recognition. These amendments might be applied in periods beginning on or after 1 July 2008. The Bank utilized the above mentioned amendments, where the relevant effect in the financial statements is presented in the note 25.
The adoption by the European Union, till 31 December 2008, of standards and interpretations or their amendments, which have been completed or will be completed within the year by the International Accounting Standards Board (IASB), and their application might be either mandatory or optional for periods beginning on or after 1 January 2008. might have a retrospective effect on previously reported financial statements.
In addition, contracts to normally deliver non-derivative financial assets are recognized and derecognized with the utilization of the trade date.

Adoption of new standards, amendments and interpretations with value date as of 1 January 2008:

(a) IFRIC 11, "Group and treasury share transactions":

IFRIC 11 provides guidance on IFRS 2 application in three cases: i) share-based payment arrangements involving an entity's own equity instruments, ii) share-based payment arrangements involving equity instruments of the parent and iii) a subsidiary granting rights to equity instruments of its parent to its employees. An entity shall apply this Interpretation for annual periods beginning on or after 1 March 2008. The application of the Interpretation is not expected to have significant impact on the Financial Statements of the Bank.

(b)) IFRIC 12, "Service concession arrangements" (effective for annual periods beginning on or after 1 January 2008):

This interpretation has no application to the Bank's activities.

(c) IFIRC 14: " IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 1 January 2008):

This interpretation has no application to Bank activities.

d) Amendment of International Accounting Standard 39 and International Financial Reporting Standard 7

On 13 October 2008, the International Accounting Standard Board issued an amendment to IAS 39 and IFRS 7 "Financial Instruments: Disclosures", which has been adopted by European Union. The amendment permits, under circumstances, the reclassification of certain financial assets to different categories from the ones they have been classified on the initial recognition. The aforementioned option can be applied from the 1st of July 2008.

New standards, amendments and interpretations issued but not yet effective

(a) IFRS 8, "Operating segments" (effective from 1 January 2009):

IFRS 8 replaces IAS 14 "Segment Reporting". The new IFRS requires a "management approach" to the Bank's presentation of financial information under segment reporting. Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement. Furthermore, the standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed.

(b) IFRIC 13, "Customer Loyalty Programmes (effective for annual accounting periods beginning on or after 1 July 2008):

IFRIC 13 is applied on customer loyalty programmes. This interpretation is applicable to credit card customer loyalty programmes, nevertheless, its adoption will not have a significant impact on the Bank's financial position.

(c) IAS 23: (Revised 2007) "Borrowing Costs" (effective from 1 January 2009):

The revised IAS 23 removes the option of immediately expensing borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. The adoption of the revised IAS will have no significant impact on the Bank's financial statements.

(d) IAS 1: "Presentation of Financial Statements" – revised 2007 (effective from 1 January 2009):

The fundamental change in IAS 1 is concerned with the segregation of the presentation of owner changes in equity in those which are due to transactions with owners and because of their capacity as owners (e.g. dividends, capital increase), from those which are due to other changes in equity (e.g. reserves). The revision of the Standard produces changes in both the terminology and the presentation of financial statements.

However, the new terms do not affect the rules of recognition, measurements and disclosure of equity transactions and all other events which are required by other standards. The adoption of the revised standard is expected to transform the structure and description in the presentation of financial statements without, however, causing any alternations to the financial position of an entity.

(e) IFRS 2: "Share-based Payment" – Amendment 2008: Vesting Conditions and Cancellations (effective from 1 January 2009):

This amendment clarifies that only service conditions and performance conditions are vesting conditions, while all other features need to be included in the grant date fair value. The Bank is currently assessing the implications from the adoption of the aforementioned amendment.

(f) IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Amendment 2008: Puttable Financial Instruments and Obligations Arising on Liquidation (effective from 1 January 2009):

These amendments address the classifications of some puttable financial instruments as well as instruments or their components that impose to the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation. The above mentioned amendments are not applicable at present for Bank activities.

Moreover, the following standards, amendments and interpretations have been issued and are subject to endorsement by the European Union.

(a) IFRS 3: "Business Combinations" – Revised 2007 and subsequent amendments in IAS 27, 28 and 31 (effective the first annual reporting period beginning on or after 1 July 2009):

The revised standard introduces significant amendments for the application of the acquisition method for business combinations. Among other changes the standard introduces the possibility of minority interests being measured at fair value. Furthermore, the revised standard requires that the acquirer of a subsidiary recognizes the assets acquired and liabilities assumed as a transaction with owners of the business and any difference should be recognized in equity. The revised IFRS 3 applies for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1st, 2009, while no consolidation adjustments are required for the period before the revised standard will become effective. Thus, the adoption of the revised standards will have no significant impact on the Bank's financial statements.

b) I.F.R.I.C. 15: «Agreements for the Construction of Real Estate»

An entity shall apply I.F.R.I.C. 15 "Agreements for the Construction of Real Estate" for annual periods beginning on or after 1 January 2009.This Interpretation applies to the accounting for revenue which refer to the real estates' disposal.

This interpretation does not apply to the Bank's activities.

c) I.F.R.I.C. 16 Hedges of a Net Investment in a Foreign Operation

An entity shall apply I.F.R.I.C. 16 for annual periods beginning on or after 1 October 2008.This Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with I.A.S. 39. The objective of I.F.R.I.C. 16 is to provide guidance concerning the nature of the hedged risk and the amount of the hedged item for which a hedging relationship may be designated, where in a group the hedging instrument can be held and what amounts should be reclassified from equity to profit or loss as reclassification adjustments on disposal of the foreign operation. This interpretation does not apply to Bank activities.

d) I.F.R.I.C. 17 «Distribution of non-cash assets to owners »

Effective for annual periods beginning on or after 1/7/2009.

This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners. The Group is in the process of evaluating the potential effects of this interpretation.

e) I.F.R.I.C. 18 «Transfer of assets from customers»

Effective for annual periods beginning on or after 1.7.2009

This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above. This interpretation does not apply to Bank activities.

f) I.A.S. 39. Financial instruments: Recognition and Measurement

Eligible Hedged Items Amendment to I.A.S. 39

Amendment to I.A.S. 39 clarifies accounting hedges issues and, in particular, inflation and one-sided risk of a hedged item. An entity shall apply those amendments to I.A.S. 39 for annual periods beginning on or after 1 July 2009.

2.2 Estimates and judgments

The preparation of financial statements in conformity with the IFRS, requires the use of certain estimates, and management to exercise its judgment which may affect the carrying amounts of the items in the financial statements. Estimates and assumptions are based on historical data and other factors that are considered reasonable under the current circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any changes in accounting estimates are recognized prospectively in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both current and future periods.

Judgments made by management in the application of the IFRS that have a significant effect on the financial statements, and estimates with significant risk of material adjustments in future periods, are disclosed in note 4.

2.3 Comparatives

For the preparation of the balance sheet and the income statement of the period ended 31 December 2008, comparatives as of 31 December 2007 have been used.

2.4 Subsidiaries and Associates

2.4.1 Subsidiaries

Subsidiaries are all entities controlled by the Bank. Control is the power to govern directly or indirectly the financial and operating policies of the entity so as to obtain benefits from its activities. The existence of any potential voting rights which are exercisable are taken into consideration when assessing whether the Bank controls another entity or not. All subsidiaries are consolidated (full consolidation) from the date on which control is transferred to the Bank and are no longer consolidated from the date that control ceases to exist.

2.4.2 Associates

Associates are all entities over which the Group has significant influence but does not exhibit control. Investments in associates are accounted for by applying the equity method from the date on which significant influence is obtained until the date that the influence ceases to exist. When the Group's share in the post acquisition net assets of the investee equals or exceeds the cost of investment, the Group ceases to recognize any further losses, unless the Group has a legal or constructive commitment for all or part of the liabilities of the associate.

2.5 Segment reporting

A business segment represents a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments of the Bank.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns which are different from those of segments operating in other economic environments.

2.6 Foreign exchange transaction

Transactions in foreign currencies are translated into the functional currency (i.e. euro) using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at that date. Translation differences from monetary items are recognized in the income statement. Translation differences arising from non-monetary assets and liabilities which are stated at historical cost, are recognized in the income statement. Translation differences on non-monetary items carried at fair value through profit or loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items classified as available-for-sale financial assets and qualifying cash flow hedges are included in the fair value reserve in equity.

2.7 Financial assets

The Bank classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: (i) financial assets held for trading, and (ii) financial assets designated at fair value through profit or loss upon initial recognition. A financial asset is classified as held-for-trading if it is acquired principally for the purpose of selling or repurchasing in the near term. Derivatives are also categorized as held for trading unless they are designated as hedging instruments.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortized cost. They arise when the Bank provides money directly to a debtor with no intention of trading the receivable.

Loans and receivables, as wells as financial assets held-to-maturity, are carried at amortized cost using the effective interest rate method.

(c) Financial assets held-to-maturity

Financial assets held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity. When the Bank has the intention to sell more than an insignificant amount of held-to-maturity assets, the entire category is tainted and reclassified as available-for-sale.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available assets or not classified in any other categories. They include investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Financial assets of this category are initially recognized at fair value plus transaction costs. Thereafter they are measured at fair value with changes recognized in a separate component of equity until they are sold or impaired. When they are impaired, any cumulative loss that had been previously recognized directly in equity is removed from equity and recognized in profit or loss. Furthermore, the fair value of investments in equity instruments that do not have a quoted market price is based on valuation techniques, taken into consideration assumptions and references to the fair value of another instrument that is substantially the same and discounted cash flow analysis.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity investments, and available-for-sale financial assets are recognized at trade date; the date on which the Bank commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

2.7.1 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets expires or when the Bank transfers substantially all the risks and rewards of ownership.

2.8 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis.

Income and expenses are offset only when permitted by the accounting standards or for gains and losses arising from a group of similar transactions.

2.9 Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently reassessed at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received).

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Bank designates certain derivatives as either:

(1) hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge);

(2) hedges of highly probable future cash flows attributable to a recognized asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Bank documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

*Fair value hedge :*Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

*Cash flow hedge :*The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged items will affect profit or loss.

When a hedging instrument expires or it is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

When using derivatives for hedging, the Bank documents at the inception of the transaction, the relationship between hedged items and hedging instruments, and whether the hedging transactions are highly effective in offsetting fair values or cash flows of hedged items at each balance sheet date.

Derivatives that do not qualify for hedge accounting: Changes in the fair value of derivatives that do not qualify for hedge accounting under IAS 39, are immediately recognized in the income statement. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

2.10 Fair value measurement of financial assets and liabilities

The determination of fair value of financial assets and liabilities is based on quoted market prices for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques which is not materially different from the values presented in the financial statements. More specifically:

For investments traded in active markets, fair value was based on quoted market prices at the balance sheet date.

For investments in financial instruments that do not have a quoted price, fair value was determined by using valuation techniques such as discounted cash flow models, comparison to similar instruments for which market observable prices are available, and valuation models.

The fair value of derivative financial instruments for which quoted prices are not available is based on valuation models. Although these models are based on market inputs, they require assumptions and estimates about volatility and other inputs which are periodically reviewed when market conditions change.

2.11 Interest income and expense

Interest income and expense are recognized in the income statement on an accrual basis using the effective interest rate. Interest income and expense includes the amortization of any discount or premium, transaction costs or other differences between the initial cost of an interest bearing financial asset and the amount to be received or paid at maturity using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the relevant period.

The effective interest rate is the rate that exactly discounts the future cash receipts or payments through the expected life of the financial instrument.

Once a financial asset or a group of financial assets has been written down as a result of an impairment loss, interest income is recognized using the original effective interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

2.12 Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commissions and fees arising from third party transactions are recognized in the income statement on completion of the underlying transaction. Portfolio management fees and other advisory and service fees are recognized in the income statement based on the applicable service contracts, usually on a time-apportion ate basis.

2.13 Dividend income

Dividend income is recognized in the income statement when the entity's right to receive payment is established. Dividends are normally received in a subsequent date that that when the Bank's right to receive payment is established.

2.14 Sale and repurchase agreement

The Bank enters into agreements to purchase (sale) and to resell (repurchase) investments at a certain date in the future at a predetermined price.

Investments purchased subject to commitments to resell them at future dates are not recognized. The amounts paid are recognized as loans and receivables to other banks or customers. The receivables are collateralized by the underlying security.

Investments sold under repurchase agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy for either assets held for trading or available-for-sale as appropriate. The proceeds from the sale of the investments are recognized as liabilities to other banks or customers.

The difference between the sale and repurchase price is recognized as interest on an accrual basis over the life of the agreement.

2.15 Impairment of financial assets

(a) Assets carried at amortized cost

For the measurement of impairment on loans, the Bank assesses from the date of transition to the IFRS, and at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. The assumptions and the methodology used are regularly reviewed in order for any deviations between actual and estimated losses to be insignificant.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

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 by adjusting the allowance account. The amount of the reversal is recognized in the income statement.

(b) Financial assets at fair value

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the asset is impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value less any impairment loss on the financial asset previously recognized in profit or loss is removed from equity and recognized in the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the income statement.

2.16 Intangible assets

Intangible assets include goodwill arising from acquisitions as well as software which is carried at amortized cost less accumulated amortization.

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the Bank's interest in the fair value of the net identifiable assets of the acquired subsidiary or associate at the date of the acquisition. Negative goodwill is recognized immediately as a gain in the income statement. Goodwill is not subject to amortization but is tested annually for impairment.

Goodwill is allocated to cash-generating units on the date of acquisition. When the allocation can only be provisionally determined, the process can be extended but not beyond twelve months from the date of acquisition.

(b) Other intangible assets coming from business combination

An intangible asset shall be recognized if, and only if, it is probable that the expected future economic benefits that are attributed to the asset will flow to the Bank, where the cost of the intangible asset can be measured reliably. The cost of separately intangible assets comprises any directly attributable cost of originating, producing and preparing the asset for its intended use. Examples of directly attributable costs are:

- personnel expenses arising directly from bringing the asset to its working condition;
- third party fees arising directly from producing the asset;
- allocated administrative expenses based on working hours as a cost driver from producing the asset.

The Bank, has recognized the following intangible assets in their fair value that was acquired at the take-over of Omega Bank as part of a business combination on 30 September 2006.

- Intangible asset from conventions of customer loans
- Intangible asset from conventions of customer deposits
- Intangible asset from conventions of financial brokerage.

Depreciation of other intangible assets coming from business combination is calculated using the straight-line method to allocate their cost to their residual

values over their estimated useful lives, which extends from 4 to 5 years. Other intangible assets coming from business combination that are subject to amortizations are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

(c) Software

Amortization is charged over the estimated useful life, which the Bank has defined to five years.

Expenditures incurred to maintain software programs are recognized in the income statement when incurred. On the contrary, expenditures incurred to enhance or improve the performance of the software as well as expenditures incurred for conversion of the software, are included in the carrying amount of the asset provided that these can be measured reliably.

2.17 Property, plant and equipment

This category includes land, head offices, lease hold improvements and office equipment.

Property, plant and equipment are stated at historical cost less depreciation, except land and buildings which are carried at fair value. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Repair and maintenance expenses are charged to the income statement when incurred.

Depreciation on buildings and other tangible assets is calculated using the straight line method to allocate their cost or fair value to their residual values over their estimated useful lives.

Land is not depreciated, but is reviewed for impairment.

The carrying amount of impaired assets are written down to their recoverable amounts. Gains and losses from disposals are recognized in the income statement.

Depreciation is calculated using the straight-line method to allocate their cost or fair value to their residual values over their estimated useful lives as follows:

- Land: not depreciated

- Buildings: 50 years.

- Lease hold improvements: over the lease period

- Computers: 3 years

- Vehicles: 5-7 years

- Furniture and equipment: 10 years.

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

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

Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.18 Non-current assets held-for-sale

The bank classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This category comprises of tangibles and other assets acquired from auctions with the intention to recover loans and receivables past due. For this to be the case, these assets are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale is highly probable. This category also includes PROTON Insurance SA (disposal group) where management is committed to sell this subsidiary.

Before classifying an asset or a group as a non-current asset (or disposal group), the asset is recognized and subsequently measured following the relevant IFRS measurement guidelines.

The Bank measures a non-current asset (or disposal group) classified as held for sale at the lower of their carrying amount and fair value less cost to sell, and presents this asset separately from other assets in the balance sheet. Any gain or loss on the remeasurement of a non-current asset (or disposal group) classified as held for sale is included in the income statement. According to IFRS 5, any subsequent increase in fair value less cost to sell, but not in excess of the cumulative loss previously recognized for a write-down to fair value less costs to sell, should be directly attributable to these assets, except otherwise stated.

The Bank does not depreciate (or amortize) a non-current (or disposal group) classified as held for sale, but this asset is subject to impairment testing at the balance sheet date.

The gain or loss measured from the sale of a non-current (or disposal group) classified as held for sale is recognized in the income statement.

2.19 Leases
2.19.1 The Bank is the lessor

(a) Financial leases:

When assets are held subject to a finance lease and the risks and rewards of ownership are transferred to the lessee, the present value of the lease payments is recognized as receivable from loans and receivables.

Lease payments reduce the receivable from leases and interest income is recognized on an accrual basis over the lease term.

Receivables from financial leases are reviewed for impairment, according to the applicable procedure for loans and receivables as described in note 2.12.

(b) Operating leases:

When assets are held subject to an operating lease, they are recognized in the balance sheet and are depreciated over their useful life. The lease payments are recognized as interest income on an accrual basis over the lease term.

2.19.2 The Bank is the lessee

Lease agreements that the risks and rewards of ownership are not substantially transferred by the lessor are classified as operating leases. In these cases, the leased asset is not recognized as a separate asset. Lease payments are recognized as an expense on a straight line basis over the lease term.

2.20 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include monetary assets with less than three months to 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.

2.21 Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of a post event and it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.22 Employee benefits

(a) Defined contribution plans

The Bank's personnel is insured for its main pension to publicly administered pension insurance funds (i.e Social Security Foundation and other) depending on their specialty. The contributions paid by the Bank are included in "personnel expenses".

The Bank's personnel is also insured for medical care in multiemployer funds. In these funds, there no separate accounts for each Bank, hence accounting for defined contribution is followed. Once the contribution has been paid, the Bank has no further payment obligations.

(b) Defined benefit plans

Provisions for employee retirement, such as compensation defined under Law 2112/20, is determined actuarially using the projected unit credit method.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service 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 and past service costs. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited income over the employee's expected average remaining working lives. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience and changes in actuarial assumptions in excess of the greater of 10% of the fair value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employee's expected average remaining working lives. Actuarial gains or losses below the 10% corridor are not recognized.

(c) Share-based compensation

The Bank rewards key management executives, according to their efficiency with options on its own shares.

At each balance sheet date, the Bank revises its estimates of the number of options that are expected to become exercisable.

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense (personnel expense) with a corresponding increase in equity during the grand date and exercise date.

The proceeds received are credited to share capital and share premium when the options are exercised.

2.23 Deferred tax

A deferred tax asset and/or liability is being recognized for all temporary differences by applying the liability method arising between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill, or/and (2) the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profits nor taxable profits. A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax asset arises from the initial recognition of an assets or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profits nor taxable profits.

The Bank reassess deferred tax asset and proceeds to a decrease whenever it has become probable that future taxable profit will not allow the deferred tax asset to be recovered.

The method of accounting of the deferred tax is based on the current legislating tax rates or on tax rates being enacted after the balance sheet date.

The income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, directly in equity. A s such, if the tax relates to items that are credited or charged directly to equity current tax and deferred tax shall be charged or credited directly to equity.

The income tax represents the current tax obligation over the taxable profit which results from tax rates or tax laws, by taking into consideration any adjustment which might affect a deferred tax asset or liability relating to a transaction or item that was previously charged or credited to equity.

In Greece, any taxable profits are being considered temporary till our Local Tax Authorities proceed in the relevant audit which is fully prescribed and enforced

by the current Tax Legislation. As such, additional tax burden and differences might be incurred as a result of such an audit.

2.24 Financial liabilities

Financial liabilities are treated as held for trading if:

a)acquired principally for the purpose of selling or repurchasing them in the near term

b)a derivative financial instrument (except for a designated and effective hedging instrument)

Financial liabilities are initially recognized at fair value. Subsequently any changes in their fair value are recognized in the income statement.

The Bank has classified in this category derivative financial instruments not held or qualifying for hedging purposes.

Derivative financial liabilities that are part of a hedging relationship are measured at fair value. Subsequently, any changes in their fair value are subject to principles described in note 2.9.

Liabilities not included in the above categories are carried at amortized cost using the effective interest rate method.

2.25 Equity

The Share Capital is defined by the par value of the ordinary shares outstanding during the reported period. The ordinary shares outstanding are classified as equity. Any Share Capital increase engaged in a cash settled transaction contains share premium, which represents the extra amount received per share above its par value. Incremental external costs and benefits directly attributable to the issue of new shares are deducted from or added to equity net of any related income taxes.

Whenever share capital recognized as equity is repurchased ("treasury shares"), the amount of consideration paid is presented as a deduction from total equity. Where such shares are subsequently sold or reissued, any consideration received, net of any incremental costs or benefits, is added to equity. No profit or loss is recognized in the income statement whenever share capital is repurchased, subsequently sold, reissued or cancelled out.

Share-based employ benefits which fall due are classified as equity. Revaluation reserve results from the gains less losses of the revaluation of specific financial assets and property, plant and equipment. The currency translation account, which results of all currency differences arising from the translation of assets net of the translation impact on liabilities in foreign exchange, is reported as equity. Retained earning and losses include current and previous results as these have already been reported in the income statement.

2.26 Fiduciary activities

The Bank provides custody services to individuals and financial institutions. These assets and income (i.e. interest, dividends) arising thereon are excluded from these financial statements, as they are not assets of the Bank.

3 Financial risk management

In this section the Bank discloses information regarding its exposure to financial risks and analyzes the methodology, objectives, policies and processes, used by management in order to monitor and control them. The most significant risks to which the Bank is exposed to are: credit risk, liquidity risk and market risk; market risk comprises three types of risk: currency risk, interest rate risk and price risk.

3.1 Credit risk

The Bank is exposed to Credit Risk, the possibility of a counterparty defaulting partially or fully on its financial obligations when these become due. Credit risk arises from a variety activities, indicatively a) extending credit facilities and loans to customers, placing deposits with other entities, (b) entering into OTC derivative transactions (c) extending LG and LC, and (d) approving committed credit facilities that are irrevocable or are revocable only in case of a material adverse change and entering unsettled transactions.

The Bank defines monitors and controls the level of credit risk exposure it deems appropriate by establishing credit limits for particular countries, geographic area, economic sectors, and customer types. The amount that best represents the Bank's maximum exposure to credit risk are regularly reviewed by taking into account of any collateral held as security and other credit enhancements.

The Bank monitors and controls its exposure to credit risk through regular, at least yearly, internal credit rating revisions of its counterparties and if necessary, the Bank proceeds in adjustment of the existing counterparty limits. In addition exposure to credit risk is partially minimized by the use of collaterals and other credit enhancement pledges.

a) Loans and receivables

In measuring credit risk exposure of loan and receivables at a counterparty level, the Bank reflects four components (i) the financial position; (ii) the qualitative elements and the 'probability of default' on the existing contractual obligations; (iii) the historical reimbursement and transactional attitude; and (iv) the probable existence of reliable and solvent collaterals held as security and other credit enhancements and their respective fair value.

Loans and receivables with insignificant fair value, as those that are neither past due nor impaired, are summarized in clusters which exhibit similar credit risk elements, such as credit cards, consumer/personal loans, mortgage loans etc. As a consequence, the Bank reassess for any potential allowance for impairment on a cluster basis. During the reassessment process, the volume of probable doubtful debts, time-lag, and time horizon of the collectability of doubtful debts, the macroeconomic and microeconomic environment, the industry position and any past empirical evidence related with the level of the expected loss.

Whenever loans and receivables are characterized as doubtful their carrying amount is adjusted to its replacement value, which is defined as the net present value of all the expected cash flows including the expected discounted recoverable amount from collateral held as security and other credit enhancements.

Any differences arising from subsequent reassessments in the recoverable amount and time horizon where these amounts are expected to be collected are recorded in the income statement. Allowance for impairment should be reversed whenever the credit quality of the counterparty has been improved insomuch that the timely liquidation of the debt (capital and interest), based on the contractual agreement, is feasible.

For doubtful debts past due over 180 days no interest calculation takes place, while the respective claim is depicted on off-balance sheet items.

After all necessary judicial and other procedures have been exhausted and once it is highly expected that doubtful and bad debts will not be collected, the Bank proceeds with write-offs against their allowance for impairment.

b) Securities

For the evaluation and measurement of credit risks that is included in securities, are used mainly the gradations of foreign organizations of borrowing evaluation. The exposure of Bank in the credit risk by securities is measured on the basis of fair value openings. Investments in securities constitute a different instrument of credit risk and at the same time ensure a reliable and direct liquidity.

3.1.2 Financial assets subject to credit risk exposure before collateral held or other credit enhancements

In the here below table the maximum credit risk exposure is depicted as at 31 December 2008 and 31 December 2007 respectively, without taking into account any collaterals, information about the credit quality of financial assets that are neither past due nor impaired or other credit enhancements pledged. All figures in the table mirror the carrying value of the assets, as well as the off-balance sheet items:

Maximum credit risk exposure

	31.12.2008	31.12.2007
Credit risk exposures relating to on-balance sheet assets are as follows:		
Due from banks	46.158	205.047
Loans and advances to banks	-	45.906
Loans and receivables:		
Loans to individuals and households:		
-Credit cards	33.474	37.232
-Consumer / personal loans	131.068	159.010
-Mortgage loans	40.820	48.341
Loans to corporate businesses	1.022.717	1.117.730
Derivative financial instruments	21.186	11.529
Financial assets at fair value through profit or loss	113.126	126.287
Financial assets designated at fair value	38.255	5.421
Investment securities:		
-Held-to-maturity investments	6.664	9.717

-Available-for-sale financial assets	287.878	242.144
Other assets	46.161	89.020
Credit risk exposures relating to off-balance sheet items are as follows:		
Letter of guarantees and credits	105.944	113.358
Loan commitments and other liabilities	2.530	3.830
Total	**1.895.981**	**2.214.572**

3.1.3 Loans and receivables

Loans and receivables are summarized as follows:

	31.12.2008		**31.12.2007**	
	Loans and receivables	**Loans and advances to banks (1)**	**Loans and receivables**	**Loans and advances to banks**
Loans and receivables without impairment losses	1.065.047	46.158	1.224.084	250.953
Doubtful debt without any impairment losses	83.662	-	72.323	-
Loans and receivables with impairment losses	79.369	-	65.906	-
Total loans and receivables without allowance for impairment	**1.228.079**	**46.158**	**1.362.313**	**250.953**
Less: Allowance for impairment	(42.640)		(35.680)	
Total loans and receivables after allowance for impairment	**1.185.439**	**46.158**	**1.326.633**	**250.953**

(1) The loans and advances to banks item includes amount of 46.158 th. euros (2007: 205.047 th. euros) that reported under the B/S line " Loans and advances to Banks.

a) Loans and receivables without impairment losses:

At 31 December 2008:

	Loans to individuals and households				**Loans to corporate businesses**			
Rating	Consumer/ personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Standard monitoring	104.732	16.201	30.621	151.554	847.247	66.246	913.493	1.065.047

At 31 December 2007:

	Loans to individuals and households				**Loans to corporate businesses**			
Rating	Consumer/ personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Standard monitoring	135.243	17.844	39.271	192.358	899.867	131.859	1.031.726	1.224.084

Under this category, restructured claims from loans are also included which, otherwise, they would be included in one of the two subcategories that are analyzed as follows:

	2008	**2007**
Loans to individuals and households	26.344	32
Loans to corporate businesses	22.650	11.117
	48.993	11.149

b) Loans and advances to banks without impairment losses:

	2008	**2007**
Standard monitoring	45.000	250.953
excellent	1.158	
Total	**46.158**	**250.953**

The loans and advances to banks item includes amount of 46.158 th. euros (2007: 205.047 th. euros) that reported under the B/S line " Loans and advances to Banks.

c) Non performing loans without any impairment losses:

As at 31 December 2008:

	Loans to individuals and households				Loans to corporate businesses			
	Consumer/ personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Past due up to 1-90 days	6.021	4.862	4.717	**15.600**	52.084	1.817	**53.901**	**69.501**
Past due up to 91-180 days	2.615	667	355	**3.637**	4.441	2.970	**7.411**	**11.047**
Past due up to over 180 days	1.371	10	20	**1.401**	1.342	371	**1.713**	**3.114**
Total	**10.007**	**5.539**	**5.093**	**20.638**	**57.867**	**5.157**	**63.024**	**83.662**
Fair value of collaterals and other credit enhancements pledged	6.910		3.719	10.629			33.059	**43.688**

As at 31 December 2007:

	Loans to individuals and households				Loans to corporate businesses			
	Consumer /personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corporate loans	**Total SME & corporate loans**	**Total**
Past due up to 1-90 days	13.111	4.864	4.917	**22.892**	24.587	9.520	**34.107**	**56.999**
Past due up to 91-180 days	1.810	761	1.533	**4.104**	4.628	1.890	**6.518**	**10.622**
Past due up to over 180 days	265	29	13	**307**	4.171	223	**4.394**	**4.702**
Total	**15.186**	**5.655**	**6.463**	**27.304**	**33.387**	**11.633**	**45.020**	**72.323**
Fair value of collaterals and other credit enhancements pledged	7.670		5.944	13.614			29.791	**43.405**

d) Loans and receivables with impairment losses:

As at 31 December 2008:

31.12.2008	Loans to individuals and households				Loans to corporate businesses			
	Consumer/ personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corpora te loans	**Total SME & corporat e loans**	**Total**
Loans and receivables with impairment losses	16.330	11.734	5.106	**33.170**	8.353	37.846	**46.199**	**79.369**
Fair value of collaterals and other credit enhancements pledged	7.077		1.221	8.298			20.786	**29.084**

As at 31 December 2007:

	Loans to individuals and households				Loans to corporate businesses			
	Consumer/ personal loans	Credit cards	Mortgage loans	**Total to individuals and households**	S.M.E Loans	Corpora te loans	**Total SME & corporat e loans**	**Total**
Loans and receivables with impairment losses	8.582	13.733	2.607	**24.923**	23.884	17.099	**40.983**	**65.906**
Fair value of collaterals and other credit enhancements pledged	3.030		1.808	4.838			14.860	**19.698**

3.1.4.Debt securities and other eligible bills

The table below presents an analysis of debt securities, and other eligible bills by rating agency designation, based on Standard & Poor's rating system:

As at 31 December 2008:

	Loans and receivables to banks	Trading portfolio	Financial assets at fair value through profit or loss	Held-to-maturity investments	Available-for-sale financial assets	Total
AAA	-	1.790	-	-	77.558	79.348
AA- to AA+	33.886	184	-	-	8.989	43.060
A- to A+	9.143	26.017	-	6.664	138.797	180.622
Lower than A-	559	896	-	-	22.369	23.824
Unrated	2.570	84.238	38.255	-	40.164	165.227
Total	**46.158**	**113.126**	**38.255**	**6.664**	**287.878**	**492.081**

As at 31 December 2007:

	Loans and receivables to banks	Trading portfolio	Financial assets at fair value through profit or loss	Held-to-maturity investments	Available-for-sale financial assets	Total
AAA	-	4.735	-	-	51.334	56.069
AA- to AA+	14.579	81.733	-	-	12.402	108.714
A- to A+	6.441	18.684	-	6.659	129.805	161.589
Lower than A-	94.590	15.474	-	-	8.531	118.595
Unrated	135.343	5.661	5.421	3.058	40.072	189.555
Total	**250.953**	**126.287**	**5.421**	**9.717**	**242.144**	**634.522**

The loans and advances to banks items includes amount of 46.158 th. euros that reported under the B/S line " Loans and advances to Banks".

The above figures do not exhibit time-lag and no impairment loss has been incurred.

3.1.5 Repossessed collateral

During 2008, the Bank obtained assets by taking possession of collateral held as security, as follows:

Balance sheet item	**2008**	**2007**
Land	320	84
Buildings	830	70
Total	**1.150**	**154**

3.1.6.Concentration of risks of financial assets with credit risk exposure: analysis per industry

The here below table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by the industry sectors of our counterparties.

	Financial institutions	Manufacturing	Transportations/ telecommunications	Public sector	Trade	Leasing	Other industries	Individuals and households	**Total**
Loans and advances to banks	46.158								46.158
Loans and receivables:									
Loans to individuals and households:									
-Credit cards								33.474	33.474
-Consumer / personal loans								131.068	131.068
-Mortgage loans								40.820	40.820
Loans to corporate businesses:		148.841	210.616		174.855	83.689	404.716		1.022.717
Derivative financial instruments	21.186								21.186
Financial assets at fair value through profit or loss	91.071	1.633	333	22.618	1.057		4.507		121.219
Financial assets designated at fair value			35.783				2.473		38.255
Investment securities:									
-Held-to-maturity investments				6.664					6.664
-Available-for-sale financial assets	160.423		518	130.750			17.732		309.423
Total maximum credit risk as at 31 December 2008	318.838	150.474	247.250	160.032	175.912	83.689	429.427	205.362	1.770.984
Total maximum credit risk as at 31 December 2007	476.668	120.820	207.525	160.314	281.160	69.858	502.292	244.583	2.063.220

3.1.7. Concentration of risks of financial assets with credit risk exposure: analysis per geographical region

The Bank presents a huge width of credit risk in Greece, as in the table below:

As at 31 December 2008:

ASSETS	GREECE	OTHER COUNTRIES	TOTAL
Loans and advances to banks	1.994	44.164	46.158
Loans and receivables	894.479	290.960	1.185.439
Derivative financial instruments	-	21.186	21.186
Financial assets at fair value through profit or loss	29.396	91.823	121.219
Financial assets designated at fair value	38.255	-	38.255
Investment securities:	-	-	-
-Held-to-maturity investments	6.664	-	6.664
-Available-for-sale financial assets	146.351	163.072	309.423
Other assets	45.630	531	46.161
Total assets	**1.162.769**	**611.736**	**1.774.504**

As at 31 December 2007:

ASSETS	GREECE	OTHER COUNTRIES	TOTAL
Loans and advances to banks	112.341	92.706	205.047
Loans and receivables	1.075.871	296.667	1.372.538
Derivative financial instruments	-	11.529	11.529
Financial assets at fair value through profit or loss	21.039	105.248	126.287
Financial assets designated at fair value	5.421	-	5.421
Investment securities:			
-Held-to-maturity investments	9.717	-	9.717
-Available-for-sale financial assets	204	241.940	242.144
Other assets	81.852	9.568	91.420
Total assets	**1.306.445**	**757.658**	**2.064.103**

Loans and advances to customers are included after the impairment losses.

3.2 Market risk

The Group is exposed to market risk; this risk includes price risk, interest rate risk, currency risk and volatility risk stemming from its open positions. In preparing market risk analysis, the Bank employs, on a daily basis, contemporary methods and processes, such as VaR calculations, sensitivity analysis (delta, gamma, PV01) and stress testing.

In the beginning of 2007, the ALCO committee established a set of market limits and procedures in order to monitor risk in accordance to the Bank's risk appetite. Market risk limits are VaR limits, pertain both trading book and banking book positions and are monitored on a daily basis. Market risk limits are set both in terms of product, risk factor and business unit.

The Bank uses the historical methodology in its VaR calculations with a 99% confident interval and a 10 days holding period. This methodology calculates value at risk for each rate based on daily historical perturbations and determines VaR by each risk factor (interest, price, volatility). The 99th percentile VaR results from the subtraction of the worst 1% historical perturbations. The Bank constantly revises its internal VaR model and performs in constant intervals back testing in order to evaluate the VaR results to the actual daily P&L. In the following table VaR by risk factor as well as the minimum, maximum and average levels are presented.

VaR review	VaR 99% 1day	
	31.12.2008	31.12.2007
Trading-book VAR		
Foreign-exchange risk	166	66
Interest-rate risk	866	290
Equities risk	755	1.075
Total VAR	**1.086**	**1.064**

	VaR 99% 1day	
	31.12.2008	31.12.2007
maximum	2.790	2.394
minimum	914	1.031
medium	1.537	1.608

In addition a stress test scenario is performed on daily basis in order to evaluate the extent of extreme losses in highly unlikely economic circumstances. The stress scenario used is selected from a list of historical and simulated scenarios and it is the one with the worst calculated results for the Bank's portfolio. This scenario is dynamic and is the current credit crunch. In particular the stress test results for the 31.12.2008 was a loss of €3.918 thousand for interest rate risk, €418 thousand loss for price risk and €100 thousand profit for currency risk.

3.3 Liquidity risk

Liquidity risk arises from the possibility of the Group not being able to meet its obligations as they become due. This risk stems from the Group's inability to finance its obligations at an acceptable cost and in due time, due to a variety of reasons such as an illiquid inter Group market or an illiquid capital market.

The Group has diverse funding sources, a wide range of products including, deposits, debt securities and equity. This improves its funding capability, reduces the dependence from any one funding source, and generally lowers its borrowing cost. The Group tries to balance the need between funding and flexibility, by maintaining a portfolio with different maturities.

The Group measures and monitors, on a daily basis, its liquidity ratios, "Liquid Assets / Total Liabilities" and "Net Current Assets / Total Liabilities", as these are defined by Bank of Greece, whereas, on regular intervals, the Group runs stress test scenarios and its ability to handle such crisis is thoroughly evaluated.

Monitoring and controlling liquidity risk is a dynamic process that the Group performs by assessing its changing funding requirements and ensuring the Group's business and strategic goals to be fully fulfilled.

3.3.1.Non-derivative cash flows

The here below table presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the balance sheet date by using an appropriate number of time bands. The amounts disclosed in the table are the contractual undiscounted cash flows:

As at 31 December 2008:

LIABILITIES	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	603.782	19.168	50.056	16.470	-	689.476
Due to customers	430.384	207.875	89.441	220.560	3.209	951.468
Debt securities in issue	291	291	-	-	25.000	25.581
Retirement benefit obligations	-	-	-	-	1.220	1.220
Current income tax liabilities	-	2.842	-	-	-	2.842
Deferred tax liabilities	-	-	-	-	3.710	3.710
Other liabilities	-	7.046	-	-	-	7.046
Total liabilities	**1.034.457**	**237.221**	**139.497**	**237.029**	**33.139**	**1.681.343**

As at 31 December 2007:

LIABILITIES	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Due to banks	288.498	145.435	-	-	-	433.933
Due to customers	1.041.565	278.979	112.359	13.852	3.733	1.450.488
Debt securities in issue	-	580	984	3.998	30.556	36.118
Retirement benefit obligations	-	-	-	-	1.079	1.079
Current income tax liabilities	-	10.455	-	-	-	10.455
Deferred tax liabilities	-	-	-	6.917	-	6.917
Other liabilities	260	9.076	-	-	5	9.341
Total liabilities	**1.330.323**	**444.525**	**113.343**	**24.767**	**35.373**	**1.948.331**

3.3.2.Derivative cash flows

The Bank has entered into the following derivative financial instruments:

1. Interest rate swaps
2. Futures
3. Credit default swaps
4. Options
5. Forwards
6. Synthetic swaps on futures

The table below analyzes the Bank's derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

a)Derivatives settled on a net basis:

As at 31 December 2008:

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Derivatives held for trading:						
-Other derivative contracts	4.761	-	-	-	-	4.761
Total	**4.761**	**-**	**-**	**-**	**-**	**4.761**

As at 31 December 2007:

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Derivatives held for trading:						
-Other derivative contracts	1.444	-	(297)	-	-	**1.147**
Total	**1.444**	**-**	**(297)**	**-**	**-**	**1.147**

b) Derivatives settled on a gross basis:

As at 31 December 2008:

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Derivatives held for trading:						
-Foreign exchange derivatives						
-Outflow	100.131	30.795	19.708	1.437	-	**152.071**
-Inflow	102.104	32.121	19.742	1.329	-	**155.295**
-Interest rate derivatives	-	-	-	-	-	**-**
-Outflow	255	565	5.252	14.682	20.270	**41.023**
-Inflow	208	726	5.923	14.658	20.643	**42.158**
-Other derivative contracts	-	-	-	-	-	**-**
-Outflow	-	306	4.242	3.358	-	**7.905**
-Inflow	-	262	1.932	1.929	-	**4.122**
Total Outflow	**100.386**	**31.666**	**29.201**	**19.477**	**20.270**	**200.999**
Total Inflow	**102.312**	**33.108**	**27.596**	**17.915**	**20.643**	**201.576**

As at 31 December 2007:

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Derivatives held for trading:						
-Foreign exchange derivatives						
-Outflow	180.428	46.529	37.258	-	-	**264.214**
-Inflow	177.738	46.444	36.781	-	-	**260.963**
-Interest rate derivatives						
-Outflow	197	2.152	6.139	8.943	15.737	**33.168**
-Inflow	62	1.124	7.730	9.760	15.539	**34.215**
-Other derivative contracts						
-Outflow	-	-	-	-	-	-
-Inflow	-	4	13	52	-	**70**
Total Outflow	**180.625**	**48.681**	**43.397**	**8.943**	**15.737**	**297.383**
Total Inflow	**177.800**	**47.572**	**44.525**	**9.812**	**15.539**	**295.248**

3.4 Foreign exchange risk

The Group takes on foreign exchange risk arising from the exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The here below table summaries the Group's exposure to foreign currency exchange risk at 31 December. Included in here below table are the Group's financial assets and liabilities, as they categorized by currency in the B/S

As at 31 December 2008:

ASSETS	EUR	USD	GBP	JPY	OTHER	TOTAL
Cash and balances with the Central Bank	35.247	67	22	-	5	35.341
Loans and advances to banks	42.772	751	511	116	2.008	46.158
Loans and receivables	1.040.205	119.878	7	3.576	21.773	1.185.439
Derivative financial instruments	5.681	15.085	420	-	-	21.186
Financial assets at fair value through profit or loss	120.488	2	35	-	693	121.219
Financial assets designated at fair value	38.255	-	-	-	-	38.255
Investment securities:	-	-	-	-	-	0
- Held-to-maturity	6.664	-	-	-	-	6.664
- Available-for-sale	307.278	2.145	-	-	-	309.423
Investments in subsidiaries and associates	23.644	-	-	-	-	23.644
Intangible assets	86.330	-	-	-	-	86.330
Property, plant and equipment	26.765	-	-	-	-	26.765
Non-current assets held for sale	1.137	-	-	-	-	1.137
Deferred tax assets	16.794	-	-	-	-	16.794
Other assets	45.630	-	162	192	176	46.161
Total assets	**1.796.890**	**137.928**	**1.157**	**3.885**	**24.656**	**1.964.516**

LIABILITIES	EUR	USD	GBP	JPY	OTHER	TOTAL
Due to banks	619.349	69.699	-	-	-	689.048
Due to customers	737.682	51.931	2.928	144.523	2.872	939.936
Derivative financial instruments	2.845	17.825	-	-	-	20.670
Debt securities in issue	25.255	-	-	-	-	25.255
Retirement benefit obligations	1.220	-	-	-	-	1.220
Current income tax liabilities	2.923	-	-	-	-	2.923
Deferred tax liabilities	3.710	-	-	-	-	3.710
Other liabilities	7.031	15	-	-	-	7.046
Total liabilities	**1.400.015**	**139.470**	**2.928**	**144.523**	**2.872**	**1.689.808**
Net on-balance sheet financial position	**396.875**	**(1.542)**	**(1.771)**	**(140.638)**	**21.784**	**274.708**

	EUR	USD	GBP	JPY	OTHER	TOTAL
Total assets	1.796.890	137.928	1.157	3.885	24.656	1.964.516
Total liabilities	1.400.015	139.470	2.928	144.523	2.872	1.689.808
Net on-balance sheet financial position	**396.875**	**(1.542)**	**(1.771)**	**(140.638)**	**21.784**	**274.708**

As at 31 December 2007:

	EUR	USD	GBP	JPY	OTHER	TOTAL
Total assets	2.179.991	139.287	4.572	3.397	27.888	2.355.135
Total liabilities	1.590.103	192.771	4.563	183.153	1.476	1.972.066
Net on-balance sheet financial position	**589.888**	**(53.484)**	**9**	**(179.756)**	**26.412**	**383.069**

3.5 Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fluctuations in market interest rates affect significantly the present value of expected future cash flows from investments and liabilities.

The here below table summarizes the Group's exposure interest rate risks. It includes the Group's financial instruments at carrying amounts, categorized by the earlier of contractual reprising or maturity dates.

As at 31 December 2008:

ASSETS	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Cash and balances with the Central Bank	35.341	-	-	-	-	-	35.341
Loans and advances to banks	46.158	-	-	-	-	-	46.158
Loans and receivables	510.267	347.639	273.800	53.490	243	-	1.185.439
Derivative financial instruments	21.186	-	-	-	-	-	21.186
Financial assets at fair value through profit or loss	51.810	30.174	15.637	1.820	13.684	8.093	121.219
Financial assets designated at fair value	12	-	-	35.783	2.461	-	38.255
Investment securities:							
- Held-to-maturity	-	-	6664	-	-	-	6.664
- Available-for-sale	56.495	14.807	-	216.576	-	21.545	309.423
Investments in subsidiaries and associates	-	-	-	-	-	23.644	23.644
Intangible assets	-	-	-	-	-	86.330	86.330
Property, plant and equipment	-	-	-	-	-	26.765	26.765
Non-current assets held for sale	-	-	-	-	-	1.137	1.137
Deferred tax assets	-	-	-	-	-	16.794	16.794
Other assets	-	-	-	-	-	46.161	46.161
Total assets	**721.269**	**392.620**	**296.101**	**307.668**	**16.389**	**230.469**	**1.964.516**

LIABILITIES	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Due to banks	619.880	19.168	50.000	-	-	-	689.048
Due to customers	632.741	208.961	91.822	3567	2845	-	939.936
Derivative financial instruments	20.670	-	-	-	-	-	20.670
Debt securities in issue	-	-	-	-	25.255	-	25.255
Retirement benefit obligations	-	-	-	-	-	1.220	1.220
Current income tax liabilities	-	-	-	-	-	2.923	2.923
Deferred tax liabilities	-	-	-	-	-	3.710	3.710
Other liabilities	-	-	-	-	-	7.046	7.046
Total liabilities	**1.273.291**	**228.129**	**141.822**	**3.567**	**28.100**	**14.899**	**1.689.808**
Interest sensitivity gap	**(552.021)**	**164.491**	**154.279**	**304.101**	**(11.711)**	**215.570**	**274.709**

As at 31 December 2007:

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Total
Total assets	1.026.784	435.860	225.420	254.039	15.854	397.179	2.355.136
Total liabilities	1.374.931	418.754	109.784	12.405	28400	27.792	1.972.066
Interest sensitivity gap	**(348.147)**	**17.106**	**115.636**	**241.634**	**(12.546)**	**369.387**	**383.070**

3.6 Capital management and capital adequacy

The Group's objectives when managing capital, which is a broader concept than the "equity" on the face of the balance sheets, are:

- To comply with the capital requirements set by the regulators of the Grouping markets where the Group operates;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the Bank of Greece. The required information is filed with the Authority on a quarterly basis.

The Group's capital adequacy is calculated according to the relevant directive by the Bank of Greece, which is an enforcement of the directive of the European Union for the capital adequacy of financial institutions and investment funds.
The Group's regulatory capital as managed by the Treasury Department is divided into two tiers:

- Tier 1 capital: share capital (net of any book values of the treasury shares), minority interests arising on consolidation from interests in permanent shareholders' equity, retained earnings and reserves created by appropriations of retained earnings. The book value of goodwill is deducted in arriving at Tier 1 capital; and

- Tier 2 capital: qualifying subordinated loan capital, collective impairment allowances and unrealized gains arising on the fair valuation of equity instruments held as available for sale.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of –and reflecting an estimate of credit, market and other risks associated with-each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table here below summarizes the composition of regulatory capital of the Group for the years ended 31 December 2008 and 2007 respectively:

Tier 1 Capital	**31.12.2008**	**31.12.2006**
Share Capital	281.450	281.450
Share Premium	85.478	85.478
Less: Treasury shares	(7.668)	(7.668)
Other reserves	11.223	2.479
Retained earnings	(56.310)	20.448
Revaluation reserves	(14.152)	883
Less: Dividends for the period	-	(12.385)
Less: Regulatory adjustment at revaluation reserve (available-for-sale assets)	25.312	**12.912**
Less: Revaluation reserve (available-for-sale investments)	(25.312)	(13.795)
Upper Tier 1 Capital	**300.021**	**369.802**
Less: Intangible assets	(86.330)	(102.661)
Less: Proportion of other deductible items*	(19.267)	**(17.242)**
Total Tier 1 Capital	**194.424**	**249.900**
Tier 2 Capital		
Regulatory adjustment at revaluation reserve (available-for-sale assets)	-	6.208
Less: Proportion of other deductible items *	(26.323)	(34.282)
Total Tier 2 Capital	**(26.323)**	**(28.074)**
	-	-
Total Regulatory Capital	**168.101**	**221.826**
Risk-weighted assets	**1.745.114**	**1.829.010**
Capital adequacy ratio	**9,63%**	**12,13%**

* Other deductible items from Tier 1 Capital and Tier 2 Capital		
Less: Equity investments (> 10%) in financial institutions	(3.660)	(5.236)
Less: Equity investments in insurance companies	(7.056)	(17.040)
Less: Double-gearing loans and advances	(34.874)	(29.247)
Total other deductible items	**(45.590)**	**(51.523)**
	-	-
Allocated to:		
Tier 1 Capital	(19.267)	(17.242)
Tier 2 Capital	(26.323)	(34.282)
	(45.590)	**(51.523)**

4 Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Recognition of the identifiable intangible assets acquired from business combinations

The Bank identifies a non-monetary asset without physical substance as an intangible asset if it:

- is separable, i.e. capable of being separated or divided from the Bank and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Bank or from other rights and obligations.

Thus, the Bank has identified intangible assets from a business combination as follows:

- intangible assets from loan contractual agreements
- intangible assets from deposits contractual agreements
- intangible assets from contractual agreements in brokerage services.

The amortization method being used to allocate the depreciable amount of the identifiable intangible assets acquired from business combinations is the straight-line method, with a finite useful life between 4 to 5 years.

4.2 Impairment losses on loans and receivables

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. If such evidence exists, the recoverable amount of the financial asset or group of financial assets is calculated and an impairment provision is accounted. The impairment is charged to the income statement. The methodology and assumptions used are reviewed regularly in order for any deviations between loss estimates and actual loss experience is minimized.

4.3 Fair value of derivative financial instruments

The fair value of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. Those models even though are dependent on measurable data; they require estimates and judgments (i.e. to determine volatility and credit risk). Those estimates and judgments are regularly assessed and whenever market conditions change. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.4 Impairment of available-for-sale financial assets

The available-for-sale portfolio is measured at fair value with any changes in fair value recognized in a fair value reserve. Available-for-sale equity investments are impaired when there has been a significant or prolonged decline in fair value below its cost. When the declines in fair value are considered significant or prolonged, the fair value reserve is transferred to the income statement. Furthermore, estimates are used to determine the fair value of equity investments which are not quoted in active markets. For those investments, the fair value is determined by using valuation techniques taking under consideration assumptions about industry and sector performances as well as the financial position of the investee.

4.5 Impairment test of goodwill acquired in a business combination

The Bank assesses at each balance sheet date, after initial recognition, goodwill acquired in a business combination at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment (Note 27.1).

4.6 Held-to-maturity investments

The Bank follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgment. In making this judgment, the bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire category as available for sale. The investments would therefore be measured at fair value and not amortized cost.

4.7 Income taxes

The Bank is subject to income tax according to the tax legislation in Greece. The Bank's tax obligations are considered to be finalized after the completion of the review by the tax authorities.

Due to the method according to which the tax liabilities are settled in Greece, the Bank remains contingently liable for any additional taxes and penalties for the un-audited tax periods. Relevant provision has been taken according to IFRS. Where the final tax outcome of such an audit is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Segment analysis

5.1. Business segment

The bank is divided into two main business segments on conducting its business:

- Commercial banking – incorporating personal banking, private banking, corporate banking, mortgage banking, etc; and
- Investment banking – incorporating trading, structured financing, brokerage services, merger and acquisitions advice, etc.

The here below table summarizes the Bank's financial position by business segment:

As at 31 December 2007	Retail Banking	Investment Banking	Total
Interest and similar income	97.713	33.199	130.912
Interest and similar expense	(66.703)	(22.157)	(88.860)
Net interest income	**31.010**	**11.042**	**42.052**
Fee and commission income	9.974	30.189	40.163
Fee and commission expense	(854)	(7.694)	(8.548)
Net fee and commission income	**9.120**	**22.495**	**31.615**
Dividend income	-	3.170	3.170
Net trading income	-	(34.742)	(34.742)
Net income from financial instruments designated at fair value	-	(2.610)	(2.610)
Gains less losses from investment securities	-	(54)	(54)
Other operating income	802	242	1.044
Operating income	**40.932**	**(457)**	**40.475**
Administrative expenses	(31.642)	(11.939)	(43.581)
Depreciation expenses	(3.825)	(1.027)	(4.852)
Impairment losses on financial assets	(15.756)	(3.184)	(18.940)
Profit before tax	**(10.291)**	**(16.607)**	**(26.898)**
Non-allocated expenses			(5.984)
Impairment loss from participation in associate			(11.919)
Impairment loss of goodwill			(11.696)
Income tax expense			186
Profit for the period			**(56.311)**
Total assets at 31 December 2008	**1.330.353**	**633.728**	**1.964.516**
Total liabilities at 31 December 2008	**1.218.923**	**470.885**	**1.689.808**

As at 31 December 2007	Retail Banking	Investment Banking	Total
Interest and similar income	109.138	3.201	112.339
Interest and similar expense	(68.416)	(1.103)	(69.519)
Net interest income	**40.722**	**2.098**	**42.820**
Fee and commission income	5.924	36.559	42.483
Fee and commission expense	(887)	(7.300)	(8.187)
Net fee and commission income	**5.037**	**29.259**	**34.296**
Dividend income	-	3.802	3.802
Net trading income	338	7.818	8.156
Net income from financial instruments designated at fair value	-	2.263	2.263
Other operating income	888		888
Operating income	**46.985**	**45.240**	**92.225**
Administrative expenses	(31.670)	(13.119)	(44.789)
Depreciation expenses	(3.646)	(979)	(4.625)
Impairment losses on financial assets	(6.892)	(203)	(7.095)
Profit before tax	**4.777**	**30.938**	**35.715**
Non-allocated expenses			(5.777)
Income tax expense			(9.657)
Profit for the period			**20.281**
Total assets at 31 December 2007	**1.460.444**	**894.662**	**2.355.135**
Total liabilities at 31 December 2007	**1.535.626**	**436.440**	**1.972.066**

5.2 Geographical segment

The Bank mainly operates in Greece and therefore no results per geographical area are presented.

6 Net interest income

	1.1.-31.12.2008	1.1-31.12.2007
Interest and similar income		
Loans and receivables	92.162	84.814
Debt securities	27.425	15.521
Loans and advances to banks	4.487	8.837
Other interest and similar income	6.838	3.167
Total	**130.912**	**112.339**
Interest expense and similar charges		
Due to customers	(60.659)	(53.331)
Due to banks	(17.590)	(7.645)
Contributions (Law N.128)	(4.950)	(4.849)
Other interest and similar expense	(4.478)	(3.083)
Debt securities in issue	(1.183)	(611)
Total	**(88.860)**	**(69.519)**
Net interest income	**42.052**	**42.820**

7 Net fee and commission income

	1.1.-31.12.2008	1.1-31.12.2007
Fee and commission income		
Investment Banking:		
Investment activities	17.172	15.465
Securities brokerage	12.087	20.580
Asset management	165	427
Retail Banking:		
Loans and receivables	7.081	2.084
Credit cards	1.673	2.111
Letters of guarantee	884	886
Imports-exports	336	486
Fund management:		
Foreign currency transactions	297	302
Remittance	468	142
Total	**40.163**	**42.483**
Fee and commission expense		
Investment Banking:		
Investment activities	(2.999)	(1.954)
Securities brokerage	(4.662)	(5.280)
Retail Banking:		
Credit cards	(765)	(838)
Remittance fees/commissions from LGs	(89)	(49)
Fund management:		
Fiduciary activities	(33)	(66)
Total	**(8.548)**	**(8.187)**
Net fee and commission income	**31.615**	**34.296**

8 Dividend income

	1.1.-31.12.2008	1.1-31.12.2007
Trading securities	1.790	3.392
Available-for-sale securities	1.380	410
Total	**3.170**	**3.802**

9 Net trading income

	1.1.-31.12.2008	1.1-31.12.2007
Transaction gains less losses	(14.858)	14.690
Foreign exchange translation and transaction (gains less loss)	(7.098)	338
Securities valuation	(13.973)	(8.581)
Derivative financial instruments	1.187	1.708
Total	**(34.742)**	**8.155**

The Bank applied the amendments of IAS 39 and IFRS 7, and at the 3rd trimester of 2008 transferred from "Trade portfolio securities" to "Available for sale securities" of Investment Portfolio, shares indexed in Athens Stock Exchange amounting to 22 million. The effect on the financial statements is analyzed at note 25

10 Net income from financial instruments designated at fair value

	1.1.-31.12.2008	1.1-31.12.2007
Securities valuation	(2.610)	2.263
Total	**(2.610)**	**2.263**

11 Other operating income

	1.1.-31.12.2008	1.1-31.12.2007
Other income	790	582
Rentals	142	169
Non-banking activities	112	137
Total	**1.044**	**888**

12 Personnel expense

	1.1.-31.12.2008	1.1-31.12.2007
Salaries	(17.978)	(17.637)
Social security costs	(4.101)	(3.911)
Other employee costs	(1.034)	(917)
Pension and retirement costs	(330)	(614)
Share-based payment transactions	(682)	(983)
Total	**(24.125)**	**(24.062)**

13 Other administrative expenses

	1.1.-31.12.2008	1.1-31.12.2007
Subscriptions and other contributions	(3.552)	(4.504)
Operating lease rentals	(4.393)	(3.979)
Other expenses	(4.203)	(4.033)
Third party fees	(2.555)	(2.985)
Contribution to Hellenic Deposit Guarantee Fund	(1.484)	(1.453)
Taxes and duties	(1.723)	(1.991)
Maintenance costs	(2.004)	(1.481)
Telephone – posting expenses	(1.065)	(1.221)
Promotion and advertising expenses	(555)	(1.033)
Consumables	(386)	(493)
Utilities	(471)	(434)
Insurance costs	(355)	(330)
Total	**(22.746)**	**(23.935)**

14 Depreciation expenses

	1.1.-31.12.2008	1.1-31.12.2007
Identifiable intangible assets acquired from business combinations	(4.173)	(4.173)
Property, plant and equipment	(2.611)	(2.340)
Other intangible assets	(762)	(681)
Total	**(7.546)**	**(7.194)**

15 Impairment losses on financial assets and non financial assets

	1.1.-31.12.2008	1.1-31.12.2007
Loans and receivables	(15.756)	(6.891)
Investment portfolio		
Available-for-sales equity investments	(587)	(36)
Impairment loss from participation in associate	(11.332)	(116)
Impairment loss of goodwill	(11.696)	-
Other assets	(3.184)	(50)
Total	**(42.555)**	**(7.093)**

16 Income tax expense

	1.1.-31.12.2008	1.1-31.12.2007
Current tax	(2.863)	(10.192)
Tax on reserves	(336)	-
Deferred tax	4.231	1.361
Tax provisions	(846)	(826)
Total	**186**	**(9.657)**

The Bank has been reviewed by the Local Tax Authorities for the years up to and including 2006. For the un-audited period ended on 31 December 2008 the Bank has accounting allowances its profits for potential taxable differences.

The tax rate for Greek legal entities, in accordance with the articles of the Greek tax legislation (Article 109 § 1, Law 2238/94) is 25% for the year 2007 and for the years 2008.

According Law 3697/2008 tax rate for the next years have aw follows:

2015	25%
2016	24%
2017	23%
2018	22%
2019	21%
2020	20%

The calculation of the deferred tax has been based on the tax rate that it is estimated to stand on the applicable tax law when the temporary tax or deductible differences will be reversed.

Due to method according to which tax liabilities are settled in Greece, the Bank remains contingently liable to additional taxes and penalties for un-audited periods.

The income tax expense charged in the income statement differs with the one that would be calculated by strictly applying the nominal tax rate over the taxable profits. The here below table depicts a reconciliation of the income tax expense at the balance sheet date:

Income tax expense charged to the income statement	**1.1.-31.12.2008**	**1.1-31.12.2007**
Profit before tax	**(56.498)**	**29.939**
Income tax expense calculated at a 25% tax rate	14.124	(10.192)
Income not subject to tax	(13.622)	838
Non-deductible expenses	(3.356)	(272)
Supplementary tax 3% on real estate	(10)	(10)
Tax on tax differences	-	(557)
Tax on tax difference	(845)	(825)
Deferred tax charge to the income statement	3.895	1.361
Total income tax	**186**	**(9.657)**

Deferred income tax assets and liabilities are attributable to the following items:	**1.1.-31.12.2008**
Loans an receivables	(139)
Allowance for impairment, net of revaluation	450
Impairment losses of other assets	616
Derivative financial instruments	1.065
Impairment of investments held for sale	(390)
Financial instruments	1.541
Property, plant and equipment, and intangibles	967
Leasing	(728)
Financial assets at Net Present Value)	603
Retirement benefit obligations	(26)
Financial liabilities	(64)
Total deferred income tax assets and liabilities	**3.895**

Further information on deferred income tax assets and liabilities is presented in Note 30.

17 Earnings per share

	1.1.-31.12.2008	1.1-31.12.2007
Profit attributable to the equity holders	(56.310)	20.281
Number of ordinary shares outstanding at the beginning of period	62.683.822	62.683.822
Less: Treasury shares	(760.483)	(760.483)
Number of ordinary shares outstanding at the end of period	61.923.339	61.923.339
Weighted average number of ordinary shares in issue	61.923.339	62.344.147
Basic and diluted earnings per share (expressed in euro per share)	**(0,9094)**	**0,3253**

Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

•Diluted earnings

Basic and diluted earnings per share remain the same since the effect of the employee share options are antidilutive for the current period and therefore has not been considered.

18 Cash and cash equivalents

	31.12.2008	31.12.2007
Cheques receivable	7.231	34.142
Cash in hand and items in course of collection	8.410	12.344
Included in cash and cash equivalents (note 41)	**15.641**	**46.486**
Mandatory reserve deposits with the Central Bank	19.700	6.068
Total cash and cash equivalents	**35.341**	**52.554**

19 Loans and advances to banks

	31.12.2008	31.12.2007
Interbank deposits	1.347	155.133
Placements with other banks (up to 90 days)	11.771	33.779
Cheques receivable	193	1.053
Included in cash and cash equivalents (note 41)	**13.311**	**189.965**
Placements with other banks (over 90 days))	32.847	15.082
Total	**46.158**	**205.047**

20 Loans and receivables

	31.12.2008	31.12.2007
Individuals:		
Mortgages	40.820	48.341
Consumer/personal	131.068	159.010
Credit cards	33.474	37.232
Total loans and receivables to individuals	**205.362**	**244.583**
Corporate entities:		
Other entities	192.196	222.280
Commercial-insurance	174.855	263.905
Credit institutions	-	45.906
Transportation-Telecommunication	210.616	205.918
Building-construction	117.247	139.832
Manufacture	148.841	113.773
Services	25.957	29.752
Small industry	13.097	12.946
Agricultural	55.024	57.847
Energy	303	310
Mining	892	1.309
Total loans and receivables to corporate entities	**939.028**	**1.093.778**
Finance lease receivables (1)	**83.689**	**69.858**
Gross loans and receivables	**1.228.079**	**1.408.219**

Less: allowance for impairment		
Individuals:		
Balance at the beginning of the year	(14.180)	(16.271)
Impairment charge for the year	(1.581)	2.090
Write offs	3.621	-
Total allowances for individuals	**(12.140)**	**(14.181)**
Corporate entities:		
Balance at the beginning of the year	(21.500)	(23.027)
Impairment charge for the year	(4.180)	(8.982)
Derecognition of financial assets	-	10.509
Write offs	5.080	-
Total allowances for corporate entities	**(20.600)**	**(21.500)**
General allowances for doubtful depts.	**(9.900)**	**-**
Total allowances at the end of the year	**(42.640)**	**(35.681)**
Net loans and receivables	**1.185.439**	**1.372.538**

(1) Finance lease receivables	**31.12.2008**	**31.12.2007**
Gross investment in the lease	99.784	98.710
Less: unearned finance income	(16.095)	(28.852)
Net investment in lease at the end of period	**83.689**	**69.858**
Present value of minimum lease payments receivable at 31 December 2008 :		
No later than 1 year	17.879	11.286
Later than 1 year and no later than 5 years	52.176	43.733
Later than 5 years	13.634	14.839
Total	**83.689**	**69.858**

21 Derivative financial instruments

As at 31 December 2008		Fair values	
Derivatives held for trading	Contract/ notional amount	Assets	Liabilities
a) Foreign exchange derivatives			
- Options	537	31	-
- Futures	116.078	-	-
	116.615	**31**	**-**
b) OTC derivatives			
- Interest rate swaps	185.553	2.618	(2.488)
- Options	1.870.019	14.805	(14.805)
- Forwards	158.498	3.121	-
- Credit default swaps	63.346	611	(3.377)
-Share options	-	-	-
	2.277.416	**21.155**	**(20.670)**
Total identifiable derivative assets/(liabilities) held for trading	**2.394.031**	**21.186**	**(20.670)**

As at 31 December 2007		Fair value	
Derivatives held for trading	Contract/ notional amount	Assets	Liabilities
a) Foreign exchange derivatives			
- Options	3.583	-	(136)
- Futures	9.418	-	-
	13.001	**-**	**(136)**
b) OTC derivatives			
- Interest rate swaps	489.672	4.302	(4.240)
- Options	1.770.193	6.861	(6.836)
- Forwards	324.064	-	(3.358)
- Credit default swaps	30.000	72	-
-Share options	10.000	294	-
	2.623.929	**11.529**	**(14.434)**
Total identifiable derivative assets/(liabilities) held for trading	**2.636.930**	**11.529**	**(14.570)**

The Bank does not utilize the hedge accounting, as this is prescribed in IAS (though there is a designated hedging relationship between a hedging instrument and a hedged item. Changes in the fair value of any derivative instrument that are not considered for hedge accounting are recognized immediately in the income statement under net trading income. The contractual or notional amount of certain types of financial instrument provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

22 Trading portfolio

	31.12.2008	31.12.2007
Equity securities	6.975	38.466
Corporate bonds	96.896	102.437
Government bonds	16.230	23.850
Mutual funds	1.118	8.307
Total	**121.219**	**173.060**

23 Financial assets at fair value through profit or loss

	31.12.2008	31.12.2007
Corporate bonds	38.255	5.421
Total	**38.255**	**5.421**

The here above figure refers to structured products which are revalued at their fair value and conform to the IAS 39.

24 Held-to-maturity investments

	31.12.2008	31.12.2007
Government bonds	6.664	6.659
Corporate bonds	-	3.058
Total	**6.664**	**9.717**

Mainly include bonds, that are held from the issue date and for which the Bank intends to hold until maturity. The fair value of the above mentioned bonds as of 31 December 2008 is 6.707 thousands of euros.

25 Available-for-sale assets

	31.12.2008	31.12.2007
Government bonds	130.749	129.805
Corporate bonds	157.128	112.339
Equity securities	19.400	5.991
Other investments	2.146	2.092
Total	**309.423**	**250.227**

All the available-for-sale instruments are valuated at the fair value.

According to the amendments of IAS 39 and I.F.R.S., an amount of 22 mln € representing the market value of equity securities listed in the Athens Stock Exchange, has been transferred by the "Financial assets at fair value through profit or loss" to the "Available-for-Sale Investment Securities" due to the extraordinary conditions prevailing in the financial markets; it is estimated that the market value of these equity securities as of 31 December 2008 does not represent the internal value of the underlying business entities. These equity securities are intended to be held for a definite period of time, which will not be sold in the near future. Losses resulted from the revaluation of these equity securities, from the period from 1 July 2008 up to and including 31 December 2008, amounted to 11 mln € which has been booked as a reserve account under the Balance Sheet item "Other Reserves". In addition, losses resulted from the revaluation of these equity securities, from the period from 1 January 2008 up to and including 30 June 2008, amounted to 5.4 mln € are reported in the income statement under the item "Net trading income". No reason has been raised to treat debt securities and derivatives likewise and adopt the above mentioned amendments; changes in fair values of debt securities and derivatives that are characterized as "Financial assets at fair value through profit or loss" are being directly reported in the income statement.

The here below table summarizes the movement of Available-for-sale assets:

	Available for sale	Held to maturity	Total
Balance at the beginning of the period	**250.227**	**9.717**	**259.944**
Additions	71.559		71.559
Transfer from trading portfolio	22.059		22.059
Disposals	(18)	(3.000)	(3.018)
Received from coupons	(528)		(528)
Accruals	1.291	(53)	1.238
Impairment loses	(587)		(587)
Gains/(losses) from changes in fair value	(34.580)		(34.580)
Balance at the end of the period	**309.423**	**6.664**	**316.087**

26 Investment in subsidiaries and associates

	31.12.2008	31.12.2007
Investments in subsidiaries	22.480	44.835
Investments in associates	1.164	3.425
Total	**23.644**	**48.261**

In the non-consolidated financial statements, investments in subsidiaries and associates are carried at fair value according to IAS 39, as available for sale financial assets measured at fair value with changes in fair value directly recognized in equity.

26.1. Investment in subsidiaries

Investments in subsidiaries are presented in the table below:

As at 31 December 2008

Name	Country	Participation %	Carrying amount
Proton Mutual Funds SA	Greece	99,91%	13.966
First Global Brokers SA	Serbia	82,49%	-
Omega Brokerage SA	Greece	66,00%	1.458
Proton Insurance SA	Greece	92,71%	7.056
Intellectron Systems SA	Greece	55,64%	-
			22.480

As at 31 December 2007

Name	Country	Participation %	Carrying amount
Proton Mutual Funds SA	Greece	99,91%	26.283
First Global Brokers SA	Serbia	82,49%	-
Omega Brokerage SA	Greece	66,00%	1.458
Omega Insurance SA	Greece	91,29%	17.040
Omega Kahn Financial Services SA	Switzerland	80,00%	54
Intellectron Systems SA	Greece	55,64%	-
			44.835

(1) Proton Insurance

On 6 October 2008, the Bank entered into a new contractual agreement with "ASPIS HOLDINGS PUPLIC COMPANY LIMITED" to sell 92.71% of the outstanding ordinary shares of "PROTON SOCIETE ANONYME PROVISION INSURANCE" against 7,8 mln €, a cash-settled transaction in 8 partial installments; "ASPIS HOLDINGS PUPLIC COMPANY LIMITED", with its headquarters on Cyprus, is listed in the Cyprus Stock Exchange. Simultaneously, the previously signed contractual agreement by both parties, the Bank and the "COMMERCIAL VALUE SOCIETE ANONYME INSURANCE", on 28 December 2007, to sell 91, 29% of the outstanding common shares of "PROTON SOCIETE ANONYME PROVISION INSURANCE" against 19 mln € has been waived. The sale contract, as this is prescribed by the new contractual agreement, will be finalized after receiving the relevant authorization, as it is strongly prescribed by the Commerce Law, by the local authorities

(2) Omega Kahn Financial Services S.A.

On 26 February 2008, the Bank sold its subsidiary undertaking in Omega Kahn Financial Services S.A. The resulted effect of that sale in the income statement and equity is calculated in -54 thousands € and has no significant effect in the annual financial statements.

26.2. Investment in associates

As at 31 December 2008

Name	Country	% Participation*	Assets*	Liabilities	Income	Profit	Carrying value
Omega Portfolio Investment Co. SA	Greece	29.43%	9.055	116	(5.492)	(5.882)	**1.164**

As at 31 December 2007

Name	Country	% Participation *	Assets	Liabilities	Income	Profit	Carrying value
Omega Portfolio Investment Co. SA	Greece	29.20%	15.824	91	1.523	1.034	**3.426**

*(31.12.2008: indirect 4, 55%, direct 24, 88%. 31.12.2007: indirect 4, 48%, direct 24, and 72%)

Investments in subsidiaries and associates, in the non-consolidated financial statements, are reported in their fair value according to IAS 39 as Available-for-sale financial assets at fair value through equity.

The subsidiary Omega Portfolio Investment Co. SA, since it is listed in the Athens Stock Exchange, has been reported in its fair value as at 31 December 2008.

During the period the following changes took place in the Bank's portfolio investments in subsidiaries and associates:

Balance at 1 January 2008	**48.261**
Participation in the increase of share capital (Proton Insurance SA)	1.200
Disposal of subsidiary Omega Kahn Financial Services S.A.	(54)
Gains from changes in fair value of subsidiary	(23.502)
Losses from changes in fair value of associate	(2.277)
Purchases of associate shares	16
Balance at 31 December 2008	**23.644**

Balance at 1 January 2007	**47.689**
Buy-out of minority interests (OMEGA MFMC)	132
Participation in the increase of share capital (Proton Insurance SA)	598
Merger by absorption of Proton Finance SA	(317)
Participation increase in Proton Securities SA due to merger by absorption of Proton Finance SA	600
Revaluation differences in subsidiaries, at the fair value	26
Revaluation differences in subsidiaries, at the fair value through profit or loss	(116)
Revaluation differences in associates, at the fair value	(356)
Disposal of associates	5
Balance at 31 December 2007	**48.261**

27 Intangible assets

As at 31st December 2008:

	Combination difference	Other	Software	Total
Balance at 1 January 2008				
Cost	85.588	19.538	3.622	108.748
Accumulated depreciation	-	(5.216)	(871)	(6.087)
Net book value	**85.588**	**14.322**	**2.751**	**102.661**
Year ended 31 December 2008				
Opening net book value	**85.588**	**14.322**	**2.751**	**102.661**
Additions	-	-	300	300
Impairment	(11.696)	-	-	(11.696)
Depreciation charge	-	(4.173)	(762)	(4.935)
Closing net book value	**73.892**	**10.149**	**2.289**	**86.330**
Balance at 31 December 2008				
Cost	85.588	19.538	3.922	109.048
Accumulated depreciation	(11.696)	(9.389)	(1.633)	(22.718)
Net book value	**73.892**	**10.149**	**2.289**	**86.330**

As at 31st December 2007:

	Combination difference	Other	Software	Total
Balance at 1 January 2007				
Cost	83.965	19.538	4.819	108.322
Accumulated depreciation	-	(1.043)	(588)	(1.631)
Net book value	**83.965**	**18.495**	**4.231**	**106.691**
Year ended 31 December 2007				
Opening net book value	**83.965**	**18.495**	**4.231**	**106.691**
Exchange rate adjustments	-	-	-	-
Additions from mergers by absorption of subsidiaries	1.623	-	-	1.623
Derecognition –cost	-	-	(1.513)	(1.513)
Derecognition –accumulated depreciation	-	-	397	397
Additions	-	-	324	324
Disposals –cost	-	-	(8)	(8)
Disposals - accumulated depreciation	-	-	1	1
Depreciation charge	-	(4.173)	(681)	(4.854)
Closing net book value	**85.588**	**14.322**	**2.751**	**102.661**
Balance at 31 December 2007				
Cost	85.588	19.538	3.622	108.748
Accumulated depreciation	-	(5.216)	(871)	(6.087)
Net book value	**85.588**	**14.322**	**2.750**	**102.661**

27.1. Impairment testing of goodwill

Goodwill has been resulted from the acquisition of Omega Bank and refers to the excess of the cost of acquisition over the fair value of the Bank's share of the net identifiable assets of the acquired company at the date of acquisition.

Goodwill is allocated to cash-generating units for the purpose of impairment testing; each of those cash-generating units is represented by each primary reporting segment. Goodwill has been allocated in the cash-generating units, comprising the banking operations, namely commercial banking and investment banking.

The second impairment testing of the goodwill resulting from the acquisition of Omega Bank and its subsidiaries on 29 September 2006 finalized on 31 December 2008. The recoverable amount of the cash-generating units has also been determined based on value in use calculations. For the determination of the value in use, the pre-tax expected future cash flows has been utilized based on the approved by the management business plan and projections covering a four-year period. The estimation of the pre-tax expected future cash flows beyond the current period of four years has been resulted by utilizing the average growth. The estimation of pre-tax expected future cash flows requires high degree of management judgment and is based on assumptions about future events, and know-how from trends and elements from the past. The key assumptions used for the value in use calculations are the following:

Key assumptions for the year 2008:

Average growth of net interest and similar income 2009-2012	16,4%
Average growth of profits 2009-2012	55.8%
Average growth of loans and receivables 2009-2012	24,6%
Average growth of customer deposits 2009-2012	25.5%
Average growth of the risk weighted assets 2009-2012	21,1%
Minimum capital requirements (Tier I) (year 2012)	8.5%
Average growth after 2012	2,0%
Discount rate (pre-tax cost of equity)	12,5%

Key assumptions for the year 2007:

Average growth of net interest and similar income 2008-2011	25,0%
Average growth of profits 2008-2011	31,1%
Average growth of loans and receivables 2008-2011	27,8%
Average growth of customer deposits 2008-2011	24,3%
Average growth of the risk weighted assets 2008-2011	22,7%
Minimum capital requirements (Tier I) (year 2011)	8.0%
Average growth after 2012	2,0%
Discount rate (pre-tax cost of equity)	10,4%

The average growth of net interest and similar income has been estimated by the management based on past experience, together with the provision for the growth of loans and advances and the net interest margin of the market in the future.

The average growth of loans and advances has been estimated by the management based on the market growth, macroeconomics conditions prevailing in the future, the growth of branch network and development of the product bundle.

The average growth of customer deposits has been estimated by the management based on the budgeted significant increment for 2009 vis-à-vis 2008, since the recovery of depository funds that have been lost during the last quarter of 2008 represents the major priority to be met.

On 31 December 2008, the average recovery value amounted to 261.617 thousands €, falls short by 11.696 thousands € of the respective accounting value which also included the goodwill amounted to 273.313 thousands € which has burdened the income statement.

The calculation of the recovery value has been estimated by the management business plan and projections with respect of future events and parameters of the market which might not be verified. Specifically, the recovery value is especially sensitive on the projections of the average growth of net interest and similar income, the future average growth and the cost of funds. Any negative variation on the above mentioned might result on further impairment losses of goodwill. If the future annual growth is limited to 1, 75% and the cost of funds calculated to 12, 98%, the recovery value will be totaled to 242.678 thousands € and the impairment of goodwill will be estimated to 30.635 thousands €.

If the average growth net interest and similar income was decreased by 5%, the recovery valued would be totaled to 237.359 thousands € and the impairment of goodwill would be calculated to 35.954 thousands €.

28 Property, plant and equipment

As at 31st December 2008:

	Land	Buildings	Machinery	Vehicles	Furniture	Total
Cost	7.233	14.877	72	180	9.890	32.252
Accumulated depreciation	-	(1.813)	(33)	(109)	(2.488)	(4.443)
Net book value	7.233	13.064	39	71	7.402	27.809
Year ended 31December 2008						
Opening net book value	7.233	13.064	39	71	7.402	27.809
Additions	-	561	6	-	1.260	1.827
Disposals - cost of acquisition	-	-	-	-	(156)	(156)
Disposals - accumulated depreciation	-	-	-	-	32	32
Impairment: cost of acquisition	-	-	-	-	(179)	(179)
Impairment: accumulated depreciation	-	-	-	-	43	43
Depreciation charge	-	(1.066)	(10)	(27)	(1.508)	(2.611)
Closing net book value	7.233	12.559	35	44	6.894	26.765
Balance at 31 December 2008						
Cost	7.233	15.438	78	180	10.815	33.744
Accumulated depreciation	-	(2.879)	(43)	(136)	(3.921)	(6.979)
Net book value	**7.233**	**12.559**	**35**	**44**	**6.894**	**26.765**

As at 31st December 2007:

	Land	Buildings	Machinery	Vehicles	Furniture	Total
Balance at 1 January 2007						
Cost	8.313	11.999	62	183	8.466	29.023
Accumulated depreciation	-	(857)	(24)	(82)	(1.162)	(2.125)
Net book value	8.313	11.142	38	101	7.304	26.898
Year ended 31December 2007						
Opening net book value	8.313	11.142	38	101	7.304	26.898
Additions from merger by absorption	2.025	2.102	-	-	-	4.127
Additions	-	1.829	10	-	1.426	3.265
Disposals - cost of acquisition	(3.105)	(1.053)	-	(3)	(2)	(4.163)
Disposals - accumulated depreciation	-	22	-	-	1	23
Depreciation charge	-	(978)	(9)	(27)	(1.327)	(2.341)
Closing net book value	7.233	13.064	39	71	7.402	27.809
Balance at 31 December 2007	-					
Cost	7.233	14.877	72	180	9.890	32.252
Accumulated depreciation	-	(1.813)	(33)	(109)	(2.488)	(4.443)
Net book value	**7.233**	**13.064**	**39**	**71**	**7.402**	**27.809**

For the period ended 31 December 2008, the Bank proceeded in revaluation of the buildings for own use, thus affecting their value. The revaluation process has been completed by the independent valuator "Danos & Associates International property & Values". For the estimation of the fair value the comparative method has been adopted. The major factors which have been taken into consideration, during the revaluation process, are the followings: (a) the specific traits of each tangible asset, (b) the urban-planning status, (c) total supply and total demand, and market prices in the greater area of the region where these tangible assets are located, and (d) the use character in the greater area of the region where these tangible assets are located. From this revaluation process, no significant variation in the fair value of the tangible assets under consideration emerged. The fair value of the tangible assets under consideration is calculated to 13 mln euros and does not vary from the value that would be calculated if the cost method was adopted.

29 Non-current assets held-for-sale

	31.12.2008	31.12.2007
Land	304	148
Buildings	833	70
Total	**1.137**	**218**

The account includes land acquired from foreclosure and auctions. According to IFRS 5, the Bank must sell any assets of this category within twelve months from the date of acquisition.

30 Deferred tax assets/ liabilities

	31.03.2008	31.12.2007
Deferred tax assets:		
Financial assets designated at fair value through profit or loss	2.971	1.430
Financial assets designated at fair value through equity	9.593	3.359
Financial assets	613	9
Financial liabilities	127	192
Finance leases	-	567
Derivatives	1.072	-
Commission from loans and advances	29	168
Provisions for bad debts	1.514	1.063
Retirement benefit obligations	244	269
Other assets	631	16
Total	**16.794**	**7.073**
Deferred tax liabilities:		
Intangible assets	(2.437)	(3.581)
Finance leases	(161)	
Property, plant and equipment	(715)	(537)
Financial assets designated at fair value through equity	-	(2.799)
Investment in subsidiaries and associations	(390)	-
Derivatives listed on the Athens Derivatives exchange	(7)	-
Total	**(3.710)**	**(6.917)**
Net deferred tax liability	**13.084**	**156**

The movement in the investment securities portfolio had as follows:

Balance at 1 January 2008	**156**
Deferred tax assets / (liabilities) from:	
Loans and receivables	(139)
Provisions for doubtful debts (from loans)	451
Provisions for doubtful debts (from other assets)	616
Derivative financial instruments	1.065
Impairment of investments held for sale	(390)
Non-derivative financial instruments	10.574
Intangible assets	966
Leasing	(728)
Financial assets, at net present value	603
Retirement benefit obligations	(26)
Financial liabilities	(64)
Balance at 31 December 2008	**13.084**

31 Other assets

	31.12.2008	31.12.2007
Receivables from brokerage	212	15.209
Receivables from foreign stock exchange	3.534	4.608
Bond subscriptions	-	30.411
Other debtors	22.446	15.936
Contributions to Co-Guarantee Fund and Supplementary Fund	6.013	12.288
Greek state, prepaid taxes	13.042	8.653
Bad debts, other than loans and receivables	3.575	4.204
Credit card receivables	1.686	1.751
Guarantees	2.893	613
Advances to third parties	44	51
Receivables from transactions for third parties	64	70
Short term receivables from subsidiaries other than loans	118	123
Prepayments for buying property (leasing)	-	-
Advances to employees	14	21
	53.641	**93.938**
Less: allowances for impairment	(7.480)	(4.918)
Total	**46.161**	**89.020**

32 Due to banks

	31.12.2008	31.12.2007
Repurchase agreements (repos)	61.087	12.506
Deposits from other banks	585.601	392.372
Current accounts	20.587	191
Time deposits	21.773	28.864
Total	**689.048**	**433.933**

The total of the repurchase agreements (repos) mature within one month from the balance sheet date.

33 Due to customers

	31.12.2008	31.12.2007
Individuals:		
Time deposits	534.660	794.343
Under caution	2.761	1.739
Savings accounts	46.828	57.700
Current accounts	11.018	18.175
	595.267	871.957
Corporate entities:		
Current accounts	42.721	76.094
Time deposits:		
Corporate entities	99.763	359.033
Other time deposits	27.950	55.694
Municipal corporations	5.878	5.838
Sale and repurchase agreement (repos)	-	986
	176.312	497.645
Margin accounts	104.674	40.800
Pledged deposits	48.206	59.902
Blocked deposits	15.477	184
Total	**939.936**	**1.470.488**

The total of the repurchase agreements (repos) mature within one month from the balance sheet date.

34 Debt securities in issue

	31.12.2008	31.12.2007
Debt securities in issue	25.255	25.283
Total	**25.255**	**25.283**

Standard loan Eurobond with duration of 10 years, till 13 July 2017, closely related with DBFRB USD Index. The main elements of the debt securities in issue are as follows:

Issue date: 13 July 2007
Principal amount: 25.000.000 euros
Bond coupons: quarterly
Interest rate:

For the first six quarters 4, 65%

From the seventh till the 14th quarter 8, 50%, less the cumulative yield of the FRB index with a range of 8, 75% (max) and 0, 00% (min)

From the 15th till the 20th quarter 9,250%, less the cumulative yield of the FRB index with a range of 9, 25% (max) and 0, 00% (min)

From the 21st till the 38th quarter 9,750%, less the cumulative yield of the FRB index with a range of 9, 75% (max) and 0, 00% (min)

Form and denomination: The Bond Loan is constituted by five hundred (500) Bonds and the nominal amount of each Bond is EUR 50,000.
The aggregate nominal amount of the Bonds shall be EUR 25,000,000. The Bonds will be issued in Bond Certificates each one of which comprises one or more Bonds.
Duration: 10 years

Scheduled redemption: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Final Maturity Date.

Purpose of the issuance: To strengthen solvency.

35 Retirement benefit obligations

	31.12.2008	31.12.2007
Amounts recognized in the balance sheet:		
Present value of defined benefit obligations	1.460	1.255
Unrecognised actuarial losses	(240)	(176)
Total liabilities at end of the year	**1.220**	**1.079**
Amounts recognized in the income statement:		
Current service cost	233	276
Interest cost	61	43
Net actuarial losses recognized	5	1
Cutback effect	31	282
Removal personnel	-	13
Total	**330**	**615**
Principal actuarial assumptions:		
Discount rate	5,50%	4,90%
Future salary increases	4,70%	4,70%
The movement in the defined benefit obligation over the year has as follows:		
Balance at 1 January	1.079	897
Charge in the income statement	330	614
Benefits paid	(189)	(432)
Total	**1.220**	**1.079**

36 Current income tax liabilities

	31.12.2008	31.12.2007
Income tax expense	1.252	9.629
Tax provision in tax reviews	1.671	826
Total	**2.923**	**10.455**

37 Other liabilities

	31.12.2008	31.12.2007
Taxes and duties payable:		
Taxes and duties relating to prior years from tax reviews	-	541
Taxes from interest on deposits	377	439
Taxes and duties from salaries	398	519
Other taxes and duties payable	192	171
Payables to social security funds	933	852
Other liabilities:		
Due from settlement of brokerage transactions	25	266
Suppliers and other liabilities	4.955	6.232
Salaries payable	54	226
Dividends payable	112	95
Total	**7.046**	**9.341**

38 Share capital

	31.12.2008	31.12.2007
Paid up share capital at beginning of period	281.450	281.450
Total	**281.450**	**281.450**

Ordinary shares (number of shares):		
Balance at 1 January	61.923.339	62.683.822
Purchase treasury shares	-	(760.483)
Total number of ordinary shares in circulation	**61.923.339**	**61.923.339**

39 Share premium

	31.12.2008	31.12.2007
Balance at 1 January	85.478	85.478
Total	**85.478**	**85.478**

The share premium was created on the acquisition of Omega Bank SA and represents the difference between the market value and nominal value of exchanged shares for the .

40 Other reserves

	31.12.2008	31.12.2007
Available-for-sale reserve:		
Balance at 1 January	882	13.794
Gains form change in fair value	(40.347)	(12.912)
Total available-for-sale reserve	**(39.465)**	**882**

	31.12.2007	31.12.2006
Statutory reserves:		
Balance at 1 January	1.496	361
Movements	946	1.135
Total statutory reserves	**2.442**	**1.496**
Stock option reserves :		
Balance at 1 January	983	-
Stock option reserve	682	983
Total stock option reserves	**1.665**	**983**
Total reserves	**(35.358)**	**3.361**

40.1. Statutory reserve

According to the article 44, Law 2190/1920, at least 5% of the annual profits after tax are transferred to form the statutory reserve. The statutory reserve is exclusively utilized before the payment of the dividends to extinguish accumulated losses.

41 Cash and cash equivalents

	31.12.2008	31.12.2007
Loans and advances to banks (note 19)	13.311	189.965
Cash and balances with the Central Bank (note 18)	15.641	46.485
Total	**28.952**	**236.450**

42 Dividend per share

The annual Regular General Shareholders' Meeting of the Bank on 23 May 2008, approved a dividend amounting to a total 12.385 thousands of euros (euro 020 per share). The dividend was paid on 4 June 2008.

43 Contingent liabilities and commitments

43.1 Legal proceedings

There are some claims and legal actions against the bank in the ordinary course of business. Except of a provision of 694 thousands of euros no other provision in relation to these claims has been recognized, after the consultation with legal counsel, the final sentence judgment and their settlement are not expected to have a material impact on the financial statements of the Bank.

43.2 Letters of guarantee /Irrevocable letters of credit

The off balance sheet items which represent the Bank's commitment to extend credit to its customers are analyzes as follows (in thousands of euros):

	2008	2007
Letters of guarantee	104.767	110.878
Irrevocable letters of credit	1.177	2.480
Total	**105.944**	**113.358**

43.3 Pledged assets

Greek Government debt securities with a nominal value of 1.500 thousands of euros, and shares listed in Athens Stock Exchange with a nominal value of 3.362 thousands of euros have been assigned to HELEX.

Greek Government debt securities with a nominal value of 21.630 thousands of euros, foreign government bonds with a nominal value of 2.000 thousands of euros, and foreign corporate bonds with a nominal value of 260.110 thousands of euros have been assigned to Bank of Greece.

Bank of Piraeus has granted a loan of 253 million of euros were the bank provided a loan portfolio of 249 million euros as pledged assets as this is prescribed in the relevant contractual agreement. According to the relevant agreement, Bank of Piraeus holds the right to transfer all the claims of these assets to a third party, together with any collateral, entitled or personal.

43.4 Capital commitments

(a) The Bank leases for its operating purposes, offices for head quarters and branches. The future minimum lease payments under non cancelable operating leases have as follow:

	31.12.2008	31.12.2007
Lease payments no later than 1 year	4.205	3.598
Lease payments later than 1 year and no later than 5 years	16.259	15.095
Lease payments later than 5 years	4.256	4.752
Total	**24.720**	**23.446**
Monthly lease payments	350	300
Guarantees which will be offset at lease termination	624	557

(b) The Bank leases vehicles for private use. The future minimum lease payments for cars under non cancelable operating lease arrangements have as follow:

Leased tangible assets: vehicles for private use

Lease term: 4 years per leased vehicle

Lease guarantees offset at the end of the lease: 16 thousands of euros

Accrued lease payments recognized in the income statement during the period: 354 thousands of euros.

	2008	2007
Lease payments no later than 1 year	292	281
Lease payments later than 1 year and no later than 5 years	393	569
Lease payments later than 5 years	-	-
Total	**685**	**850**

(c) As of 31 December 2008, the Bank as a lessor, had signed non cancelable lease agreements for the acquisition of equipment for finance lease purposes amounting to 2.530 thousands of euros for which no payment had been.

43.5 Stock option plan

On 24 November 2006, the Extraordinary General Shareholders' Meeting of the Bank approved a share option plan for the members of the Board of Directors, key management personnel, its employees and the Bank's related companies in the form of stock options according to the article 13 $ 9 of Law 2190/1920 after the proposition of the Board of Directors and the Compensation Committee. The options are conditional on the beneficiaries remaining during the options life under employment or other relationship with the Bank or Group companies (vesting period). The options are exercisable every November starting from the year of the grand and have a contractual option term of three (3) years. The Bank has no legal or constructive obligation to repurchase or settle the options in cash.

Share options were granted on 15 June 2007 with an exercise price of 10, 46 euro. The fair value of options granted during the period determined using the Black-Scholes valuation model with the methodology of Monte Carlo simulation to 0,55 per option (0,28 euro for the period A, 0,57 euro for the period B, and 0,80 euro for the period C). The significant inputs into the model were: share price at the grand date (9, 96 euro), the exercise price, option life (as described above), expected volatility of share prices (12%), expected dividend yield (2, 5%) and the risk free rate (swap rate yield curve). Thus, an analysis of the existing stock option plan is as follows:

Exercise date	Expire date	Exercise price (in euros)	Fair value (in euros)	31.12.2008	31.12.2007
30.11.2007	30/11/2009	10,46	0,28	1.401.183	1.547.618
30.11.2008	30/11/2009	10,46	0,57	1.401.183	1.547.618
30.11.2009	30/11/2009	10,46	0,80	1.401.183	1.547.618
Total of outstanding stock options:				**4.203.550**	**4.642.854**

On 30 November 2008 expired the second exercise period without the stock options were exercised. On the basis of the share stock option plan, the unallocated stock options are transported in the next period. Because of the above occasion the share capital of Proton Bank was not altered.

The change of the number of stock options for this period presents as follows:

	31.12.2008	31.12.2007
Balance at 1 January	4.642.855	-
Options granted	-	4.943.815
Options exercised	-	-
Options amortized	(439.305)	(300.960)
Balance at 31 December	4.203.550	4.642.855

43.6 Purchase treasury shares

On 24 November 2006, the Extraordinary General Shareholders' Meeting of the Bank approved the repurchase of treasury shares up to and including 10% of the total authorized and issued number of ordinary shares, namely up to and including six million two hundred sixty eight thousands three hundred eighty two (6.268.382) shares in a price width from five (5.00 €) to fifteen (15,00 €) euros per share in a time interval up to and including 12 months from the date of approval by the Extraordinary General Shareholders' Meeting.

Till 31 December 2008, the Bank repurchased 760.483 shares totaled to 7.668 thousands euros, which represent the 1, 2% of the total authorized and issued number of ordinary shares.

44 Related party transactions

Related parties include: a) Members of the Board of Directors, b) close members of the family and financial dependant of the above c) subsidiaries and associate companies of the Group.

The members of the Board of Directors, according to the Law 2577/9.3.2006, were determined the limits and the procedures of Bank for each form of credit enhancements or participations to the persons that have special relation with the Bank and the Group.

The balances and transactions of the Bank with its related parties are as follow:

I. Subsidiaries	**31.12.2008**	**31.12.2007**
Assets		
Loans	3.718	4.511
Other assets (receivables)	111	120
Total	**3.829**	**4.632**
Liabilities		
Deposits	21.920	20.200
Other assets (liabilities)	-	3
Total	**21.920**	**20.203**
Income	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Interest and similar income	274	162
Other operating income	287	385
Total	**561**	**547**

Expenses	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Interest expense and similar charges	915	591
Administrative expenses	22	423
Total	**937**	**1.014**

	31.12.2008	**31.12.2007**
Letters of guarantee	**1.066**	**936**

II. Associated companies	**31.12.2008**	**31.12.2007**
Assets		
Other receivables	60	2
Total	**60**	**2**
Liabilities		
Deposits	7.144	5.188
Other liabilities	-	18
Total	**7.144**	**5.206**

Income	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Interest and similar income	**242**	**193**

Expenses	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Other operating expenses	**56**	**71**

III. Directors and key management personnel	**31.12.2008**	**31.12.2007**
Assets		
Loans	25.160	22.467
Total	**25.160**	**22.467**
Liabilities		
Deposits	30.170	67.775
Total	**30.170**	**67.775**

Income	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Interest and similar income	2.375	1.419

Expenses	**1.1.-31.12.2008**	**1.1.-31.12.2007**
Salaries and other remuneration	4.566	3.882
Interest expense and similar charges	2.191	3.118
Other operating expenses	-	103
Total	**6.757**	**7.105**

	31.12.2008	**31.12.2007**
Letters of guarantee	**245**	**17.843**

Stock option plan as at 31 December 2008

	Options	**Value**
Key management personnel	1.280.200	431
Directors	1.449.600	488
	2.729.800	**919**

IV. Piraeus Group

On 5 November 2008, the Management of the Bank and other shareholders, who represent the 31,3147% of the share capital issued, have entered into an agreement with the Management of the Bank of Piraeus to transfer the ownership of 19.629.247 ordinary shares. Since 5 November 2008, the Group income figures have been consolidated into the figures of the Bank of Piraeus by applying the equity method.

	31.12.2008
Assets	
Claims form bond loans	19.395
Claims from equity shares	3
Claims from deposits	3.570
Total	**21.621**
Liabilities	
Liabilites from interbank deposits	366.630
Income	**5.11.-31.12.2008**
Interest received from bond loans	**13**
Expense	
Interest paid to interbank deposits	**2.616**
Pledged assets	**248.983**

45 Changes in the composition of BoD

a) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of August 29th 2008, Mrs Sotiria Massaveta - Theodossi was elected as a new member, in replacement of Mr. Elias S. Tsotakos, who resigned from the Board. Mrs Sotiria Massaveta - Theodossi has been elected as an Executive Member. The election of the new member will be submitted to the next General Meeting for approval.
Consequently, the Board of Directors of PROTON Bank S.A., consists of the following members:

1. Angeliki N.Frangou, Chairman, Non-Executive Member
2. Anthony I. Athanassoglou, Executive Vice-Chairman, Executive Member
3. Elias G. Lianos, Managing Director, Executive Member
4. Athanasios J. Papaspiliou, Executive Member
5. Dimitrios G. Saramantis, Executive Member
6. Sotiria Massaveta - Theodossi, Executive Member
7. Loucas N. Valetopoulos, Non-Executive Member
8. George P. Minettas, Non-Executive Member
9. Markos A. Foros, Non-Executive Member
10. Alexandra G. Stavropoulou, Independent Non-Executive Member
11. Panagiotis D. Alexakis, Independent Non-Executive Member

b) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of September 30h 2008, Mr. Evangelos Papaevangelou, Mrs. Mary Markopoulou and Mr. Paschalis Giouchas were elected as new members for the remaining time of its tenure, in replacement of Mrs. Angeliki Frangou, Mr. Loukas Valetopooulos and Mr. Markos Foros, who resigned from the Board. The election of the new members will be submitted to the next General Meeting for approval.
Consequently, after the above replacements, the Board of Directors of PROTON Bank S.A., convened into a Body as follows:

1. Anthony I. Athanassoglou, Chairman, Executive Member.
2. Elias G. Lianos, Vice-Chairman, Managing Director, Executive Member.
3. Athanasios J. Papaspiliou, Executive Member.
4. Dimitrios G. Saramantis, Executive Member.
5. Sotiria Massaveta - Theodossi, Executive Member.
6. Evangelos D. Papaevangelou, Non-Executive Member.
7. Paschalis P. Giouchas, Executive Member.
8. George P. Minettas, Non-Executive Member.
9. Mary D. Markopoulou, Non-Executive Member.
10. Alexandra G. Stavropoulou, Independent Non-Executive Member.
11. Panagiotis D. Alexakis, Independent Non-Executive Member.

c) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of November 21st 2008, Mr. Stavros M. Lekkakos and Mr. Ioannis F. Viggopoulos were elected as new members for the remaining time of its tenure, in replacement of Mr. Elias G. Lianos and Ms. Maria D. Markopoulou who resigned from the Board. The election of the new members will be submitted to the next General Meeting for approval. Mr. Stavros Lekkakos and Mr. Antonios Athanassoglou were designated as persons responsible towards the Bank of Greece.
Consequently, after the above replacements, the Board of Directors of PROTON Bank S.A., convened into a Body as follows:

1. Stavros M. Lekkakos, Chairman, Non-Executive Member.
2. Anthony I. Athanassoglou, Vice- Chairman, Executive Member
3. Athanasios J. Papaspiliou, Managing Director, Executive Member
4. Dimitrios G. Saramantis, Executive Member
5. Sotiria Massaveta - Theodossi, Executive Member

6. Paschalis P. Giouchas, Executive Member
7. Evangelos D. Papaevangelou, Non-Executive Member
8. George P. Minettas, Non-Executive Member
9. Ioannis F. Viggopoulos, Non-Executive Member
10. Alexandra G. Stavropoulou, Independent Non-Executive Member
11. Panagiotis D. Alexakis, Independent Non-Executive Member

d) PROTON Bank S.A. announces a change in its Board of Directors. More specifically, on the Board meeting of December 2nd 2008, Mr. Panagiotis M. Giannopoulos, Management Advisor of Piraeus Bank, was elected as a new member for the remaining time of its tenure, in replacement of Mr. Paschalis P. Giouchas who resigned from the Board. The election of the new member will be submitted to the next General Meeting for approval. Consequently, after the above replacement, the Board of Directors of PROTON Bank S.A., convened into a Body as follows:

1. Stavros M. Lekkakos, Chairman, Non-Executive Member
2. Anthony I. Athanassoglou, Vice- Chairman, Executive Member
3. Panagiotis M. Giannopoulos, Vice- Chairman, Non-Executive Member
4. Athanasios J. Papaspiliou, Managing Director, Executive Member
5. Dimitrios G. Saramantis, Executive Member
6. Sotiria Massaveta - Theodossi, Executive Member
7. Evangelos D. Papaevangelou, Non-Executive Member
8. George P. Minettas, Non-Executive Member
9. Ioannis F. Viggopoulos, Non-Executive Member
10. Alexandra G. Stavropoulou, Independent Non-Executive Member
11. Panagiotis D. Alexakis, Independent Non-Executive Member

The managing and supervisory duties of the above-mentioned new Board of Directors lasts, according with the article of 9 Statute of the Bank, for three-years, being started from the date of the Bank's Extraordinary General Shareholders' Meeting, on 7 September 2006, and will normally expire with the election of the new Board of Directors under the Bank's Regular General Shareholders' Meeting in 2009, with the restriction that it cannot be extended of more than four (4) years.

46 Events after the balance sheet date

On 28 January 2009, the General Meeting of the shareholders of the Bank decided on the increase of share capital by € 80 mln, through issuing preference shares in favor of the Hellenic State, according to law 3723/2008 for "The liquidity support for the Economy and the confrontation of the sequences of global financial recession".

Beside the aforesaid, there were no significant events subsequent to the interim balance sheet date which are required to be mentioned.

Athens, 9 March, 2009

The Vice-Chairman of the BoD

Anthony I. Athanassoglou

The Managing Director

Athanasios I. Papaspiliou

The Chief Financial Officers

Georgios S. Nikiforakis

Polychronis V. Karachalios

VII FINANCIAL STATEMENTS AND INFORMATION OF PROTON BANK AND THE GROUP FOR THE FISCAL YEAR 1.1.2008-31.12.2008

PROTON BANK S.A.

Company Registration No: 49841/06/B/01/31 - 20 Eslin & Amaliados Street, Ambelokipi 115 23

FINANCIAL STATEMENTS AND INFORMATION FOR THE PERIOD

from 1 January to 31 December 2008

(In accordance with Codified Law 2190/20 article 135, concerning businesses that prepare annual financial statements, consolidated or not, in accordance with International Accounting Stundards, I.A.S.)

The financial information set out below provides a general presentation of the financial position and results of Proton Bank A.E. and the Group. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank, where the financial statements as well as the auditor's report are available.

COMPANY'S PROFILE

Supervising authority	Bank of Greece, Ministry of Development
Web site:	www.proton.gr
Date of approval by the Board of Directors of the Financial Statements for the period ended as at December 31th, 2008:	March 9, 2009
Certified Auditors:	Athanasia M. Arabatzi (A.M. SOEL 12821)
Audit company:	Grant Thornton Certified Auditors S.A.
Type of Auditor's Report:	Unqualified opinion

THE MEMBERS OF THE BOARD OF DIRECTORS CONSIST OF:

Stavros M. Lekkakos	Chairman (Non-Executive Member)
Anthony I. Athanassoglou	Executive Vice-Chairman (Executive Member)
Panagiotis M. Giannopoulos	Executive Vice-Chairman (Non-Executive Member)
Athanasios I. Papaspiliou	Managing Director (Executive Member)
Dimitrios G. Saramantis	Executive Member
Sotiria S. Masaveta - Theodossi	Executive Member
Evaggelos D. Papaevangelou	Non-Executive Member
George P. Minettas	Non-Executive Member
Ioannis F. Vigopoulos	Non-Executive Member
Alexandra G. Stavropoulou	Independent Non-Executive Member
Panagiotis D. Alexakis	Independent Non-Executive Member

BALANCE SHEET

Amounts in thousand euros

	GROUP		BANK	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
ASSETS				
Cash and balances with Central Banks	35.386	52.796	35.341	52.554
Loans and advances to banks	46.260	205.055	46.158	205.047
Loans and advances to customers	1.181.720	1.368.023	1.185.439	1.372.538
Derivative financial assets	21.186	11.529	21.186	11.529
Financial assets at fair value through profit or loss	121.716	174.381	121.219	173.060
Financial assets designated at fair value	38.255	5.421	38.255	5.421
Investment securities:				
-Held-to-maturity	6.664	9.717	6.664	9.717
-Available-for-sale	309.424	250.227	309.423	250.227
Investments in subsidiaries and associates	-	-	23.644	48.261
Investments in associates	2.221	3.886	-	-
Intangible assets	87.947	104.271	86.330	102.661
Property, plant and equipment	26.796	27.880	26.765	27.809
Deferred tax assets	16.822	7.098	16.794	7.073
Other assets	48.808	91.420	46.161	89.020
	1.943.205	2.311.704	1.963.379	2.354.917
Non-current assets held for sale	36.602	53.727	1.137	218
TOTAL ASSETS	**1.979.807**	**2.365.431**	**1.964.516**	**2.355.135**
LIABILITIES				
Due to banks	689.254	433.941	689.048	433.933
Due to customers	918.015	1.450.287	939.936	1.470.488
Derivative financial liabilities	20.670	14.570	20.670	14.570
Debt securities in issue	25.255	25.283	25.255	25.283
Retirement benefit obligations	1.293	1.140	1.220	1.079
Current income tax liabilities	2.949	10.498	2.923	10.455
Deffered tax liabilities	3.728	6.928	3.710	6.917
Other liabilities	9.163	10.880	7.046	9.341
	1.670.327	1.953.527	1.689.808	1.972.066
Liabilities related to non-current assets held for sale	41.172	44.339	-	-
Total liabilities	**1.711.499**	**1.997.866**	**1.689.808**	**1.972.066**
EQUITY				
Share capital	281.450	281.450	281.450	281.450
Share premium	85.446	85.456	85.478	85.478
less: Treasury shares	(8.646)	(8.646)	(7.668)	(7.668)
Other reserves	(34.062)	(9.943)	(35.358)	3.361
Retained earnings	(56.200)	18.579	(49.194)	20.448
	267.988	**366.896**	**274.708**	**383.069**
Minority interest	320	669	-	-
Total equity	**268.308**	**367.565**	**274.708**	**383.069**
TOTAL EQUITY AND LIABILITIES	**1.979.807**	**2.365.431**	**1.964.516**	**2.355.135**

INCOME STATEMENT

Amounts in thousand euros

	GROUP						BANK	
	1 Jan-31 December 2008			1 Jan-31 December 2007			1 Jan-31 December 2008	1 Jan-31 December 2007
	Continuing Activities	Discontinued Activities	Total	Continuing Activities		Discontinued Activities	Total		
Interest and similar income	130.503	269	130.772	112.194		106	112.300	130.912	112.339
Interest expense and similar charges	(87.950)	(211)	(88.161)	(68.932)		(312)	(69.244)	(88.860)	(69.519)
Net interest income	**42.553**	**58**	**42.611**	**43.262**		**(206)**	**43.056**	**42.052**	**42.820**
Fee and commission income	40.118	-	40.118	43.966	0	-	43.966	40.163	42.483
Fee and commission expense	(8.594)	-	(8.594)	(8.360)	0	-	(8.360)	(8.548)	(8.187)
Net fee and commission income	**31.524**	-	**31.524**	**35.606**		-	**35.606**	**31.615**	**34.296**
Income from insurance activities	-	30.161	30.161	-		39.643	39.643	-	-
Expense from insurance activities	-	(9.148)	(9.148)	-		(11.936)	(11.936)	-	-
Net income from insurance activities	-	**21.013**	**21.013**	-		**27.707**	**27.707**	-	-
Dividend income	**1.933**	**2**	**1.935**	**3.412**	**0**	**55**	**3.467**	**3.170**	**3.802**
Net trading income	**(34.957)**	**(705)**	**(35.662)**	**8.211**	-	**(15)**	**8.196**	**(34.742)**	**8.155**
Net income from financial instruments designated at fair value	**(2.610)**	-	**(2.610)**	**2.263**	**0**	-	**2.263**	**(2.610)**	**2.263**
Net gains less losses from investment securities	**(40)**	-	**(40)**	-	**0**	-	**0**	**(54)**	-
Other operating income	**2.564**	**78**	**2.642**	**1.480**		**2**	**1.482**	**1.044**	**888**
Total operating income	**40.967**	**20.446**	**61.413**	**94.234**		**27.543**	**121.777**	**40.475**	**92.224**
Staff costs	(24.981)	(1.827)	(26.808)	(25.936)		(1.969)	(27.905)	(24.125)	(24.067)
Other administrative expenses	(23.838)	(2.788)	(26.626)	(24.914)		(2.982)	(27.896)	(22.746)	(23.935)
Depreciation and amortization expenses	(7.581)	(127)	(7.708)	(7.225)		(136)	(7.361)	(7.546)	(7.194)
Insurance claims	-	(18.407)	(18.407)	-		(22.335)	(22.335)	-	-
Impairment losses on loans and advances	(31.210)	-	(31.210)	(6.981)		-	(6.981)	(42.555)	(7.093)
Total operating expenses	**(87.610)**	**(23.149)**	**(110.759)**	**(64.156)**		**(27.422)**	**(91.578)**	**(96.972)**	**(62.284)**
Share of profit /(loss) of associates	**(1.459)**	**(289)**	**(1.748)**	**255**		**47**	**302**	-	-
Profit before tax	**(48.102)**	**(2.992)**	**(51.094)**	**30.333**		**168**	**30.501**	**(56.497)**	**29.940**
Income tax expence	7	1	8	(9.732)		(16)	(9.748)	186	(9.657)
Impairment losses on discontinued activities	-	(10.698)	(10.698)	-		-	-	-	
Profit after tax	**(48.095)**	**(13.689)**	**(61.784)**	**20.601**		**152**	**20.753**	**(56.311)**	**20.283**
Profit after tax								**(56.311)**	**20.283**
Attributable to:									
Equity holders of the Bank	(48.099)	(13.368)	(61.467)	20.512		99	20.611		
Minority interests	4	(321)	(317)	89		53	142		
Earnings per share:									
From continuing and discontinued operations									
Basic (€ per share)	**(0.7780)**	**(0.2162)**	**(0.9942)**	**0,3293**		**0,0016**	**0,3309**	**(0.9094)**	**0,3253**
Proposed dividend for the year 2008 (€ per share)									
Dividend for the year 2007 (€ per share)									**0,2000**

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euros

	GROUP		BANK	
	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007
Equity at the beginning of the year (01/01/2008 and 01/01/2007 respectively)	367.565	384.744	383.069	399.834
Net revaluation gains /(losses) on available-for-sale assets	(25.752)	(12.592)	(40.347)	(12.912)
Capital issue costs - Proton Insurance	(11)	(25)	-	-
Participation in share capital increase - Proton Insurance	-	96	-	-
Acquisition of minority interests in Omega AEDAK	-	(131)	-	-
Exchange differences on translatting foreign operation	6	(14)	-	-
Other consolidation adjustments	-	(30)	-	100
Profit / (loss) for the year after tax	(61.784)	20.753	(56.311)	20.283
% voting rights increase - Proton Insurance	24	-	-	-
Sale of the subsidiary Omega Kahn Financial Services S.A.	(10)	-	-	-
Fair value of employee services - employee stock option plan	682	983	682	983
Purchase / Sale of treasury shares	-	(8.646)	-	(7.668)
Dividends paid	(12.412)	(17.593)	(12.385)	(17.551)
Equity at the end of the year (31/12/2008 and 31/12/2007 respectively)	268.308	367.565	274.708	383.069

CASH FLOW STATEMENT

Amounts in thousand euros

	GROUP		BANK	
	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007
Operating activities from continuing activities	(125.831)	351.441		
Operating activities from discontinued activities	306	(5.612)		
Total inflows / (outflows) from operating activities (a)	(125.525)	345.829	(125.130)	345.665
Investing activities from continuing activities	(68.618)	(222.851)		
Investing activities from discontinued activities	43	55		
Total inflows / (outflows) from investing activities (b)	(68.575)	(222.796)	(68.796)	(223.402)
Financing activities from continuing activities	(13.599)	(544)		
Financing activities from discontinued activities	(87)	(908)		
Total inflows / (outflows) from financing activities (c)	(13.686)	(1.452)	(13.572)	(512)
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**(207.786)**	121.581	**(207.498)**	121.751
Cash and cash equivalents at the beginning of the year	237.017	115.436	236.450	114.699
Cash and cash equivalents at the end of the year	29.231	237.017	28.952	236.450

COMPANIES CONSOLIDATED UNDER THE FULL CONSOLIDATION METHOD (1)			
	Registered office	**Participating interest (%)**	**Tax unaudited periods (4)**
PROTON MUTUAL FUNDS Co SA	Greece	99,91%	2007-2008
FIRST GLOBAL BROKERS SA AD	Serbia	82,49%	2002-2008
OMEGA BROKERAGE SA	Greece	66,00%	2007-2008
PROTON INSURANCE SA (2)	Greece	91,71%	2008
INTELLECTRON SYSTEMS SA (3)	Greece	55,64%	2001-2008
COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD			
OMEGA PORTFOLIO INVESTMENT Co SA	Greece	29,43%	2006-2008

(1) The company "OMEGA KAHN FINANCIAL SERVICES S.A." was fully consolidated in the financial statements as of 31.12.2007. The aforementioned company due to its disposal, is not consolidated in the financial statements as of 31.12.2007 – see relevant note No 9 in the notes of the financial statements.

(2) See relevant note No 8 in the notes of the financial statements.

(3) The company was acquired under full impairment and it now under bankruptcy status

(4) The tax unaudited periods are presented in note No 17 in the annual consolidated financial statements.

ADDITIONAL DATA AND INFORMATION

1. The financial information was prepared under the same accounting principles (I.F.R.S.) and estimates as those adopted by the management as at 31.12.2007. Furthermore, an amendment to IAS 39 and IFRS 7 has been adopted, under which the Bank during the 3rd quarter of 2008 transferred from "Trading Portfolio Securities" to "Available-for-sale" category of "Investment Portfolio", the shares listed on Athens Stock Exchange amounting to € 22 m since due to the extraordinary conditions prevailing in the financial markets, it is estimated that the market value of these equity securities does not represent the internal value of the underlying business entities. The Bank has the intention of holding these securities and not disposing them in the near future. The revaluation losses for these securities, from the period 1.7.2008 to 31.12.2008, amounting to € 11 m, have been recognized directly in "Available-for-sale Reserve". The revaluation losses for the aforementioned securities, from the period 1.1.2008 to 30.6.2008, amounting to € 5,4 m, have been recognized directly in "Net Trading Income" in the Profit and Loss Accounts of the period ending 2008.

2. On 24 September 2008, the company "IRF European Finance Investments LTD" proceeded to the sale of the Bank's 10.000.000 ordinary shares, resulting in the decrement of its participating interest in the voting rights to 4,645%, which was completely disposed as of 31 December 2008. The aforementioned transaction also resulted in the loss of financial and operating control of the Bank on behalf of the "IRF European Finance Investments LTD". The consolidated profit and loss accounts up to the date of the completion of the sale (24 September 2008) are included in "IRF European Finance Investments LTD" income statement (see relevant note No 1 to the consolidated financial statements).

3. The number of employees at the end of the period was: (31.12.2008) Group 646, Bank 567, (31.12.2007) Group 669, Bank 580.

4. There are some litigation claims and other pending legal disputes against the Bank, in the ordinary course of the banking business. Apart from the provision for € 694 thousand, there have been made no other provisions for the aforementioned cases since it is expected that the final resolution will not have a significant effect on the financial position or operations of the Bank and the Group. Provisions for tax non-inspected periods, as of 31.12.2008, amount to € 846 thousand for the Bank and € 872 thousand for the Group respectively. Impairment losses, other than loans, as of 31.12.2008 amount to € 7.479 thousand for the Bank and 7.489 for the Group respectively. Impairment losses on loans and advances for the period 31.12.2008 amount to € 42.640 thousand, both for the Bank and the Group.

5. No real encumbrances exist against the fixed assets of the Bank and the companies included in the consolidation.

6. The tax unaudited periods for the Bank and the companies included in the consolidation, are presented in the note No 17 to the Group consolidated financial statements and note No 16 of the financial statements of the Bank respectively.

7. Gains and Losses recognised directly in Equity, are analytically presented in the "Statement of Changes in Equity" presented above.

8. On 6 October 2008, the Bank entered into a new contractual agreement with the "ASPIS HOLDINGS PUBLIC COMPANY LIMITED" to transfer 92,71% of the outstanding common shares of the "PROTON SOCIETE ANONYME PROVISION INSURANCE" to the aforementioned company, at a price of € 7,8 mln, payable in 8 semiannual installments; "ASPIS HOLDINGS PUBLIC COMPANY LIMITED", with its headquarters in Cyprus, is listed on the Cyprus Stock Exchange. At the same time, the old contractual agreement with the "COMMERCIAL VALUE S.A." to transfer 91,29% of the outstanding common shares, at a price of € 19 mln, of the "PROTON SOCIETE ANONYME PROVISION INSURANCE" was cancelled. The sale contract will be finalized after receiving the relevant authorization of the local authorities, as it is strongly prescribed by the Commerce Law. The equity investment in Proton Insurance, in the consolidated financial statements, has been reported as a discontinued operation (note 32 of the consolidated financial statements). The Profit and Loss accounts from discontinued operations of 31.12.2008 and 31.12.2007 are presented in the consolidated income statement. The net cash flows from discontinued operations of 31.12.2008 and 31.12.2007 are presented in the consolidated cash flow statement. Also, the above mentioned entities have entered into a long term exclusive agreement against a € 14 mln fee, payable within 8 years pe of the "PROTON SOCIETE ANONYME PROVISION INSURANCE" and the "COMMERCIAL VALUE S.A." by utilizing the Bank's branch network.

9. On 26 February 2008, the Bank sold its participation in subsidiary Omega Kahn Financial Services S.A. From this disposal, no significant effect over 25% has occurred on the revenues, profit before tax, minority rights and equity, in the period ending 31.12.2008. (See relevant note 1.1 to the consolidated financial statements).

10. On 31 December 2008, the Group held 859.483 shares of the Bank, which had total carrying amount of € 8.646 thousands and the Bank possessed 760.483 own shares, which had a total carrying amount of € 7.668 thousands. The affiliate companies hold 70.000 shares of the Bank, which had a total carrying amount of € 684 thousand.

11. On 5 November 2008 the Management of the Bank and other shareholders, that represent the 31,3147% of the issued and authorised share capital, entered into an agreement of transferring 19.629.247 ordinary shares to the Bank of Piraeus. Group results from the period 5 November 2008 to 31 December 2008, were consolidated under the equity method, in the Income Statement of Bank of Piraeus, which headquarters are located in Greece (see relevant note 1.1 to the consolidated financial statements).

12. The transactions of the Group with its related parties, as defined by IAS 24, for the year end 31.12.2008, are as follows (amounts in thousands of €): a) income € 116, b) expenses € 2.857, c) assets € 23.055, d) liabilities € 373.972, e) salaries and expenses for members of BoD and key management personnel fees € 8.544, f) loan interest from members of BoD and key management personnel € 3.832, g) stock option plan € 951, h) loans to members of BoD and key management personnel € 26.117, i) deposits to members of BoD and key management personnel € 29.171, j) letters of guarantee € 245 and k) pledged assets as guarantees € 248.983. The respective amounts for the Bank are as follows: a) income € 630, b) expenses € 3.795, c) assets € 26.857, d) liabilities € 395.692, e) salaries and expenses for members of BoD and key management personnel fees € 6.758, f) loan interest from members of BoD and key management personnel € 2.375, g) stock option plan € 919, h) loans € 25.160, i) deposits € 30.170, i) letters of guarantee € 1.311 , and k) pledged assets as guarantees € 248.983.

13. On 28 January 2009, the General Meeting of the shareholders of the Bank decided on the increase of share capital by € 80 mln, through issuing preference shares in favor of the Hellenic State, according to law 3723/2008 for "The liquidity support for the Economy and the confrontation of the sequences of global financial recession"

Athens, 9th March 2009

THE VICE CHAIRMAN OF THE BoD	THE MANAGING DIRECTOR
ANTHONY I. ATHANASSOGLOU	ATHANASIOS I.PAPASPILIOU
I.D. AB 287319	I.D. Φ 008527

THE CHIEF FINANCIAL OFFICERS

GEORGIOS S. NIKIFORAKIS	POLYCHRONIS V. KARACHALIOS
I.D. AE 009439	I.D. Ξ 100131
Licence No. ECONOMIC CHAMBER OF GREECE 3577/99	

VIII INFORMATION PURSUANT TO ARTICLE 10 OF LAW.3401/2005

The Corporate announcements of the year 2008 are available on the web site of Bank www.proton.gr

Date	Subject
02-Dec-08	New member in the Board of Directors
01-Dec-08	Financial Data & Information 30/9/2008
01-Dec-08	Stock options: 2nd Strike Period
27-Nov-08	September 30th, 2008 - Financial Results
27-Nov-08	Consolidated Interim Condensed Financial Information 30/9/2008 in accordance with the IFRS
27-Nov-08	Interim Condensed Financial Information 30/9/2008 in accordance with the IFRS
21-Nov-08	New members in the Board of Directors
06-Nov-08	Notification of information as per L.3556/2007
06-Nov-08	TRADE ACKNOWLEDGEMENT
06-Nov-08	TRADE ACKNOWLEDGEMENT
06-Nov-08	Notification of important changes in relation to voting rights deriving from shares pursuant to L.3556/2007
06-Nov-08	TRADE ACKNOWLEDGEMENT
06-Nov-08	TRADE ACKNOWLEDGEMENT
06-Nov-08	TRADE ACKNOWLEDGEMENT
06-Nov-08	TRADE ACKNOWLEDGEMENT
06-Nov-08	TRADE ACKNOWLEDGEMENT
06-Nov-08	TRADE ACKNOWLEDGEMENT
05-Nov-08	Share Transfer to Piraeus Bank S.A.
23-Oct-08	Announcement
14-Oct-08	Notification of information as per L.3556/2007
14-Oct-08	TRADE ACKNOWLEDGEMENT
13-Oct-08	Agreement for the Sale of 26.98% of Proton Bank's Share Capital to Piraeus Bank S.A.
13-Oct-08	Negotiations with Piraeus Bank S.A.
10-Oct-08	Notification of information as per L.3556/2007
10-Oct-08	TRADE ACKNOWLEDGEMENT
10-Oct-08	TRADE ACKNOWLEDGEMENT
10-Oct-08	TRADE ACKNOWLEDGEMENT
10-Oct-08	TRADE ACKNOWLEDGEMENT
07-Oct-08	Notification of information as per L.3556/2007
07-Oct-08	TRADE ACKNOWLEDGEMENT
07-Oct-08	TRADE ACKNOWLEDGEMENT
06-Oct-08	Share Transfer agreement of Proton Bank's participation in Proton Insurance S.A. to Aspis Holdings Public Company Limited
03-Oct-08	Notification of information as per L.3556/2007
03-Oct-08	TRADE ACKNOWLEDGEMENT
03-Oct-08	TRADE ACKNOWLEDGEMENT
03-Oct-08	TRADE ACKNOWLEDGEMENT

30-Sep-08	New member in the Board of Directors
24-Sep-08	Notification of important changes in relation to voting rights deriving from shares pursuant to L.3556/2007
24-Sep-08	Notification of information as per L.3556/2007
24-Sep-08	TRADE ACKNOWLEDGEMENT
24-Sep-08	TRADE ACKNOWLEDGEMENT
24-Sep-08	TRADE ACKNOWLEDGEMENT
23-Sep-08	Notification of information as per L.3556/2007
23-Sep-08	TRADE ACKNOWLEDGEMENT
23-Sep-08	TRADE ACKNOWLEDGEMENT
23-Sep-08	TRADE ACKNOWLEDGEMENT
18-Sep-08	Notification of information as per L.3556/2007
18-Sep-08	TRADE ACKNOWLEDGEMENT
18-Sep-08	TRADE ACKNOWLEDGEMENT
18-Sep-08	TRADE ACKNOWLEDGEMENT
17-Sep-08	Notification of information as per L.3556/2007
17-Sep-08	TRADE ACKNOWLEDGEMENT
17-Sep-08	TRADE ACKNOWLEDGEMENT
15-Sep-08	Notification of information as per L.3556/2007
15-Sep-08	TRADE ACKNOWLEDGEMENT
15-Sep-08	TRADE ACKNOWLEDGEMENT
03-Sep-08	Notification of information as per L.3556/2007
03-Sep-08	TRADE ACKNOWLEDGEMENT
03-Sep-08	TRADE ACKNOWLEDGEMENT
29-Aug-08	Financial Report 30/6/2008
29-Aug-08	Financial Data & Information 30/6/2008
29-Aug-08	1st Half 2008 Financial Results
29-Aug-08	New member in the Board of Directors
29-Aug-08	Notification of information as per L.3556/2007
29-Aug-08	TRADE ACKNOWLEDGEMENT
29-Aug-08	TRADE ACKNOWLEDGEMENT
27-Aug-08	Notification of information as per L.3556/2007
27-Aug-08	TRADE ACKNOWLEDGEMENT
27-Aug-08	TRADE ACKNOWLEDGEMENT
25-Aug-08	Notification of information as per L.3556/2007
25-Aug-08	TRADE ACKNOWLEDGEMENT
25-Aug-08	TRADE ACKNOWLEDGEMENT
25-Aug-08	TRADE ACKNOWLEDGEMENT
20-Aug-08	Notification of information as per L.3556/2007
20-Aug-08	TRADE ACKNOWLEDGEMENT
20-Aug-08	TRADE ACKNOWLEDGEMENT
18-Aug-08	Notification of information as per L.3556/2007

18-Aug-08	TRADE ACKNOWLEDGEMENT
18-Aug-08	TRADE ACKNOWLEDGEMENT
13-Aug-08	Notification of information as per L.3556/2007
13-Aug-08	TRADE ACKNOWLEDGEMENT
13-Aug-08	TRADE ACKNOWLEDGEMENT
13-Aug-08	TRADE ACKNOWLEDGEMENT
07-Aug-08	Notification of information as per L.3556/2007
07-Aug-08	TRADE ACKNOWLEDGEMENT
07-Aug-08	TRADE ACKNOWLEDGEMENT
04-Aug-08	Notification of information as per L.3556/2007
04-Aug-08	TRADE ACKNOWLEDGEMENT
04-Aug-08	Notification of information as per L.3556/2007
04-Aug-08	TRADE ACKNOWLEDGEMENT
04-Aug-08	TRADE ACKNOWLEDGEMENT
30-Jul-08	Notification of information as per L.3556/2007
30-Jul-08	TRADE ACKNOWLEDGEMENT
30-Jul-08	TRADE ACKNOWLEDGEMENT
25-Jul-08	Notification of information as per L.3556/2007
25-Jul-08	TRADE ACKNOWLEDGEMENT
24-Jul-08	Notification of information as per L.3556/2007
24-Jul-08	TRADE ACKNOWLEDGEMENT
24-Jul-08	TRADE ACKNOWLEDGEMENT
24-Jul-08	TRADE ACKNOWLEDGEMENT
24-Jul-08	TRADE ACKNOWLEDGEMENT
22-Jul-08	Notification of information as per L.3556/2007
22-Jul-08	TRADE ACKNOWLEDGEMENT
22-Jul-08	TRADE ACKNOWLEDGEMENT
22-Jul-08	TRADE ACKNOWLEDGEMENT
18-Jul-08	Notification of information as per L.3556/2007
18-Jul-08	TRADE ACKNOWLEDGEMENT
18-Jul-08	TRADE ACKNOWLEDGEMENT
18-Jul-08	TRADE ACKNOWLEDGEMENT
16-Jul-08	Notification of information as per L.3556/2007
16-Jul-08	TRADE ACKNOWLEDGEMENT
16-Jul-08	TRADE ACKNOWLEDGEMENT
11-Jul-08	Notification of information as per L.3556/2007
11-Jul-08	TRADE ACKNOWLEDGEMENT
11-Jul-08	TRADE ACKNOWLEDGEMENT
11-Jul-08	TRADE ACKNOWLEDGEMENT
09-Jul-08	Notification of information as per L.3556/2007
09-Jul-08	TRADE ACKNOWLEDGEMENT

08-Jul-08	Notification of information as per L.3556/2007
08-Jul-08	TRADE ACKNOWLEDGEMENT
08-Jul-08	TRADE ACKNOWLEDGEMENT
08-Jul-08	TRADE ACKNOWLEDGEMENT
03-Jul-08	Notification of information as per L.3556/2007
03-Jul-08	TRADE ACKNOWLEDGEMENT
03-Jul-08	TRADE ACKNOWLEDGEMENT
03-Jul-08	TRADE ACKNOWLEDGEMENT
30-Jun-08	Notification of information as per L.3556/2007
30-Jun-08	TRADE ACKNOWLEDGEMENT
30-Jun-08	TRADE ACKNOWLEDGEMENT
30-Jun-08	TRADE ACKNOWLEDGEMENT
25-Jun-08	Notification of information as per L.3556/2007
25-Jun-08	TRADE ACKNOWLEDGEMENT
25-Jun-08	TRADE ACKNOWLEDGEMENT
25-Jun-08	TRADE ACKNOWLEDGEMENT
20-Jun-08	Notification of information as per L.3556/2007
20-Jun-08	TRADE ACKNOWLEDGEMENT
20-Jun-08	TRADE ACKNOWLEDGEMENT
19-Jun-08	Notification of information as per L.3556/2007
19-Jun-08	TRADE ACKNOWLEDGEMENT
29-May-08	Notification of information as per L.3556/2007
29-May-08	TRADE ACKNOWLEDGEMENT
29-May-08	TRADE ACKNOWLEDGEMENT
27-May-08	Notification of important changes in relation to voting rights deriving from shares pursuant to L.3556/2007
27-May-08	Decisions of the Annual General Meeting (correction)
26-May-08	Decisions of the Annual General Meeting
23-May-08	Dividend Cut-off / Payment Announcement
22-May-08	Announcement on the Draft of Proposed Amendment of the Articles of Association
21-May-08	Notification of important changes in relation to voting rights deriving from shares pursuant to L.3556/2007
21-May-08	Q1-2008 Financial Results Consolidated net profit after tax € 5,04 mil
21-May-08	Consolidated Interim Condensed Financial Information 31/3/2008 in accordance with the IFRS
21-May-08	Interim Condensed Financial Information 31/3/2008 in accordance with the IFRS
20-May-08	Notification of information as per L.3556/2007
20-May-08	TRADE ACKNOWLEDGEMENT
20-May-08	TRADE ACKNOWLEDGEMENT
16-May-08	Notification of information as per L.3556/2007
16-May-08	TRADE ACKNOWLEDGEMENT
16-May-08	TRADE ACKNOWLEDGEMENT
16-May-08	TRADE ACKNOWLEDGEMENT

13-May-08	Notification of information as per L.3556/2007
13-May-08	TRADE ACKNOWLEDGEMENT
13-May-08	TRADE ACKNOWLEDGEMENT
09-May-08	Notification of information as per L.3556/2007
09-May-08	TRADE ACKNOWLEDGEMENT
09-May-08	TRADE ACKNOWLEDGEMENT
07-May-08	Notification of information as per L.3556/2007
07-May-08	TRADE ACKNOWLEDGEMENT
07-May-08	TRADE ACKNOWLEDGEMENT
05-May-08	Notification of information as per L.3556/2007
05-May-08	TRADE ACKNOWLEDGEMENT
05-May-08	TRADE ACKNOWLEDGEMENT
29-Apr-08	Invitation for the shareholders of the Banking Company "Proton Bank S.A." to the annual general meeting
29-Apr-08	Notification of information as per L.3556/2007
29-Apr-08	TRADE ACKNOWLEDGEMENT
24-Apr-08	Notification of information as per L.3556/2007
24-Apr-08	TRADE ACKNOWLEDGEMENT
23-Apr-08	Notification of information as per L.3556/2007
23-Apr-08	TRADE ACKNOWLEDGEMENT
23-Apr-08	TRADE ACKNOWLEDGEMENT
22-Apr-08	Notification of information as per L.3556/2007
22-Apr-08	TRADE ACKNOWLEDGEMENT
22-Apr-08	TRADE ACKNOWLEDGEMENT
22-Apr-08	TRADE ACKNOWLEDGEMENT
22-Apr-08	TRADE ACKNOWLEDGEMENT
21-Apr-08	Annual Presentation to Market Analysts
18-Apr-08	Notification of information as per L.3556/2007
18-Apr-08	TRADE ACKNOWLEDGEMENT
18-Apr-08	TRADE ACKNOWLEDGEMENT
17-Apr-08	Notification of information as per L.3556/2007
17-Apr-08	TRADE ACKNOWLEDGEMENT
17-Apr-08	TRADE ACKNOWLEDGEMENT
16-Apr-08	Notification of information as per L.3556/2007
16-Apr-08	TRADE ACKNOWLEDGEMENT
16-Apr-08	TRADE ACKNOWLEDGEMENT
16-Apr-08	TRADE ACKNOWLEDGEMENT
16-Apr-08	TRADE ACKNOWLEDGEMENT
15-Apr-08	Notification of information as per L.3556/2007
15-Apr-08	TRADE ACKNOWLEDGEMENT
10-Apr-08	Notification of information as per L.3556/2007
10-Apr-08	TRADE ACKNOWLEDGEMENT

10-Apr-08	TRADE ACKNOWLEDGEMENT
10-Apr-08	TRADE ACKNOWLEDGEMENT
09-Apr-08	Notification of information as per L.3556/2007
09-Apr-08	TRADE ACKNOWLEDGEMENT
09-Apr-08	TRADE ACKNOWLEDGEMENT
07-Apr-08	Notification of information as per L.3556/2007
07-Apr-08	TRADE ACKNOWLEDGEMENT
07-Apr-08	TRADE ACKNOWLEDGEMENT
07-Apr-08	TRADE ACKNOWLEDGEMENT
04-Apr-08	Notification of information as per L.3556/2007
04-Apr-08	TRADE ACKNOWLEDGEMENT
04-Apr-08	TRADE ACKNOWLEDGEMENT
04-Apr-08	TRADE ACKNOWLEDGEMENT
04-Apr-08	TRADE ACKNOWLEDGEMENT
04-Apr-08	TRADE ACKNOWLEDGEMENT
02-Apr-08	Notification of information as per L.3556/2007
02-Apr-08	TRADE ACKNOWLEDGEMENT
02-Apr-08	TRADE ACKNOWLEDGEMENT
02-Apr-08	TRADE ACKNOWLEDGEMENT
31-Mar-08	Notification of information as per L.3556/2007
31-Mar-08	TRADE ACKNOWLEDGEMENT
31-Mar-08	Response to Press Articles
28-Mar-08	Notification of information as per L.3556/2007
28-Mar-08	TRADE ACKNOWLEDGEMENT
28-Mar-08	TRADE ACKNOWLEDGEMENT
24-Mar-08	Notification of information as per L.3556/2007
24-Mar-08	TRADE ACKNOWLEDGEMENT
21-Mar-08	Financial Statements 31/12/2007 in accordance with the IFRS
21-Mar-08	Consolidated Financial Statements 31/12/2007 in accordance with the IFRS
21-Mar-08	2007 Financial Results Consolidated net profit after tax € 20,753 mil Dividend per share € 0.20
20-Mar-08	Notification of information as per L.3556/2007
20-Mar-08	TRADE ACKNOWLEDGEMENT
20-Mar-08	TRADE ACKNOWLEDGEMENT
19-Mar-08	Financial Calendar 2008
18-Mar-08	Notification of information as per L.3556/2007
18-Mar-08	TRADE ACKNOWLEDGEMENT
18-Mar-08	TRADE ACKNOWLEDGEMENT
18-Mar-08	TRADE ACKNOWLEDGEMENT
13-Mar-08	Notification of information as per L.3556/2007
13-Mar-08	TRADE ACKNOWLEDGEMENT
13-Mar-08	TRADE ACKNOWLEDGEMENT

12-Mar-08	Notification of information as per L.3556/2007
12-Mar-08	TRADE ACKNOWLEDGEMENT
12-Mar-08	TRADE ACKNOWLEDGEMENT
07-Mar-08	Notification of information as per L.3556/2007
07-Mar-08	TRADE ACKNOWLEDGEMENT
07-Mar-08	TRADE ACKNOWLEDGEMENT
07-Mar-08	TRADE ACKNOWLEDGEMENT
29-Feb-08	Notification of information as per L.3556/2007
29-Feb-08	TRADE ACKNOWLEDGEMENT
28-Feb-08	Notification of information as per L.3556/2007
28-Feb-08	TRADE ACKNOWLEDGEMENT
27-Feb-08	Notification of information as per L.3556/2007
27-Feb-08	TRADE ACKNOWLEDGEMENT
26-Feb-08	Notification of information as per L.3556/2007
26-Feb-08	TRADE ACKNOWLEDGEMENT
25-Feb-08	Notification of information as per L.3556/2007
25-Feb-08	TRADE ACKNOWLEDGEMENT
22-Feb-08	Notification of information as per L.3556/2007
22-Feb-08	TRADE ACKNOWLEDGEMENT
20-Feb-08	Notification of information as per L.3556/2007
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19-Feb-08	Notification of information as per L.3556/2007
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15-Feb-08	Notification of information as per L.3556/2007
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15-Feb-08	Notification of information as per L.3556/2007
15-Feb-08	TRADE ACKNOWLEDGEMENT
14-Feb-08	Notification of information as per L.3556/2007
14-Feb-08	TRADE ACKNOWLEDGEMENT
13-Feb-08	Notification of information as per L.3556/2007
13-Feb-08	TRADE ACKNOWLEDGEMENT
12-Feb-08	Notification of information as per L.3556/2007
12-Feb-08	TRADE ACKNOWLEDGEMENT
08-Feb-08	Notification of information as per L.3556/2007
08-Feb-08	TRADE ACKNOWLEDGEMENT
08-Feb-08	Notification of information as per L.3556/2007
08-Feb-08	TRADE ACKNOWLEDGEMENT
08-Feb-08	Completion of the Merger through Absorption of the by 100% Subsidiary Company "Proton Finance"
07-Feb-08	Notification of information as per L.3556/2007
07-Feb-08	TRADE ACKNOWLEDGEMENT
07-Feb-08	Notification of information as per L.3556/2007

07-Feb-08	TRADE ACKNOWLEDGEMENT
05-Feb-08	Notification of information as per L.3556/2007
05-Feb-08	TRADE ACKNOWLEDGEMENT
04-Feb-08	Notification of information as per L.3556/2007
04-Feb-08	TRADE ACKNOWLEDGEMENT
01-Feb-08	Notification of information as per L.3556/2007
01-Feb-08	TRADE ACKNOWLEDGEMENT
31-Jan-08	Notification of information as per L.3556/2007
31-Jan-08	TRADE ACKNOWLEDGEMENT
30-Jan-08	Notification of information as per L.3556/2007
30-Jan-08	TTRADE ACKNOWLEDGEMENT
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30-Jan-08	TTRADE ACKNOWLEDGEMENT
29-Jan-08	Notification of information as per L.3556/2007
29-Jan-08	TTRADE ACKNOWLEDGEMENT
25-Jan-08	Notification of information as per L.3556/2007
25-Jan-08	TTRADE ACKNOWLEDGEMENT
25-Jan-08	Notification of information as per L.3556/2007
25-Jan-08	TTRADE ACKNOWLEDGEMENT
22-Jan-08	TTRADE ACKNOWLEDGEMENT
22-Jan-08	TTRADE ACKNOWLEDGEMENT
21-Jan-08	TTRADE ACKNOWLEDGEMENT

IX. AVAILABILITY OF ANNUAL FINANCIAL REPORT

The Annual Financial Report which includes:

- The Statement by the Members of the Board of Directors
- The Board of Director's Report
- The Explanatory Report of the Board of Directors
- The Independent Auditors' Report
- The Annual Financial Statements of the Bank and the Group
- The Financial Information of the Bank and the Group

are available on the website address: www.proton.gr