HELLENIC POSTBANK

ΤΑΧΥΔΡΟΜΙΚΟ ΤΑΜΙΕΥΤΗΡΙΟ

ANNUAL FINANCIAL REPORT

For the period from 1st January to 31st December 2008

According to the Law 3556/ 2007

March, 2009

INDEX

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS
(In accordance with article 4 of Law 3556/2007)

To the best of our knowledge, the annual financial statements, for the fiscal year January 1st, 2008 to December 31th, 2008 that have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity and financial performance of TT HELLENIC POSTBANK S.A. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 4 of Law 3556/2007,

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

Athens, March, 27th 2009

Chairman of the BoD	Executive Vice-Chairman of the BoD	Member of the BoD & General Manager
Angelos J. Philippides	Antonios Kaminaris	Georgios Xifaras

ANNUAL FINANCIAL REPORT

OF THE MEMBERS OF THE BOARD OF DIRECTORS OF

TT HELLENIC POSTBANK S.A.

ON STAND ALONE AND CONSOLIDATED BASIS

TO THE

ANNUAL GENERAL MEETING OF SHAREHOLDERS

FOR THE YEAR
JANUARY 1ST 2008 TO DECEMBER 31ST 2008

MARCH 2009

Dear Shareholders,

The fiscal year ended on 31 December 2008, was the 6^{th} consecutive year for TT Hellenic Postbank operating as a banking institution, according to the relevant transition based on L. 3082/16.12.2002.

As you all know, nowadays we experience an unprecedented global economic crisis after a 65-year period of continuous growth. The high levels of liquidity maintained for many years, the excess borrowing by companies and households and the great concentration of wealth in non-productive activities were expected to lead to a financial crisis. What was unexpected though was the depth and extent of this worldwide crisis, which makes it unprecedented.

To deal with the crisis we need everybody's common efforts, from citizens', businesses', their shareholders' and the state' s. The state's intervention for strengthening the banks' liquidity and capital adequacy, with the support package of €28 billion is definitely heading towards the right direction. However, all of us should also move towards the right direction and I believe the three main ways to achieve this are:

- Firstly, the maintenance of a healthy banking and finance system with strong capital adequacy and sufficient liquidity,
- Secondly, the constant effort of directing the banks' liquidity towards the real economy and mainly to the small and medium businesses, at a satisfactory rhythm and
- Thirdly, the responsibility that all of us have to assume towards the difficult economic conditions we currently face.

We should also highlight that this crisis finds TT Hellenic Postbank in a much stronger position compared to the rest of the credit system, given the fact that the Debt to Deposits ratio is only 63.56%, one of the lowest worldwide which guarantees adequacy of liquidity, while the capital adequacy ratio is above the International Settlements (BIS) capital adequacy ratio of 8%.

At the same time, the fact that the Bank's activities in the sector of loans has not expanded to corporate but only to retail banking, constitutes an additional reason of security, in relation to the expected doubtful receivables of the system because of the global financial crisis.

However TT Hellenic Postbank, following the decisions of the Board of Directors, has proceeded in establishing measures for enhancing the economy's liquidity, in order to further strengthen its liquidity and capital adequacy and to be in a position to take advantage directly and competitively of potential business opportunities and possibilities that may arise and also to support, due to its liquidity, the emerging business needs of the real economy, depending on how they will be created.

Dear Shareholders,

Since the beginning of the year 2008, as the Bank's Administration and through the decisions taken by the Banks' Boards and Committees we have drawn and faithfully followed a policy that is prudent, controlled and more strict, in qualitative terms, on loan expansion, aiming at retaining the highest possible liquidity for the Bank. Thoroughly and consciously we differentiated ourselves from the common policy followed by most of the Banks of our peer group, ensuring as such a high level of liquidity which we took advantage of throughout the year 2008, mainly in the interbank market, in the best possible way.

At the same time, we continued our effort of restructuring the Bank's portfolio and especially that of alternative investments, by significantly decreasing it through partial liquidations and limiting as such the losses, which today would have been much bigger, due to the crisis in the financial markets.

In regards to the Greek reality, our aim is to emerge from this financial crisis, as intact as possible, covered in terms of capital, and if possible strengthened in terms of activities. This is the reason we decided to increase our share capital, asking for our shareholders to support us. The next one or two years to follow will need to be characterised by different perceptions in relation to the past. The businesses' profits should perhaps not be their main goal, when it comes to the safe and mainly prudent activity. The mentality of "today" and "I" which characterise the businesses should perhaps change to the one of "tomorrow" and "we".

In this adverse financial environment, we at TT Hellenic Postbank aim at becoming the ALTERNATIVE BANK, with our main shareholder the Greek public sector and playing an important role, both at the business level and as a main support pillar of the Greek economy and society in general.

Within this framework, a move was made towards the funding of the biggest infrastructure project in Northern Greece, the Egnatia Road of €400 million, for which we are proud at TT Hellenic Postbank. This is because this funding completes one of the biggest projects in the country, the Egnatia Road, which has a length of670km, crosses 12 districts, connects four ports and six airports, services four million Greeks and affects an area which concentrates the 33% of the Gross National Product. At the same time, we injected to the real economy, in a very difficult financial situation the amount of €400 million.

Dear Shareholders,

The year 2008 as we all know, was characterised by extreme instability and uncertainty, with intense fluctuations in the financial and capital markets, which subsequently lead to a decrease of valuations of the alternative investment portfolios, reduction of the default values and an increase of the cost of money, while at the same time a lot of International credit unions were forced to move to cancellations of significant amounts and negative valuations, while phenomena such as collapses of big credit unions created serious problems in the credit sector, thus creating the need for government intervention.

The Greek economy that is closely related with the international one, did not remain unaffected from those evolutions, despite the fact that it succeeded in retaining the advantage of the high growth rate, which is estimated at 2.9%, even though it appears to have been reduced compared to 2007. However, it remained noticeably higher in comparison with the Eurozone that was estimated at 0.7% for the whole year (even though negative -1.5% for the last quarter), and Greece is indeed one of the five countries whose growth rate remains positive.

Due to the recession, the annual average inflation for the year 2008 amounts to 4.2%, but its growth rate kept decreasing, mostly due to the European Central Bank prime rate de-escalation, petroleum price reduction and consumption reduction. In February the inflation rate amounted to 1.6% which is regarded as the lowest level, since September 1968.

In the middle of the present turmoil of the financial markets, its Board of Directors following the resolutions of the General Meeting dated 19 December 2008 decided the participation of the Bank to the provisions of L.3723/2008 that intends to "Boost the liquidity of the economy in order to deal with the consequences of the financial crisis…".

Within the framework of this decision, on 28 January 2009 the necessary Extraordinary General Meeting of the shareholders was held, at which they approved the Bank's subordination to the scheme of Article 1, L.3723/2008, for the increase of its share capital by the amount of two hundred twenty four million, nine hundred sixty thousand Euros (€224.960.000), with the issuing of sixty million eight hundred thousand (60.800.000) new preferred, material and redeemable shares, of nominal value € 3,70 per share, completely undertaken by Hellenic Republic, together with the abolition of the pre - emptive rights.

Dear Shareholders,

The year 2008 was with no doubt for the TT Hellenic Postbank, **"the year of the important changes"**. These changes affected our course so far and created our image today, both on the internal environment of the Bank and the external market environment and the Greek society in general.

The effort brought forth during the year, could be characterised with the term **"restructuring"**, which is not enough to portray all those coordinated actions, the very big effort, in every level in the Bank, for all those that were done at TT Hellenic Postbank within 2008 and literally brought the Bank to its current level, without this meaning that there is still not a long way to go.

And this is mentioned because the restructuring affected continuously and intensely during the last year, all of the Bank's levels and from every necessary and possible view that was considered needed. It affected the organisational, administrative, financial and many more levels, but not only these. It touched the personal limitations of stamina and possibilities of all those who work for TT Hellenic Postbank, which many times were overcome. Added value was given to the Bank, it became more recognised, competed with bigger banks, and an alternative Bank was created. That is why it is at this level today.

We would like to thank the personnel for its continuous and tireless contribution, as well as the main and other shareholders for their trust during the efforts of modernising the Bank. We mention below the most important facts of last year, as well as how the most important sectors of our activities have evolved.

- In **February 2008**, the Bank, aiming at the modernisation of its organisational structure, upgrade and improvement of its internal operation and the enforcement of its business development – ruled by the principals of Corporate Governance and best practices, as well as the management and administration systems adopted by banks at a national and EU level - proceeded to the re-formation of its management structure model (Organisational chart of the Bank). One of the major changes in the new Organisational chart was the establishment of an Executive Committee whose mission is to support the Board of Directors in the strategic, organisational and management planning of the Bank as well as the assumption of part of its approving procedures and jurisdictions. Its task also includes the monitoring of business actions, so as to secure the effective implementation of the Bank's strategy, within the regulatory framework.

- On **March 12, 2008**, the new logo and the new corporate identity of the Hellenic Postbank was presented, which communicate the dynamic growth the Bank is entering, with the vision to become «**the large bank that cares for, protects and supports citizens**». In this framework, the Bank acquires a new profile, powerful and contemporary, and will henceforth operate under private sector financial criteria, through a course of safe, healthy and stable growth.

- In **April 2008**, the competition for the employment of 400 persons with banking experience took place. One thousand two hundred thirty persons participated in the competition while the written and oral tests were organised and conducted in an exemplary way by the Hellenic Banking Association. Incorporation of the new Executives in the Bank's personnel has already been concluded, reinforcing the operation and productivity of the Banks' units.

- On **2 May 2008**, the Annual General Meeting of Shareholders decided the application of a share buy back plan, pursuant to Article 16 of L.2190/1920 "re: Societés Anonymes". In particular, it resolved the acquisition by the Bank of own shares up until the maximum amount of 10 million shares, with a purchase price range, minimum and maximum: €3.70 (nominal value) and up to €19. The purchases in question will be realised within twenty four (24) months from 2 May 2008, the date on which the relevant decision was taken by the Annual General Meeting of Shareholders – until 2 May 2010.

  The Board of Directors of the Bank was authorised to implement the share buy back plan (Article 16 par. 2 L.2190/1920) by regulating the basic terms for its application.

  In the framework of implementing the above resolution, in the General Meeting the Board of Directors decided on 30 May 2008 the acquisition of own shares within the time period approved by the General Meeting, according to the provided by the underlying legislation process.

  During the period from 9 June 2008 until 31 December 2008 the Bank acquired 3,062,575 own shares, corresponding to 2.153% of its share capital.

  However, it should be mentioned that in accordance to the recently enacted Law "Dematerialized Securities System, provisions on Capital Markets, taxation issues and other provisions" and in particular pursuant to Article 28, associated with the time period of participation of the Banking Institutions in the support plan for the strengthening of the liquidity of the Greek economy pursuant to the provisions of L.3723/2008, Banks are not allowed to repurchase their own shares.

- The Extraordinary General Meeing of 18 April 2007 in compliance with Par. 9, Article 13 of L.2190/1920 had decided the establishment of a two-year share disposal plan in the form of stock options to the members of the Board of Directors (only the employees' representatives), the Bank staff and associated companies not to exceed 2,817,335 shares thus corresponding to 2% of the shares issued at that point of time of the Bank. The distribution price of the newly issued shares was decided at €3.70, equal to the existing nominal value of the Bank shares. The Board of Directors of the Bank was authorised by the General Meeting, amongst others, to determine the specific conditions of the plan, and define the "Regulation of

Operation and Participation of Shares Disposal of the Group of TT Hellenic Postbank". The maturity period of the stock options was decided as that of annual duration and the maturity date was defined as that of 30 November of each year. The stock options reaching maturity in every period, would equal to half of the total of the approved shares of the Plan.

The beneficiaries are entitled to full or partial exercise of their rights through their written statement addressed to the Board of Directors. In case a beneficiary does not exercise all the rights provided to him/her within the exercise period, he/she will be able to exercise them in the forthcoming year and, in any case, prior to the termination of the plan.

The General Meeting on **16 May 2008** decided the partial amendment of the Plan in question, in order to comply with the new, provided by L.3604/2007 amended Article 13 (par. 13) of L.2190/20 providing additional, further to the original, authorisations to the Board of Directors, according to which a) the Board of Directors is authorised to proceed with all actions necessary, according to the enforced legislation , so that the shares corresponding to each stock option right are exercised, originate from, at its discretion, independently or in combination, apart from issuing of new shares, tradeable on the Athens Exchange, through a share capital increase in cash and through sale of own shares that the Bank may hold, b) the Board of Directors is authorised to determine and/or amend, at its discretion, the date of maturity of the stock option rights.

In December 2007, the number of options that were exercised within the frame of the aforementioned plan amounts to 1,366,212 shares. The deposited amount for the exercise of the rights by the beneficiaries amounts to €5,054,984,40.

The second part of the Plan was not achieved in accordance with the provisions of the Plan for 2008.

- The A' Repeated General Meeting on 16 May 2008 decided, in accordance with the par. 13, article 13 of L.2190/1920 "re: Societés Anonymes", the establishment of a Stock Option Plan, in the form of stock option rights, as well as the granting of relevant authorizations to the Bank's Board of Directors. Beneficiaries were a) the members of the Board of Directors (excluding the Chairman), b) the employees of the Bank and c) the employees of its affiliated companies. The Plan has a one-year duration (regarding the year 2008). The maximum number of shares to be disposed in the framework of the Plan in question, provided that the beneficiaries exercise their stock option rights, will not exceed the 3.324% of the Bank's outstanding shares. The issue price of the shares to the beneficiaries will be equal to thirteen (13€) Euros. The date of maturity will be determined upon decision by the

Board of Directors. The General Meeting also decided that, in order to "satisfy the options' rights" of the beneficiaries, the Board of Directors is granted the authority to proceed, independently or jointly, with the increase of the share capital of the Bank or the disposal of its own shares which are held or acquired by the Bank.

The abovementioned program was not achieved in accordance with the provisions of the Plan.

- A memorandum of intended cooperation in the area of electronic banking, through e-banking and consumer credit via the issue of debit or credit cards, was signed on **9 June 2008** between the Hellenic Postbank and the World Council of Hellenes Abroad (SAE) through DESMOS AMKE.

  Focusing on the preservation and strengthening of the bonds of Greek people all over the world and emphasising on the socioeconomic interconnection of Hellenes abroad, the Greek diaspora and Greece, the Bank and the Council of Hellenes abroad decided to cooperate and coordinate their actions.

  The activity is primarily focusing on the development and selling of banking products and services within the geographic range of activity of SAE, so that, among others, besides its business scope, to lead to a homogeneous handling of transactions, with the creation of a central communication gateway via Greece.

  The signing of the Memorandum of Understanding took place in a central hotel of Athens between the Bank and DESMOS AMKE (the non-profit company of SAE) and, symbolically, the first credit card plan with a background of the Greek flag was presented.

- On **30 June 2008** the dividend payment for the fiscal year 2007 was made. The dividend amounted to 0.25 Euro per share. Beneficiaries of the above dividend were the shareholders of the Bank at the closing session of the Athens Exchange on 19 June 2008.

- On **20 August 2008** a specially designed bus with the new logo and colours of TT began its trip around Greece, aiming at entertaining and educating its new and existing customers regarding the new savings account "MEGALONO", promoting simultaneously the forgotten practice of saving money. The new program had an excellent outcome, gathering till the end of the fiscal year 2008 a total amount of €40m in deposits and 40 thousand new-age customers.

- On **13 September 2008** the tender procedure for the employment of 26 IT department employees was successfully conducted. The writing and oral exams were organised by the Hellenic Bank Association and marked with exemplary integrity and professionalism. The incorporation of new Executives into the Bank's personnel has already been conducted, strengthening as such the capacity of the IT department.

- On **6 October 2008**, for the first time we offered to the clients of TT Hellenic Postbank personal cheque books, which have on their cover four different editions, inspired by the four seasons of the year, and in this way developing a new area of activity for current accounts and corporate sight accounts.

- On **20 October 2008**, a competition "Society of Responsibility – Economy and Environment" was announced in order to give a chance to students of the Athens School of Fine Arts and the Aristoteleio University of Thessaloniki, Department of Visual and Applied Arts, to portray their artistic view towards the environment.
  The 129 young artists who participated with their creations were distinguished for their social messages, originality, sensitivity and liveliness.

  Common ground for all the creations was the symbol of saving, the traditional piggy bank, which is connected with the historic and commercial reputation of TT Hellenic Postbank. The goal was to promote saving in every form, both at its literal and metaphorical sense, such as saving energy, for example.

  From the 129 participants, 40 were awarded and also received financial awards, while their creations will be used for the needs of printing of the calendars of TT Hellenic Postbank but also posters for promoting the spirit of saving.

- On **23 October 2008**, two new branches of TT Hellenic Postbank began operations in Ano Glyfada and Koropi.

- On **29 October 2008**, and within the framework of the worldwide savings day, TT Hellenic Postbank placed piggy banks in the yards of 260 schools. The students collected the amount of €86.500 and TT Hellenic Postbank doubled this amount in an event which was held at Syntagma square with the presence of students and the Mayor. This initiative aimed to inform the students about any kind of saving while the collected amount was given through the City of Athens for the planting of trees in the school yards.

- On **13 December 2008**, in a meeting of the Committee of Expatriates, TT Hellenic Postbank presented the adapted to the needs of the expatriates' implementation of Electronic Banking.

- On **17 December 2008**, TT Hellenic Postbank undertook the funding of the biggest development project in Greece, the Egnatia Road through common bond loan of €400 million.

During the period under review, TT Hellenic Postbank continued its stable course of organisational restructuring and development of its sizes, on a smaller scale but steadily higher than the market's rhythm. The course of this growth was based on the solid base of the strong capital adequacy, the quality of the portfolios and the increased client base of the issuings and deposits as well.

Under this policy we mention the below:

The assets in a unified base were €14,90 billion showing an increase of +12,97% as at 31.12.2007. The loans and demands by clients were €7,13 billion showing an increase of +16,66%. The deposits and Repos were €11,21 billion showing an increase of +0,50%, while total net position was €532,44 million. Net profit before income tax was €2,61 million, while after tax was €2,85 million.

The capital adequacy index was 8.59% at the end of the period, from 9.89% at the end of 2007, reflecting the continous growth of the Bank's activities and the reduction of the assets' value, mostly due to the adverse financial conditions. However, with the scheduled increases of the share capital, its significant reinforcement is expected.

➢ **In the Private Banking Sector**, amended, as of the beginning of the year, the previous policy of increasing the market share which was altered and a more modest credit expansion was implemented, with increased criteria of evaluation of the creditworthiness of the borrowers, which continued for the whole year, without abandoning the basic principle, which is to make TT Hellenic Postbank a bank whose goal is to service the financial needs of the Greek market and its clients, with contemporary products adapted to the demands, and at the same time with simple and favourable terms.

More specifically and within the context of the new policy:

a) New forms of housing loans were created and promoted, adapted to the special and continuously changing needs of the clientele and also to the changing and competitive market conditions, i.e. awarding housing loans with a period of fixed interest or starting with a low interest rate, or with a grace period etc.
In parallel the broadening of the circle of the eligible for mortgage was continued, with the issuance of loans for buying, constructing or improving the business premises and to persons who have commercial status.

This effort resulted in the net increase of the total portfolio of the mortgage by about +9,73%, in relation to last year, reaching in absolute numbers the net amount from settlements of €397,57 million.

b) The issuance of personal-consumer loans continued, as well as of the pre-approved personal loans towards employees of organisations of the public sector, with very good results. More specifically, during the year 2008, 5,700 of personal-consumer loans and approximately 47,000 pre-approved personal loans were granted, presenting as such a total net percentage increase of +11.65% and reaching in absolute numbers the amount of €196,94 million. It is worth noting that 80% of the portfolio of the personal-consumer loans relate to the special category of pre-approved loans towards public employees, whose payments are deducted in monthly instalments from the borrowers' salaries.

c) Loans towards large businesses and public organisations remained stable in regards to the number of borrowers, while the level of issued loans continued to decrease, since they do not comprise a part of the strategic development of TT Hellenic Postbank. Nevertheless, part of the liquidity of the Bank was injected through placing capital for investment purposes, by issuing a bond loan in a public sector company for the completion of Egnatias road.

d) During 2008 the sale of credit cards continued their course, which had started since 2005, noting an increase compared to the previous year, mainly due to the continuous promotion efforts, through cross sales, telemarketing and reinforcement of the existing sales network, which is the network of TT Hellenic Postbank's branches and the alternative network of the Greek Post Office.
The issued balance of credit cards as at 31/12/2008 was in the amount of €191,27 million compared to €172,16 million of the previous year, noting an increase of +11,10%.

The increase of debit cards "T.T.Visa Electron" which are issued to the deposit accounts' holders was also important.. Their number at the end of the year was 258.090 compared to 172.689 of the previous year, presenting an increase of +49.45%.

Based on the aforementioned data, the total net increase of the loan portfolio of the Bank for the year 2008, in Retail Banking, was +10.32% and in absolute numbers the increase reached the amount of €613,61 million.

These increases in the various portfolios are considered as satisfying, based on the market's trend, which for the year 2008 in the sectors of mortgage and consumer loans came to 11.4% and 16.0% respectively (source: Bank of Greece, Press Release of Financial Juncture), but also based on the implementation of the new policy for credit expansion.

More specifically, the increase of the pre-approved personal loans is considered satisfying, not just because of its absolute size but mainly because of the quality of the formed portfolio, due to the almost zero credit risk, given the fact that these loans are paid off through deducting the monthly instalments from the borrowers' salaries.

Last but not least, we should note that TT Hellenic Postbank continues to award the Financed Mortgage Loans through the Organisation of Working Residence and the public sector.

In the Relationships Development with the Greek Post Office department, which is an important factor of the Administration's strategy, an essential development was the cooperation of the two organisations to improve the time of providing the financial data of the dealings which are executed through the Greek Post Office, while aiming at the real-time communication and interconnection of the two organisations' systems. Since the beginning of 2009, 314 stores of the Greek Post Office had interconnected and were communicating in real-time with the Bank Information System. The plan for the current year of 2009 is to intensify the system to have approximately 400 to 450 branches of the Greek Post Office connected with the Bank Information System.

Within 2008, 81 "Shop in the Shop" were already operating within the branches of the Greek Post Office network, according to the planning and programming which was introduced in 2007 by the new Administration. The goal for 2009 is to operate approximately 200 to 300 "Shop in the Shop" and reinforce the presence of TT Hellenic Postbank in this network and ultimately its productivity.

More specifically, and in regards to the credit sector the cooperation, which had started as a pilot program since the summer of 2006, continued and evolved satisfactorily resulting in its expansion to a larger number of branches, up to 308 until the end of 2008.

The success of this effort is considered crucial, given the fact that it will reinforce the increasing rate of the portfolio of retail loans, under the scheme of the new policy of credit expansion. It is important to mention that the system of loan approvals, both those promoted by the Bank's network and those by the Greek Post Office's network, is centralised and the decisions are made from the approval department of the Bank.

Last year was a difficult one **for the treasury department**. Since its beginning, strategically important decisions were taken and implemented to cope with the coming crisis. The priority was to try and restructure and reduce the portfolios of low liquidity (structured products), through their liquidation and at the same time safeguard the Bank by compensating the rest of our investments through credit derivatives. This was continued more intensely during 2008 from the first quarter in order to ensure limited credit risk of the portfolio and the partial reduction of the prerequisite supervisory capitals, because of the hedged risk.

Another category of investments to which management has focused on because of the high risk it presents was corporate bonds, especially those of the credit sector, which has suffered directly. There were also liquidations, especially during the first quarter, taking into account the available sales prices, the favourable opportunities of the market when these existed, and the liquidations' cost when this was allowed.

Regarding the shares' portfolio, we need to mention that the Bank hedges the assumed risk with the use of derivatives in indices of the Greek and German or other international Stock Exchanges, a practice which is totally necessary in this critical environment and of course there were also liquidations in this portfolio in order to limit any further undervaluing.

From the total of the portfolios' liquidations, it is clear that undervaluing was created, which was much smaller than the undervaluing which would have happened if the level of the portfolios was held or liquidated during the climax of the crisis. In this way, the investments' portfolio was cleared and restructured in order to limit the risk of undervaluing due to valuations or liquidations in the future.

Special care was given for the preservation and increase of the already high liquidity of the Bank, which was used in the best way by the Treasury Department, especially in the interbank market.

From the first quarter of 2008, hedge accounting of interest risk for the loan portfolio with fixed interest was implemented, through the use of IRS's, while from the fourth quarter of the year, this hedging was expanded to part of the portfolio of AFS bonds and loan bonds, through the use of IRS's and Futures. In this way the normalisation of the results was secured and the effect from their fluctuation was limited. This practice is also followed by large international banks and by some Greek banks.

The strategy of the Bank's Treasury Department was focused during the year on the development of those operations that could help in fully taking advantage of the competitive advantages of TT Hellenic Postbank, in order to achieve:

- The effective hedging of the risks (interest, credit),
- The increase of the Bank's synergies with its clients, and
- The increase in liquidity in order to achieve interest income.

From the new activities, it is worth noting:

a) The activation of a secondary bonds market for our clients' base,
b) The creation of the Custody Services Unit, which is expected to offer services to our clients immediately,
c) The activation of the repo and reverse-repo market in Government and corporate bonds, in order to achieve liquidity of approximately €1,2 billion, with which we provided the Greek banking market both during the climax of the crisis and after,
d) The internal development of a proper model, for estimating risks of managing the bonds' portfolios, which after its fulfilment will be able to assess in real-time with prices from Reuters and Bloomberg. With this model there will be the possibility of including the Bank's results, along the interests' and credit's curves, so we will know fully the degree of possible risk that the Bank has from this activity, as well as the number of the interest and credit derivatives needed for covering the above risks,
e) Finally the placing of capital for investment purposes, through the contribution of the Bank in issuing of bond loans, of chosen companies, towards which was injected part of its liquidity. Already until the end of 2008 the Bank participated in bond issuances of €444 million, with more scheduled for 2009.

In the Risk Management department the Bank, due to the nature of its operations and businesses, is exposed to a series of risks, mainly credit risk, including the concentration risk, market risk, liquidity risk and operational risk. Thus effective risk management by the Bank is a crucial factor for its effective operation and development.

The management and control of the assumed risks contains an integral part of the Bank's commitment to its shareholders and for this reason the general divisions have been scored for full compliance with the continuously changing institutional environment and the corresponding obligations regarding risk management based on:

- ✓ The achievement of the business goals,
- ✓ The creation of added value for shareholders through fixed and repeated sources of profitability,
- ✓ The full compliance with the demands of the supervising authorities, and
- ✓ The preservation of a strong capital base in order to secure the Bank's development.

The Board of Directors of the Bank has total responsibility for the continuous development and supervision of the risk management framework, while at the same time a Risk Management Committee has been created, which is responsible for supervising the correct and smooth implementation of the risk management policy.

2008 was the second year, since the Bank became public in the Athens Stock Exchange, as a Supervised Credit Institution from the Central Bank

of Greece and also as a supervised Listed Company from the Capital Markets Committee.
The effort of adapting to the institutionally imposed demands was and still is in all levels of activity within the Bank. According to the schemes of the Institutional Framework and the contemporary Bank divisions, the below independent units were created with, as much as possible, specialised personnel and use of advanced system analysis and risk management:

- Risk Management division
- Internal Control division
- Compliance division

At the same time the Board of Directors recommended specialised committees for mapping strategic risk and observing and supervising the mechanisms managing the assumed risks.

TT Hellenic Postbank overcoming as much as possible the bureaucratic commitments of the public sector competitions and especially after the reduction of the contribution percentage of the Greek public sector in its share capital, began in October 2007 and already fulfilled the proceedings for acquiring full systems of risk management which would observe every main form of risk, such as credit risk, market risk, liquidity risk and asset liability management. These systems are at the beginning stages of the programming of their parameters.

Within 2008, the Bank fulfilled and successfully implemented the installation of the systems for capital adequacy management, according to the compliance schemes of the Bank of Greece for the «Basel II», succeeding as such the full compliance and improvement of the internal procedures of measurement and management of capital adequacy.

Lastly, we should mention that for the first time within 2008 we conducted a measurement and evaluation of the most important risks of the Bank's balance sheet, under possible unusual conditions and behaviours of the market, known as Stress Test, with internal models created by the Risk Management Department. These models covered mostly the portfolio of the disposables and its loans, were developed with methodologies internationally accepted and according to the rules of the Basel's Committee and the Bank of Greece.

In the IT department and before we mention the most important achievements from last year, we need to emphasise that under the development and enhancement of the infrastructures, the Bank adopted a very ambitious plan. In total 65 projects were programmed, planned and started, without including the parallel sub-plans and actions, which exceed 200. This is an important number, taking into account that the average banks' materialised projects don't exceed 40 to 54 projects per year.

As it is already known the enhancement of the infrastructures and the systems concerns many management departments in a bank, mostly though they are projects for the IT and Organisation department. That is the only reason for which both the IT department and the Organisation Department were reinforced as much as possible with the necessary human resources, to make the realisation of these projects feasible.

The main projects of last year were as follows:

- ✓ During the year under review, the further development and utilisation of the Completed IT System “PROFITS” was continued, both through improving the existing applications and developing and inserting new products, such as the depository product for youths “Growing”, the product “Protecting” for the easing of the borrowers, the deposit account “Climbing”, the current accounts with cheque books, the service of payroll accounts etc..

- ✓ The system of electronic clearing of cheques was implemented, knows as **DIAS CHEQUE**, our IT system was adapted, the necessary procedures were done and the necessary links with the company DIAS were established for the electronic exchange of files.

- ✓ The procedure of automating the financial trading in the alternative network of the Greek Post Office was continued with much intensity, and until the end of the year the accounts had changed to the Bank Information System and 207 branches had fully connected, while this number today has risen to 314. The plan for 2009 is to connect approximately 400 to 450 branches of the Greek Post Office in the Bank’s Information System.

- ✓ The infrastructures were completed, the necessary equipment was obtained and the spare IT Centres was operated, known as Disaster Recovery Center, according to the demands and requirements of the Bank of Greece. At this moment the Bank has full IT Infrustructure coverage for recovering any destroyed data.

- ✓ The transfer of applications of the old system (legacy) to the new system was completed, which also operates on PROFITS achieving as such the removal of the old Hardware and Software.

- ✓ The electronic system of workflow of the bank was upgraded, which services our whole network. Following its upgrade, the system was expanded in selected branches of the Greek Post Office to also service their movement in a quick and secure way.

- ✓ Within the framework of the alternative sales networks, the maintenance of the 191 ATMs that the Bank owns was continued, of which 148 were placed in its branches and the rest were placed in branches of the Greek Post Office, mostly in Athens and other large cities.

As it is known, the aim of this network's development is the online service of clients in Greece, avoiding the queues and reducing the operational service cost for the Bank. This effort seems successful if someone takes into account that in the first quarter of 2009 approximately 530,000 transactions were made, compared to 440,000 of last year and approximately €100 million were handled. The aforementioned transactions included cash withdrawals and deposits, cash withdrawals through credit cards, accounts' information and brief accounts' copies.

We mention here some of the remaining projects of last year, which include:

- Upgrade of the network of internal communication Intranet and establishment of communication via e-mail,
- Upgrade of the security system of the users' terminals, through the installation of the Active Directory software,
- Upgrade of the communications network – MPLS,
- Upgrade of the electronic system of the capital transfers Swift,
- Realisation of the system of digitalisation of enrolments,
- Pilot implementation of the monitoring system of the ATM's network,
- Change of the pre-approved loans to the Bank Information System (Profits),
- Restructuring of the collecting mechanism of instalments of the pre-approved loans,
- Homogenisation of the creation of statements, mortgage and consumer loans.

✓ Lastly, we should mention the smooth operation of the subsystems of General Accounting, Dealing Room (BTS Vision) and Management System of Personnel and Salaries. Especially for the newest edition of the Dealing Room (BTS Vision) system according to the international accounting standards, its operation was effective for the whole of 2008 and fully supported the Financial Services department for the compilation of the Bank's financial statements.

And because, as it is known, the efforts for continuous improvement of the systems never end, we mention below some of the most important projects which have been planned and are under progress for 2009, some of which of course, due to their size, will be completed in the year 2010.

1. Installation of electronic platform of bank transactions, **e-banking,**
2. Installation of platform of processing business data, **Data Warehouse,**

3. Installation of Custody Services Unit system, **Custody,**
4. Installation of collections management system, **Collections,**
5. Installation of **Financial ERP** system managing the financial data and commissions,
6. Installation of system of accordance of corresponding and intermediate accounts, **Reconciliation,**
7. Installation of system of long-distance training and communication in real-time, **e-learning,**
9. Installation of system of managing personnel and evaluation, **Human Resources,**
10. Expansion of the network **ATM's**
11. Development of Profits for the expansion of sales in the secondary market, **Secondary Market,**
12. Development of new products, depository and loans, **Product Development,** and lastly
13. Installation of two basic systems **Risk Management**, for the observation of market risks and asset/liability management risks.

In the department of Commission Management, either goods or services, one of the most important efforts of last year was initiated, whose main points are below:

- A new procedure regulation was compiled for commissions,
- The appropriate clarifying circulars were issued,
- The services of the General Services (Commissions) department were restructured,
- All the cost sources were accumulated,
- The existing contracts were renegotiated,
- The flow of all kinds of commission, goods or services was standardised,
- A suppliers' record was created and an evaluation was conducted for one of the most basic,
- A system of monthly observation of the results of cost cutting was implemented, and lastly
- Procedures and systems to secure the quality and standards were adopted.

These efforts had two results. First the Bank acquired the first ISO certificate, for the procedures with which the commissions are materialised and secondly, gained a significant profit from limiting the cost of commissions, which was approximately, on an annual basis, €18 million. This amount of course is not reflected as a whole in this year's results, given the fact that the efforts and mainly the renegotiations of the contracts were completed gradually within the year.

Dear Shareholders,

The new administration, following the assumption of its duties proceeded in a series of reforms, adaptations and restructuting of TT Hellenic Postbank's activities, aiming at its rapid advancement, activation in other sectors and profitable growth.

- ✓ A Custody Services Unit was created in TT Hellenic Postbank, which will contribute to the reduction of the related costs of the group for the same portfolio and to the broadening of the provided services to the existing and new clients with parallel increase of income from the commissions of Custody Services Unit.

- ✓ It contributed with 50% in the Company «Best Line cards provision of financial services S.A.», which amongst others is intermediating, issuing and managing debit and credit cards, as well as bank products and services. This cooperation reduced considerably the management costs of credit cards for the Bank and according the Company's business plan has given the potential of exploiting an alternative sales network.

- ✓ Of the basic points of the structural changes was the redesigning of the Bank's Organisational chart, in order to be adapted to the contemporary way Banks operate with private financial criteria as well as in the institutional and regulatory environment. The new organisational chart was completed in February 2008, when the fulfilment of the new positions created begun, such as the general Managers and their Deputies, either from already existing staff of the Bank or newly hired ones. In parallel, new internal committees were established to assist the daily operation, with the most important being the Execution Committee.

- ✓ In the Human Resources department, very important steps happened within 2008. We organised with absolute success and exceptional speed, two competitions of personnel hiring, of total number of 507 persons for covering positions in the central service, in the network of the branches and the IT department. The part of the written examinations was organised and executed by the Greek Bank Association so today we have 507 new colleagues, young in age, work experience of at least one year each in a bank, who reinforce our daily efforts.

  Under the personnel's rationalisation, the Bank offered a program of optional retirement from the service, which almost 130 colleagues followed, while 48 others until now, that is 80 in total followed their right to transfer in offices or organisations of the public sector.

  During the whole year and under the relevant decisions of the Board of Directors the Bank acquired 73 specialised personnel, with many years of work experience in other banks, of all specialities and levels of the organisational chart. For this reason, the Human Resources department with the contribution of special evaluation committees, to which representatives of the employees also participated, for the whole year conducted more than 170 interviews and evaluations, choosing from approximately 700 CV's of those interested.

Dear Shareholders,

The course of recognising TT Hellenic Postbank as a contemporary, alternative, competitive, with high performance credit institution, needs consistent and continuous efforts, that do not stop and cannot be completed in one year. The Administration of this Bank is already processing new areas of activity, in order to expand its activities and reinforce its profitability.

Within this framework and beyond all the rest development planning for 2009 and in cooperation with our strategic partner, the Greek Post Office, we have already started to be in the stage of materialising. We expect the expansion of our activities in the sector of bank insurance products to seriously reinforce the sources of our repetitive income and client base.

Regarding the Results of 2008, the main highlights are these:

- The **interests and similar income** were €757,54 million, compared to €614,22 million last year, showing an increase of +23,33%. This increase reflects mainly the continuous increase of the loan portfolio, the improvement of interest rates and the successful utilisation of the Bank.

- **Interests and similar expenses** amounted to €435,75million, compared to €319,85 million of last year, presenting an increase of +36,23%. It is noted that the main part of the increase reflects the upward course of interest rates of the deposits during the crisis' uplift, which the Bank followed with prudent policy in order to avoid a decrease in deposits.

- **Net profit before interest,** because of the above was €321,78 million compared to €294,37million last year, showing an increase of +9,31% and emphasising the continuous improvement of the Bank's interest margin.

- **Commissions income** amounted to €18,62 million compared to €12,49 million last year, marking a very important increase of +49,08%.

- **Commissions expenses** amounted to €1,83 million compared to €1,23 million last year, presenting an increase of +49,57%.

- **Commissions net income**, because of the above amounted to €16,78 million compared to €11,26 million last year, showing an increase of +49,02%.

- **Dividend income** was at €8,17 million compared to €4,14 million last year showing an increase of +97,28%.

- **Net Income from financial and investment activities** decreased to €47,41 million compared to a decrease of €17,36 million last year, reflecting the impact of the global financial crisis in the evaluations (negatives) of the transactions' and investments' portfolios. This result, based on the conditions and the size of the Bank's portfolios, is considered satisfying and reflects the aforementioned efforts for the timely liquidation, compensation and restructuring that started since the beginning of the year under review, as well as the impacts of the usage of the possibilities provided by the recent reformations in the international accounting standards, regarding the reclassifications of financial data.

- **Other Operating Income** were at €2,58 million compared to €1,04 million last year, presenting an increase of +147,12%.

- **Management fees** amounted to €102,88 million compared to €101,08 million in 2007, presenting a small increase of +1,77%. We need to note that the retention of management fees, despite the cost of compensation of employees who left because of their participation in the program of optional retirement and the addition of new employees from the bank market for covering positions according to the new organisational chart, is mostly due to the addition of new employees, who are younger and with smaller salaries, and also to 48 of almost 80 employees who asked for a transfer to other organisations of the public sector which did not cost anything.

- **General administrative fees** were at €112,05 million compared to €99,31 million last year presenting an increase of +12,82%. This increase is mainly because of the materialisation of the Bank's extensive program of advertising promotion, the new logo and products it offers and also to the increase of the cost of the contract with the Greek Post Office, due to the increase of work.

- **Depreciation and amortisation** were at €10,91 million compared to €10,18 million last year, showing an increase of +7,15%.

- **Other expenses** amounted to €6,39 million compared to €3,91 million last year, showing an increase of +63,14%.

- The **impairment losses on loans** were at €36,07 million compared to € 28,71 million last year, showing an increase of +25,64%, due to the issuances' increase. The predictions' calculation agrees with the minimum required according to the Bank of Greece.

- The **allowance for the impairment of other assets** amounted to €31 million, while there was no corresponding amount for last year. This amount includes an amount of €33,72 million, which relates to provisions by the bank, for the possibility of non-collection of guaranteed demands by third parties, which have been listed in the line of the Assets, “Other assets” and more specifically at the warranties. The difference to the €31 million, relates to the reversal of the provision for the impairment of other assets, of approximately €2,72 million since the reason for the original provision no longer exists.

- The **equity of the Bank** after tax amounted to €532,16 million compared to €746,44 million in 2007. The increase in equity is expected to be important within the current year, due to the accession of the Bank to the Article 1, L.3723/2008 and the consequential increase of its share capital by €224,96 million and to the scheduled increase of its share capital to the amount of €526,30 million.

- Lastly, the **transactions and the balance of related parties**, including the subsidiaries, members of the Board of Directors and Bank’s Executives who participate in committees were as below:

Amount in €

Loans granted to related parties	**31.12.2008**	**31.12.2007**
Loans to BoD members and Group's Executives	7.782.843,15	4.770.899,62
Loan interest	183.225,22	91.317,06
	7.966.068,37	**4.862.216,68**

Fees and other provisions of BoD members and Executives	**31.12.2008**	**31.12.2007**
Fees of meetings of BoD members & committees	507.935,00	278.500,00
Salaries of BoD members and Executives	4.124.524,14	2.385.902,78
Other provisions to BoD member and Executives	242.897,60	436.699,65
Total	**4.875.356,74**	**3.101.102,43**

Provision to Administration and Executives of subsidiary TT.- EL.TA. Mutual Fund Management SA	**31.12.2008**	**31.12.2007**
Fees of BoD members and Executives of **TT.- EL.TA. Mutual Fund Management SA**	61.200,00	52.200,00

Other deposits	**31.12.2008**	**31.12.2007**
BoD members and Group's Executives	3.779.798,15	2.644.516,01
Current accounts of subsidiaries	19.860.943,17	-
Deposits interest	108.286,67	43.647,05
	23.749.027,99	**2.688.163,06**

Debt claims to Interbanking System (DIAS)	**31.12.2008**	**31.12.2007**
Claims from connected company	159.000.000,00	-
Interests	11.041,67	-
	159.011.041,67	**0,00**

Transactions with subsidiaries	**31.12.2008**	**31.12.2007**
Other income	210.057,95	53.033,72
Other expenses	1.293.259,31	
	1.503.317,26	**53.033,72**

Dear Shareholders,

Within the framework of paragraph 7, of Article 4 N.3556/2007 are mentioned below, for your thorough information, "analytical information" relating to the Bank and regarding the financial statements for the year 2008:

a. Structure of share capital of the Bank.

The share capital of the Bank as at 31 December 2008 was five hundred twenty six million, two hundred sixty two thousand, thirty three Euros and forty cents (€526.262.033,40), divided by one hundred forty two million, two hundred thirty two thousand, nine hundred eighty two (142.232.982) shares, in their total common, ordinary shares. The nominal value of each share is three Euros and seventy cents (€3,70). All the Bank's shares are traded in the Athens Stock Exchange. They have not been admitted for negotiation in an active market of any other country-member.

Every share of the Bank provides all the rights defined by the standing legislation and the Bank's Memorandum, especially the administration rights, property rights, right in the product. The Bank's shareholders' responsibility, according to its Memorandum, is limited at the nominal value of the shares they hold.

It is emphasised that the Extraordinary General Meeting at 28 January 2009 approved the subordination of the Bank at the measure of Article 1, N.3723/2008 for the "Reinforcement of the economy's liquidity and dealing with the impacts of the international credit crisis» and especially the increase of the share capital of the Company according to the terms of the Article 1, N. 3723/2008, by two hundred twenty four million, nine hundred sixty thousand Euros (€224.960.000), with corresponding alteration of the articles of the Memorandum about the Share Capital and Shares. All of the above have been approved by the Ministry of Development (decision K2-2195/06.03.2009).

b. Limitations in share transfer.

The transfer of the existing shares of the Bank occurs according to the existing schemes of the legislation, is not controlled by the Bank's Memorandum and no limitation is predicted. It is noted that the total of shares is listed on the Athens Stock Exchange and are freely negotiable.

c. Important direct or indirect contributions by the schemes of Articles 9 till 11 N.3556/2007.

The important direct or indirect contributions by the above schemes are as follows:

aa. Important contributions of shareholders in the share capital of the Bank as at 31 December 2008:

- The Greek public sector held a percentage of 34.043% of the Bank's share capital, which corresponds to 48,420,698 common ordinary shares.
- The societe anonyme entitled "Hellenic Post S.A." held a percentage of 9.967% of the Bank's share capital, corresponding to 14,175,670 common ordinary shares.
- The societe anonyme entitled "National Bank of Greece" held a percentage of 6.623% corresponding to 9,420,000 common ordinary shares.
- The societe anonyme entitled "E.F.G. EUROBANK ERGASIAS" held a percentage of 5.794% corresponding to 8,240,190 common ordinary shares.

bb. Important contributions of the Bank in the share capital of other listed anonymous companies as at 31 December 2008:

- TT Hellenic Postbank held a percentage of 21.03% in the share capital of the societe anonyme entitled "Attica Bank", holding 26,616,236 common ordinary shares.

cc. Important contributions of the Bank to the existing share capital of others non-listed anonymous companies:

- TT Hellenic Postbank held a percentage of 10.00% in the share capital of the societe anonyme entitled "Hellenic Postbank" holding 16,988,900 common ordinary shares.
- TT Hellenic Postbank held a percentage of 51.00% in the share capital of the societe anonyme entitled "Greek Postal Savings Bank-EL.TA Mutual Fund Management S.A.".», holding 122,400 common ordinary shares.
- TT Hellenic Postbank held a percentage of 50.00% in the share capital of the societe anonyme entitled « BESTLINE CARDS S.A.», holding 9,680,000 common ordinary shares.

d. Shares providing to the owners special control rights.

There are no shares of the Bank that are providing any special control rights to their holders.

e. Restrictions in the voting right - Deadlines for the exercise of the voting right

The Bank's Articles of Association does not provide for any restrictions as to the voting right, and it is not imposing the restrictive exercise of such right to shareholders who are holding a specific number of shares or voting rights. According to those stipulated both in the codified law 2190/20 "on societes anonymes" and the Bank's Articles of Association, each share is providing one voting right.

According to article 28 of the codified law 2190/20 on "societes anonymes", as applicable and article 20 of the Bank's Articles of Association, the attendance and voting right at the General Meeting is only provided to shareholders who have submitted their stock certificates at least five (5) clear days prior to the day set for the meeting, to the Company's Treasury or the Loans and Deposits Fund or any Bank duly operating in Greece. Receipts for the submission of stocks must be submitted to the Company's Treasury at least five (5) clear days before the General Meeting. The shareholders who are entitled to participate to the General Meeting may be represented during the meeting by a person duly authorised by proxy. Minors, outlaws and legal entities are represented by their legal representatives. The representation documents must be submitted to the Company's Treasury at least five (5) clear days before the General Meeting. The Greek State is represented in the General Meeting by the Minister of Finance and Economy or an authorised official of the Minister. Shareholders who fail to comply with the provisions of the above article of codified law 2190/20 on "societes anonymes" may participate to the General Meeting only upon relevant agreement by the GM. Moreover, according to articles 27 par. 2 and 28 par.5 of the codified law 2190/20 on "societes anonymes", as applicable and article 21 of the Bank's Articles of Association, a list of persons with voting right in the General Meeting of shareholders must be posted at a visible location at the Company's branch with relevant indication representatives, if this is the case, the number of shares and votes for each shareholder, as well as the addresses of the shareholders and their representatives. The list must be posted forty eight (48) hours before every General Meeting. The said list must obligatory include all shareholders who have adhered to the provisions of article 28 of the codified law 2190/20, as this information is provided by the Board of Directors. If a shareholder or representative objects to the list he may submit his objection, upon penalty of inadmissibility, only during the opening of the meeting and prior to the discussion on the items of the agenda. Thereafter, the General Meeting shall decide on the participation or not of the shareholder, to whom the objections refer, as well as on any relevant matter.

f. Existence of agreements between shareholders of the Bank on restrictions as to the transfer of shares or the exercise of the rights deriving from its shares.

There are no agreement to the Bank's knowledge entered into between its shareholders and resulting to restrictions as to the transfer of shares or the exercise of voting rights that result from such shares, apart from the rights of first preference of the Greek State as to the Bank's shares, held by the societe anonyme with the name "HELLENIC POST S.A..», as this is explicitly stipulated in the Bank's Informative Bulletin of 12 May 2006, on the listing of its stocks in the Athens Stock Exchange, (section 3.18).

g. Regulations as to the appointment / replacement of Members of the Board of Directors and amendment of the Articles of Association that are different from those stipulated in the codified law 2190/20.

The regulations provided by the Bank's Articles of Association as to the appointment and replacement of members of the Board of Directors, as well as to the provisions therein, are not different nor do they vary from those stipulated in the codified law 2190/1920 "on societes anonymes", as applicable.

h. Responsibilities of the Board of Directors on the possibility of issue of new shares and purchase of treasury stock according to article 16 of the codified law 2190/20 on "societes anonymes".

aa) As to the responsibility of the Board of Directors of the Bank regarding the possibility of issuing new shares those provided in article 13 of the codified law 2190/20 on "societes anonymes" shall apply.
1st Iterative Ordinary General Meeting of Shareholders of May 16th, 2008 approved the renewal of the authorization, as provided by the Charter, granted to the Board of Directors to partially or totally increase the Bank' share capital through the issue of new shares, in accordance with article 13 § 1b of law. It is noted that the Board of Directors never used the abovementioned authorization.

bb) As to the responsibility of the Board of Directors of the Bank regarding the purchase of treasury stock, those provided in article 16 of the codified law 2190/20 on "societes anonymes" and the Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments shall apply.
On May 2 2008, the Ordinary General Assembly of Shareholders decided the application of a Share buy back plan, pursuant to Article 16 of Law 2190/1920 "re: Societıs Anonymes". In particular, it resolved the acquisition by the Bank of own shares up until the maximum amount of 10 million shares, with a purchase price range, minimum and maximum: € 3.70 (nominal value) and up to €19. The purchases in question will be realized within twenty four (24) months from May 2nd 2008 until May 2nd 2010. The Board of Directors of the Bank was authorized to implement the "Share buy back plan" (Article 16 par. 2 of Law 2190/1920) by regulating simultaneously the basic terms for its application.
In the framework of implementation of the above resolution, the General Assembly the Board of Directors decided in its session on May 30th 2008 the acquisition of own shares at the approved by the General Assembly time period, according to the provided by the underlying legislation process. However, it should be mentioned that in accordance to the recently enacted Law "Dematerialized Securities System, provisions on Capital Markets, taxation issues and other provisions" and in particular pursuant to Article 28, associated with the time period of participation of the Banking Institutions in the support plan for the strengthening of the

liquidity of the Greek economy pursuant to the provisions of L.3723/2008, the Banks are not allowed to repurchase their own shares.

i. Agreements signed by the Bank, which apply, are modified or are terminated in case of any alteration as to the control of the Bank's following public motion.

No agreement has been signed by the Bank which shall apply, be modified or terminated in case of change of the control of the Bank following public motion.

j. Agreements signed by the Bank with members of the Board of Directors regarding compensation in case of resignation or dismissal without grounds or expiration of term or employment following public motion.

No agreement has been signed between the Bank and the members of the Board of Directors or the personnel regarding compensation in case of resignation or dismissal without grounds or expiration of term or employment following public motion.

Dear Shareholders,

The new Management, that assumed its duties on October 8, 2007, envisions to "**establish the Hellenic Postbank as the large bank that cares for, protects and supports citizens**". In this framework, remarkable steps have been made. The Bank has already acquired a new, powerful and contemporary profile, and we have henceforth proceeded with drastic restructuring on almost all aspects.

Especially in this adverse financial environment, our aim is to establish Hellenic Postbank as a main support pillar of the Greek economy and the Greek citizen to the benefit of its shareholders and employees. To establish an ALTERNATIVE BANK that respects its history and with safety, significance, stability and strong capital adequacy firmly establishes its future.

AUDITORS' CERTIFICATION

It is certified that the above Management Report of the Board of Directors, comprising of 28 pages, is the one mentioned in the Auditors' report in the consolidated Financial Statements, issued on March 30th 2009

Athens, March 30 2009
The Certified Auditors - Accountants

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

Constantinos Michalatos SOEL Reg. No. 17701	Dimitrios Sourbis SOEL Reg. No. 16891

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

To the Shareholders of TT HELLENIC POSTBANK S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Hellenic Postbank S.A. (the "Bank") and the consolidated financial statements of the Bank and its subsidiaries (the "Group"), which comprise the company and consolidated balance sheet as of 31 December 2008 and the company and consolidated income statements, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material 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 the system of 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 entity's system of 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 accompanying financial statements present fairly, in all material respects, the financial position of the Bank and the Group as of 31 December 2008 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal Matters

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

Athens, 30 March 2009
The Certified Auditors - Accountants
PRICEWATERHOUSECOOPERS

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HELLENIC POSTBANK

ΤΑΧΥΔΡΟΜΙΚΟ ΤΑΜΙΕΥΤΗΡΙΟ

Financial Statements
on Consolidated and Stand Alone Basis
December 31st, 2008
in accordance with
International Financial Reporting Standards

MARCH 2009

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Amounts in €	Note	ON CONSOLIDATED BASIS From January 1st to 31.12.2008	ON CONSOLIDATED BASIS From January 1st to 31.12.2007	ON STAND ALONE BASIS From January 1st to 31.12.2008	ON STAND ALONE BASIS From January 1st to 31.12.2007
Interest and similar income		757.535.386,94	614.218.077,14	757.515.559,20	614.215.395,31
Interest expense and similar charges		(435.750.659,83)	(319.852.741,36)	(435.750.282,54)	(319.852.556,26)
Net Interest Income	6	**321.784.727,11**	**294.365.335,78**	**321.765.276,66**	**294.362.839,05**
Fee and commisson income		18.615.165,77	12.486.867,91	13.996.711,11	11.861.410,16
Fee and commisson expense		(1.832.870,68)	(1.225.416,96)	(1.626.630,00)	(1.197.017,92)
Net fee and commission income	7	**16.782.295,09**	**11.261.450,95**	**12.370.081,11**	**10.664.392,24**
Dividend income	8	8.171.011,84	4.141.771,78	8.171.011,84	4.141.771,78
Net income from financial instruments designated at fair value through profit or loss	9	(51.925.201,09)	(78.562.079,32)	(51.860.085,35)	(78.588.406,94)
Net income from investment securities	10	4.513.016,41	61.202.636,54	4.513.016,41	61.202.636,54
Other operating income	11	2.582.034,56	1.044.830,23	2.650.049,91	1.075.416,66
Total Operating Income		**301.907.883,92**	**293.453.945,96**	**297.609.350,58**	**292.858.649,33**
Personnel expenses	12	(102.876.130,71)	(101.084.600,14)	(101.573.847,29)	(100.780.364,56)
General, administrative and other operating expenses	13	(112.046.160,46)	(99.314.023,95)	(109.763.544,74)	(99.076.154,38)
Depreciation and amortization charges	25,26	(10.907.543,73)	(10.179.983,52)	(10.765.045,17)	(10.125.326,63)
Impairment losses on loans	15	(36.072.911,43)	(28.711.261,85)	(36.072.911,43)	(28.711.261,85)
Allowance for the impairment of other assets	15	(31.004.512,03)	-	(30.989.506,39)	-
Other operating expenses	14	(6.387.079,73)	(3.914.977,62)	(5.785.097,37)	(3.912.177,96)
Total operating expenses		**(299.294.338,09)**	**(243.204.847,08)**	**(294.949.952,39)**	**(242.605.285,38)**
Profit/(loss) before tax		**2.613.545,83**	**50.249.098,88**	**2.659.398,19**	**50.253.363,95**
Income tax	16	233.464,74	(6.800.724,08)	267.350,86	(6.805.762,38)
Profit/(loss) for the year		**2.847.010,57**	**43.448.374,80**	**2.926.749,05**	**43.447.601,57**
Attributable to :					
Minority Interest		(38.195,83)	378,88	-	-
Equity holders of the parent		2.885.206,40	43.447.995,92	2.926.749,05	43.447.601,57
Earnings per share					
- Basic	17	**0,0204**	**0,3083**	**0,0207**	**0,3083**
- Diluted	17	**0,0204**	**0,3053**	**0,0207**	**0,3053**

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Athens, March 27th 2009

CHAIRMAN	EXECUTIVE VICE-CHAIRMAN	GENERAL MANAGER OF FINANCE AND OPERATIONS	DEPUTY GENERAL MANAGER OF FINANCE AND OPERATION	DIRECTOR OF FINANCIAL SERVICES
ANGELOS PHILIPPIDES	ANTONIOS KAMINARIS	GEORGIOS XIFARAS	ALEXANDROS TOPALOGLOU	ATHANASIOS DIONAS

BALANCE SHEET

Amounts in €	Note	Consolidated Basis From January 1st to 31.12.2008	Consolidated Basis From January 1st to 31.12.2007	Stand alone basis From January 1st to 31.12.2008	Stand alone basis From January 1st to 31.12.2007
ASSETS					
Cash and balances with central bank	19	179.942.241,94	129.337.342,86	179.940.858,54	129.336.316,06
Due from banks	20	3.008.413.256,28	2.586.652.300,32	3.005.468.460,00	2.586.283.182,58
Financial assets designated at fair value through profit and loss	22	456.020.049,10	904.592.043,36	455.048.886,94	904.006.305,68
Derivative financial assets	23	5.134.308,41	22.999.365,50	5.134.308,41	22.999.365,50
Loans and advances to customers	21	7.126.074.640,00	6.110.359.180,38	7.126.074.640,00	6.110.359.180,38
Less: Allowance for impairment on loans and advances to customers	21	(122.098.296,00)	(86.851.160,03)	(122.098.296,00)	(86.851.160,03)
Investment securities available for sale	24	2.439.197.833,49	3.126.796.600,53	2.439.197.833,49	3.126.796.600,53
Investment securities held to maturity	24	1.143.282.566,59	-	1.143.282.566,59	-
Investment in subsidiaries	27	-	-	20.136.128,00	1.190.028,00
Investment in associate	28	94.585.030,36	-	94.585.030,36	-
Property,plant and equipment	25	115.248.028,61	112.568.694,37	115.131.606,94	112.508.193,52
Goodwill and other Intangible assets	26	19.813.801,87	10.286.537,47	11.904.740,40	10.260.241,65
Deferred tax assets	29	101.541.198,31	49.138.607,11	101.463.286,44	49.138.607,11
Current income tax assets	30	21.485.825,85	23.171.304,53	21.485.825,85	23.171.304,53
Other assets	31	309.119.383,83	198.774.350,57	307.781.050,50	198.681.377,23
Total Assets		**14.897.759.868,64**	**13.187.825.166,97**	**14.904.536.926,46**	**13.187.879.542,74**
LIABILITIES					
Due to banks	32	2.804.677.138,50	1.038.031.147,54	2.804.677.138,50	1.038.031.147,54
Due to customers	33	11.211.237.678,79	11.155.690.915,94	11.231.098.621,96	11.155.690.915,94
Derivative financial liabilities	23	87.643.655,04	10.899.701,70	87.643.655,04	10.899.701,70
Deferred tax liabilities	29	9.504.176,12	11.739.311,98	9.466.011,69	11.739.311,98
Current income tax liabilities	30	521.411,83	-	-	-
Retirement benefit obligations	34	20.490.862,35	25.110.118,00	20.085.320,00	25.094.135,00
Other liabilities	35	219.733.971,07	199.329.045,21	218.587.076,18	199.279.052,87
Total Liabilities		**14.353.808.893,70**	**12.440.800.240,37**	**14.371.557.823,37**	**12.440.734.265,03**
SHAREHOLDERS' EQUITY					
Share Capital	36	526.262.033,40	526.262.033,40	526.262.033,40	526.262.033,40
Share premium	37	16.904.259,06	16.904.259,06	16.904.259,06	16.904.259,06
Treasury shares	38	(21.639.036,60)	(126.700,00)	(21.444.296,60)	-
Available for Sales Reserve	38	(155.059.106,57)	5.031.275,00	(155.059.106,57)	5.031.275,00
Other Reserves	38	85.663.547,54	85.517.210,08	85.663.547,54	85.517.210,08
Retained Earnings	38	80.031.247,83	112.850.624,39	80.652.666,26	113.430.500,17
Capital and reserves attributable to equity holders of the parent		**532.162.944,66**	**746.438.701,93**	**532.979.103,09**	**747.145.277,71**
Minority Interest		11.788.030,28	586.224,67	-	-
Total Equity		**543.950.974,94**	**747.024.926,60**	**532.979.103,09**	**747.145.277,71**
Total Equity and Liabilities		**14.897.759.868,64**	**13.187.825.166,97**	**14.904.536.926,46**	**13.187.879.542,74**

Athens, March 27th 2009

CHAIRMAN	EXECUTIVE VICE-CHAIRMAN	GENERAL MANAGER OF FINANCE AND OPERATIONS	DEPUTY GENERAL MANAGER OF FINANCE AND OPERATION	DIRECTOR OF FINANCIAL SERVICES
ANGELOS PHILIPPIDES	ANTONIOS KAMINARIS	GEORGIOS XIFARAS	ALEXANDROS TOPALOGLOU	ATHANASIOS DIONAS

Statement of changes in equity as at December 31st, 2007 on consolidated basis

	Attributable to the shareholders of the parent company								
Amounts in €	Share Capital	Share premium	Statutory and other Reserves	AFS Reserve	Treasury shares	Retained earnings	Total	Minority Interest	Total
Balance at January, 1st 2007	**521.207.049,00**	**2.130.062,03**	**83.344.830,00**	**106.107.309,12**	**0,00**	**156.095.070,55**	**868.884.320,70**	**536.845,79**	**869.421.166,49**
Movement in the AFS reserve	-	-	-	(101.076.034,12)	-	-	(101.076.034,12)	-	(101.076.034,12)
Profit for the year	-	-	-	-	-	43.447.995,92	43.447.995,92	378,88	43.448.374,80
Total recognised income for the year	**0,00**	**0,00**	**0,00**	**(101.076.034,12)**	**0,00**	**43.447.995,92**	**(57.628.038,20)**	**378,88**	**(57.627.659,32)**
Dividends	-	-	-	-	-	(84.520.062,00)	(84.520.062,00)	-	(84.520.062,00)
Share capital increase of subsidiary	-	-	-	-	-	-	-	49.000,00	49.000,00
Proceeds from shares issued from employee share option plan scheme	5.054.984,40	13.770.906,37	-	-	-	-	18.825.890,77	-	18.825.890,77
Purchases of treasury shares	-	-	-	-	(126.700,00)	-	(126.700,00)	-	(126.700,00)
Transfer to Legal Reserve	-	-	2.172.380,08	-	-	(2.172.380,08)	-	-	-
Value of employee services from employee share option scheme and free from the main shareholder	-	1.003.290,66	-	-	-	-	1.003.290,66	-	1.003.290,66
Balance at December 31st, 2007	**526.262.033,40**	**16.904.259,06**	**85.517.210,08**	**5.031.275,00**	**(126.700,00)**	**112.850.624,39**	**746.438.701,93**	**586.224,67**	**747.024.926,60**

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

	Attributable to the shareholders of the parent company								
Amounts in €	Share Capital	Share premium	Statutory and other Reserves	AFS Reserve	Treasury shares	Retained earnings	Total	Minority Interest	Total
Balance at January 1st, 2008	**526.262.033,40**	**16.904.259,06**	**85.517.210,08**	**5.031.275,00**	**(126.700,00)**	**112.850.624,39**	**746.438.701,93**	**586.224,67**	**747.024.926,60**
Movement in the AFS reserve	-	-	-	(160.090.381,57)	-	-	(160.090.381,57)	-	(160.090.381,57)
Profit for the year	-	-	-	-	-	2.885.206,40	2.885.206,40	(38.195,83)	2.847.010,57
Total recognised income for the year	**-**	**-**	**-**	**(160.090.381,57)**	**-**	**2.885.206,40**	**(157.205.175,17)**	**(38.195,83)**	**(157.243.371,00)**
Dividends	-	-	-	-	-	(35.558.245,50)	(35.558.245,50)	-	(35.558.245,50)
Share capital increase of subsidiary	-	-	-	-	-	-	-	44.100,00	44.100,00
Minority interest after acquisition of subsidiary	-	-	-	-	-	-	-	11.195.901,44	11.195.901,44
Purchases of treasury shares	-	-	-	-	(21.512.336,60)	-	(21.512.336,60)	-	(21.512.336,60)
Transfer to Legal Reserve	-	-	146.337,46	-	-	(146.337,46)	-	-	-
Balance at December 31st, 2008	**526.262.033,40**	**16.904.259,06**	**85.663.547,54**	**(155.059.106,57)**	**(21.639.036,60)**	**80.031.247,83**	**532.162.944,66**	**11.788.030,28**	**543.950.974,94**

Statement of changes in equity as at December 31st, 2007 on stand alone basis

Amounts in €	Share Capital	Share premium	Statutory and other Reserves	AFS Reserves	Treasury shares	Retained earnings	Total
Balance at January 1st, 2007	**521.207.049,00**	**2.130.062,03**	**83.344.830,00**	**106.107.309,12**	**0,00**	**156.675.340,68**	**869.464.590,83**
Movement in the AFS reserve	-	-	-	(101.076.034,12)	-	-	(101.076.034,12)
Profit for the year	-	-	-	-	-	43.447.601,57	43.447.601,57
Total recognised income for the year	**0,00**	**0,00**	**0,00**	**(101.076.034,12)**	**0,00**	**43.447.601,57**	**(57.628.432,55)**
Dividends	-	-	-	-	-	(84.520.062,00)	(84.520.062,00)
Proceeds from shares issued from employee share option scheme	5.054.984,40	13.770.906,37	-	-	-	-	18.825.890,77
Transfer to Legal Reserve	-	-	2.172.380,08	-	-	**(2.172.380,08)**	-
Value of employee services from employee share option scheme and free from the main shareholder	-	1.003.290,66	-	-	-	-	1.003.290,66
Balance at December 31st, 2007	**526.262.033,40**	**16.904.259,06**	**85.517.210,08**	**5.031.275,00**	**-**	**113.430.500,17**	**747.145.277,71**

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

Amounts in €	Share Capital	Shares premium	Statutory and other Reserves	AFS Reserves	Treasury shares	Retained earnings	Total
Balance at January, 1st 2008	**526.262.033,40**	**16.904.259,06**	**85.517.210,08**	**5.031.275,00**	**0,00**	**113.430.500,17**	**747.145.277,71**
Movement in the AFS reserve	-	-	-	(160.090.381,57)	-	-	(160.090.381,57)
Profit for the year	-	-	-	-	-	2.926.749,05	2.926.749,05
Total recognised income for the year	**0,00**	**0,00**	**0,00**	**(160.090.381,57)**	**0,00**	**2.926.749,05**	**(157.163.632,52)**
Dividends	-	-	-	-	-	(35.558.245,50)	(35.558.245,50)
Purchases of treasury shares	-	-	-	-	(21.444.296,60)	-	(21.444.296,60)
Transfer to Legal Reserve	-	-	146.337,46	-	-	(146.337,46)	-
Balance at December 31st, 2008	**526.262.033,40**	**16.904.259,06**	**85.663.547,54**	**(155.059.106,57)**	**(21.444.296,60)**	**80.652.666,26**	**532.979.103,09**

CASH FLOW STATEMENT

		Consolidated		Stand alone	
		From January 1st to		From January 1st to	
Amounts in €	**Note**	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Operating activities					
Profit/(loss) before tax		2.613.545,83	50.249.098,88	2.659.398,19	50.253.363,95
Adjustments to profits for:					
Depreciation of tangible assets	25	8.184.443,89	7.861.804,50	8.150.422,35	7.833.596,24
Amortisation of intangible assets	26	2.648.009,94	2.318.179,02	2.614.622,82	2.291.730,39
Cost of shares given to personnel free and at a discount	12	-	14.774.197,03	-	14.774.197,03
Allowance for the impairment of loans and advances	15	36.087.917,07	28.711.261,85	36.072.911,43	28.711.261,85
Allowance for the impairment of other assets	15	30.989.506,39	-	30.989.506,39	-
Amortization of premium / discount of investment securities	24	15.170.533,91	6.350.788,27	15.170.533,91	6.350.788,27
Allowance for termination benefits	12	4.752.301,29	303.941,00	4.728.206,62	303.941,00
Income from the write off of deposit balances					
Cost for additional employee expense L. 3016/2202	12	-	16.248.063,04	-	16.248.063,04
Contribution to Hellenic Deposit Guarantee Fund	6	5.448.918,65	4.323.999,00	5.448.918,65	4.323.999,00
Profit/(loss) due to hedging	9	(80.478.847,32)	-	(80.478.847,32)	-
Exchange currency differences	24	(6.607.641,43)	64.791,76	(6.607.641,43)	64.791,76
Net income from investment securities	10	(4.513.016,41)	(61.202.636,54)	(4.513.016,41)	(61.202.636,54)
Movement of Income Tax		(18.693.962,34)	(20.517.695,82)	(18.476.467,34)	(20.517.695,82)
		(4.398.290,53)	**49.485.791,99**	**(4.241.452,13)**	**49.435.400,17**
Net change (increase) decrease of operations related to assets and liabilities					
Mandatory deposits with Bank of Greece	19	(57.519.219,48)	14.088.339,06	(57.519.219,48)	14.088.339,06
Financial assets designated at fair value through profit or loss		(342.815.324,31)	506.952.716,25	(342.662.192,36)	506.969.058,77
Loans and receivables from customers		(957.107.608,13)	(1.249.436.879,26)	(957.092.602,49)	(1.249.436.879,26)
Other assets		(139.416.485,87)	1.980.353,59	(140.089.179,66)	2.005.435,98
Due from / to banks (net amount)		1.042.583.800,52	(329.411.668,69)	1.062.444.743,69	(329.411.668,69)
Derivatives (net amount)		94.609.010,43	(2.797.792,79)	94.609.010,43	(2.797.792,79)
Due to customers		75.420.100,28	429.731.867,67	75.407.706,02	429.731.867,67
Other liabilities		3.968.304,31	30.672.299,94	3.109.931,28	30.660.378,31
		(280.277.422,26)	(598.220.764,23)	(261.791.802,57)	(598.191.260,95)
Cash flow from operating activities		**(284.675.712,79)**	**(548.734.972,24)**	**(266.033.254,71)**	**(548.755.860,78)**
Investing activities					
Purchases of tangible assets	25,26	(15.064.145,25)	(9.955.762,72)	(15.041.957,34)	(9.954.037,22)
Investments in subsidiaries and associated companies	26,27	2.318.521,13	-	(18.946.100,00)	(51.000,00)
Net income of investments securities	24	(2.316.611.260,98)	(1.709.423.342,75)	(2.316.611.260,98)	(1.709.423.342,75)
Income from sale and maturity of investment securities	24	2.237.889.089,22	3.098.740.441,50	2.237.889.089,22	3.098.740.441,50
Income from sale of assets	25	9.000,00	-	9.000,00	-
Net cash flow from investing activities		**(91.458.795,88)**	**1.379.361.336,03**	**(112.701.229,10)**	**1.379.312.061,53**
Financing Activities					
Increase of Share capital	36	44.100,00	5.103.984,40	-	5.054.984,40
Purchases of treasury shares	38	(21.512.336,60)	(126.700,00)	(21.444.296,60)	-
Dividends paid to shareholders of the parent company	18	(35.558.245,50)	(84.520.062,00)	(35.558.245,50)	(84.520.062,00)
Net cash flow from financing activities		**(57.026.482,10)**	**(79.542.777,60)**	**(57.002.542,10)**	**(79.465.077,60)**
Net increase of cash and cash equivalents		**(433.160.990,77)**	**751.083.586,19**	**(435.737.025,91)**	**751.091.123,15**
Cash and cash equivalents at the beginning of the year	41	1.863.541.256,97	1.112.457.670,78	1.863.171.112,43	1.112.079.989,28
Cash and cash equivalents at the end of the year	42	**1.430.380.266,20**	**1.863.541.256,97**	**1.427.434.086,52**	**1.863.171.112,43**

1. Information for the Bank

General Information

- Hellenic Postbank is a societe anonyme bearing the title ''GREEK POSTAL SAVINGS BANK'' (Bank or Hellenic Postbank) for all its international transactions since 2002, and has substituted in all its rights and obligations the decentralized public entity "Postal Savings Bank" which was established by virtue of Law GYMST/1909, as subsequently supplemented and amended by Compulsory Law 391/1936, Law 1118/1938 and other provisions. The General Assembly of Shareholders of May 2nd, 2008, and after the amendment of the relative article 2 of the Bank's Articles of Association, decided the change in the tradename and the distinctive title used by the Bank in its international transactions as "TT HELLENIC POSTBANK S.A" and "HELLENIC POSTBANK" respectively or an accurate translation of them in any foreign language.
- The Governor's Act of the Bank of Greece No 2579/19.4.2006 was issued according to provisions of article 9 paragraph 5 of Law 3082/2002, which constitutes as a banking license. Therefore, the Bank is under the supervisory role of Bank of Greece according to Law 3601/2007 as amended.
- The bank's registered office is located in the Municipality of Athens (2-6 Pesmazoglou Street, 101 75). By resolution of the Board of Directors, the Bank can establish and close down branches, correspondence offices, safe deposit boxes or/and agencies anywhere in Greece and abroad. The Bank is registered with registration number 54777/06/B/03/7 and website www.ttbank.gr.
- On December 31th, 2008, it is noted that «HELLENIC POSTBANK's» branch network comprises 144 branches located in 66 cities throughout Greece.
- The term of the bank is set to 100 years from its establishment and may be extended by resolution of the General Meeting of the shareholders.
- These financial information for the fiscal year ended at December 31st, 2008, were approved by the Board of Directors on March 27th, 2009.
- Apart from the ATHEX Composite Index, the Hellenic Postbank share is included in a series of other indices, such as DTR, FTSEA, FTSE, FTSE1 and FTSE/ATHEX-20.

Collaboration Agreement with the Hellenic Post S.A.

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

• Major terms and conditions of the agreement

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

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

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

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

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

• Financial Cost

After the modification of annex 6 of the collaboration agreement of November 19th, 2001 at 27/12/2006 and with joint agreement of both counterparties was decided that the total remuneration of EL.TA. derives from the sum of: 1) the cost of the Bank's access to the Network of EL.TA. Shops (transactions fees) in which the Lowest Guaranteed Annual Cost amounted to € 2,8 million or € 0,70 million quarterly is included and 2) fee of commercial agreement in which the Lowest Guaranteed Annual Fee amounted to € 7 million annually or € 1,75 million quarterly is included (commission of sale of products and services of Hellenic PostBank from the network of EL.TA.'s Branches) and 3) additional fees calculated as a productivity percentage on the net increase of the amount of the deposit account balances serviced by the EL.TA network.

• Network used

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

Based on the terms of the agreement the Bank's products/ services are sold at 840 EL.TA branches and 890 postmen delivering in rural areas, who act as EL.TA subcontractors in remote areas where there are no branches or agencies, while the EL.TA products/ services are sold through the Bank's network comprising of 144 branches.

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

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

• Products/ Services

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

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

Regarding any new products to be developed by either one of the counterparties, the agreement provides ''the right of first refusal'' to the other party. New products do not include variations or changes introduced to existing products, but rather distinct, new wide product categories aimed to cover customers' needs not covered by existing products.

Especially, in the sector of loans, the collaboration which started in the summer of 2006 in the form of the pilot plan, continues with satisfactory results. As a result, the program was applied in a larger number of branches, which amounted to 308 until the end of 2008.

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

The Board of Directors of HELLENIC POSTBANK and Hellenic Post S.A., decided to expand their activities in the insurance market and proceed with the joint establishment of a subsidiary Insurance Brokerage company, with the scope of promoting, through their extensive networks, of branded Bankassurance and traditional insurance products, in cooperation with the major insurance companies in the market. This move reflects the intention of the Management of both companies to broaden the context of their successful cooperation, while in parallel servicing, in the most effective manner, the interests of their consumers, as well as creating value for their shareholders.

Bank's participation in ELTA's capital

The total number of the shares of EL.TA held by the Bank amounts to 16.988.900 shares (10% of the total shares) and the value of the participation reaches the amount of € 30.117.000,00 at 31/12/2008.

Likewise, at 31/12/2008 EL.TA. was the second biggest shareholder of the Bank after the "Hellenic Public Sector" with 14.175.670 shares which represents the 9,967% of HELLENIC POSTBANK's share capital.

Mortgage Savings

According to article 10, paragraph 12, of the Bank's establishing law, Law 3082/2002 (Government Gazette Issue No. 316/16.12.2002), and after the decision of the Bank's Board of Directors, an amount of € 17 million will be available from the Bank's existing reserves into an account that already exists or will be created by a similar decision. The return that proceeds from such an account will be available to cover mortgage benefits to the Bank's employees. The Board of Directors will deal with any issue relating to this account.

The 17th meeting of the Board of Directors of the Hellenic Postbank held on September 23rd, 2003 decided unanimously to create and keep the account according to Law 3082/2002, since January 1st, 2003. Pursuant to Law 3082/2002, such account will be credited with the amount of € 17 million , as well as with the amounts relating to principal repayments of the mortgage loans paid each month by the employees which will be refinanced as a new loan to the beneficiaries bearing a special interest rate. Hellenic PostBank will reinvest the amount related to the collected instalments together with the amount of € 17.000.000,00 guaranteeing a minimum return. The investment policy for the product must cover a minimum annual net return of 5.25% aiming to reduce the total duration of the loans.

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

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

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

The result of such study has been recorded in the financial statements bearing a negative sign under Note 21 to the financial statements ''Loans and advances to customers'' and specifically under item ''Mortgage Loans''. The respective result of the study amounted to approximately € 84.908 thousand as at 31st December 2008 and to approximately € 91.981 thousands as at 31st December 2007. In order to calculate the present value of the scheme, the discount rates of 5,8% and 4,8% were used for the years 2008 and 2007 respectively.

Structure and activities of the Bank

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

❖ The acceptance, on an interest-bearing or zero interest basis, of any type of deposits or other accepted funds in Euro, exchange or foreign currency.

❖ The granting of loans and credits of any kind, the offer of guarantees in favour of third parties, the acquisition or transfer of claims, as well as the intermediation in the financing of companies or their collaboration, as well as the issue / administration of means of payments.

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

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

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

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

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

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

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

❖ The provision of purification and financing restructuring purification services

❖ Corporate factoring

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

❖ The leasing of safe deposit boxes

❖ Pawnshop Operations

❖ The representation of third parties, who have or pursue relevant to the above aims, and generally transact business, transactions or activities pertinent to the above aims as they arise from the Bank's Articles of Association

❖ The provision of intermediary services in the interbank markets;

❖ leasing

❖ prepaid cards

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

i. financial market instruments (securities, certificates of deposits etc.)
ii. exchange
iii. future contracts (or forwards) or options
iv. interest rate swaps and currency swaps
v. securities

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

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

For the fulfillment of this scope the Bank can collaborate with individuals and any form of legal entities, enterprises or institutions and in order to create or participate in not-for profit organizations in Greece or abroad.

Composition of the Bank's Board of Directors

The Board of Directors of «HELLENIC POSTBANK», is as follows:

TABLE: The Board of Directors	
Philippides Angelos	Chairman
Kaminaris Antonios	Executive Vice-Chairman
Xifaras Georgios	Executive Member
Taprantzis Andreas	Non Executive Member
Tsagdis Ioannis	Non Executive Member
Kotsiris Konstantinos	Non Executive Member
Chatzimichalis Dimitrios	Non Executive Member
Michalopoulou Adamantia	Non Executive Member
Spiliopoulos Vasilios	Independent , Non Executive Member
Oikonomopoulou Antouanetta	Non Executive Member
Halikias Ioannis	Independent , Non Executive Member

It is noted that, according to the No 25/07/2007 decision of the Board of Directors, Mr Xifaras Georgios (General Director of Financial and Operating Services) was voted as a new executive member of the Bank's Board of Directors in substitution of Mr Lambropoulos Konstantinos who resigned. It is also noted that, according to the No 121/14.11.2008 decision of the Board of Directors, Mrs Oikonomopoulou Antouanetta (Manager of Legal Department) was voted as a new Non Executive Board Member in substitution of Mr. Mitrentses Christos who resigned. The election of the aforementioned people was validated from the General Assembly of the Bank's shareholders at January 28th, 2009. The term of the Board of Directors will last until the 30th of June 2009.

2. Significant Accounting Policies

2.1 Basis of Presentation

The consolidated and stand alone financial statements of the Bank as of 31 December 2008 are prepared in accordance with International Financial Reporting Standards (I.F.R.S.) and International Accounting Standards (I.A.S.), issued by the International Accounting Standards Board (I.A.S.B.), as well as their interpretations, which have been issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.), as these have been endorsed by the European Union, through the procedure of adoption which the European Committee follows.

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

"HELLENIC POSTBANK" made use of the amendments of International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 7, which were published during October 2008 and are effective since 1/7/2008. The effects of applying the above amendments are set out in Note 24.

Standards and interpretations effective for the year ended 31 December 2008

The basic accounting policies, followed by the Bank, for the preparation of the Financial

Information as at 31/12/2008 are consistent with those, which are mentioned in the published Financial Statements as at 31/12/2007, despite the changes incurred by the adoption of these new standards and interpretations, which are presented below:

Interpretations effective for year ended as at 31 December 2008

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures") – Reclassification of Financial Assets (effective prospectively from 1 July 2008)

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future.

IFRIC 11 - IFRS 2: Group and Treasury share transactions

This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 - Service Concession Arrangements

This interpretation is effective for annual periods beginning on or after 1st January 2008 and applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This interpretation is effective for annual periods beginning on or after 1st January 2008 and applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not operate any such benefit plans for its employees, this interpretation is not relevant to the Group.

Standards effective after year ended as at 31 December 2008

IFRS 8 - Operating Segments

This standard is effective for annual periods beginning on or after 1st January 2009 and supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. The Group will apply IFRS 8 from 1st January 2009.

Amendments to IAS 23 – Borrowing Costs

This standard is effective for annual periods beginning on or after 1st January 2009 and replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group will apply IAS 23 from 1st January 2009.

Amendments to IAS 1 'Presentation of Financial Statements'

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements and is effective for annual periods beginning on or after 1st January 2009. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income", and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will apply these amendments and make the necessary changes to the presentation of its financial statements in 2009.

Amendments to IFRS 2 'Share Based Payment' – Vesting Conditions and Cancellations

The amendment, effective for annual periods beginning on or after 1st January 2009, clarifies the definition of "vesting condition" by introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group does not expect that these amendments will have an impact on its financial statements.

Revisions to IFRS 3 'Business Combinations' and IAS 27 'Consolidated and Separate Financial Statements'

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements is effective for annual periods beginning on or after 1st July 2009. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes form their effective date.

Amendments to IAS 32 and IAS 1 Puttable Financial Instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are fulfilled. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. Both amendments are effective for annual periods beginning on or after 1st January 2009. The Group does not expect these amendments to impact its financial statements.

Amendment to IFRS 5 'Non-current assets held for sale and discontinued operations'

The amendment of IFRS 5 provides guidelines concerning the plan to sell the controlling interest in a subsidiary and is effective from annual periods beginning on 1st July 2009.

Amendment to IAS 16 'Property, plant and equipment'

The core issues of the amendment provide guidance on the calculation of the Recoverable amount of an asset and the Sale of assets held for rental and is effective from annual periods beginning on 1stJanuary 2009.

Amendment to IAS 19 'Employee benefits'

The principal guidelines concern curtailments and negative past service cost, plan administration costs, the replacement of term 'fall due' and finally contingent liabilities and is effective from annual periods beginning on 1stJanuary 2009.

Amendment to IAS 20 'Government grants and disclosure of government assistance'

The amendment deals with government loans with a below-market rate of interest and is effective from annual periods beginning on 1stJanuary 2009.

Amendment to IAS 28 "Investments in associates" and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures"

In terms of this amendment, an investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply this amendment from 1stJanuary 2009.

Amendment to IAS 28 "Investments in associates" and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures"

This amendment states that where an investment in associate is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's operations because it is the Group's policy for an investment in an associate to be equity accounted in the Group's consolidated accounts.

Amendment to IAS 29 'Financial reporting in hyperinflationary economies'

IAS 29 describes the measurement basis in financial statements of entities reporting in the currency of a hyperinflationary economy and is effective from annual periods beginning on 1st January 2009. This amendment is not relevant to the Group's operations.

Amendment to IAS 31 'Interests in joint ventures'

The amendments states the required disclosures when interests in joint-venture entities are accounted for at fair value through profit or loss and is effective from annual periods beginning on 1st January 2009.

Amendment to IAS 36 "Impairment of assets"

This amendment requires that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply this amendment and provide the required disclosure where applicable for impairment tests from 1st January 2009.

Amendment to IAS 38 'Intangible assets'

The main guidelines provided relate to advertising and promotional activities and to the unit of production method of amortisation and is effective from annual periods beginning on 1st January 2009.

Amendment to IAS 39 "Financial instruments: Recognition and measurement"

The changes to this standard are as follows:

- This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at the segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that IAS 39 is consistent with IFRS 8, 'Operating segments' which requires disclosure for segments to be based on information reported to the chief operating decision maker.
- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

The Group will apply the IAS 39 (Amendment) from 1st January 2009. It is not expected to have an impact on the Group's financial statements.

Amendment to IAS 40 'Investment property'

Property under construction or development for future use as investment property consists in the main issue of the amendment issued. The amendment will be effective from annual periods beginning on 1st January 2009.

Amendment to IAS 41 ''Agriculture''

The amendment of the Standard covers the issue of the discount rate to be applied for fair value calculations and treatment of additional biological transformation. This interpretation is effective from annual periods beginning on 1st January 2009 but is not relevant to the Group's operations.

Interpretations effective after year ended as at 31 December 2008

IFRIC 13 – Customer Loyalty Programmes

This interpretation is effective for annual periods beginning on or after 1st July 2008 and clarifies the treatment of entities that grant loyalty award credits such as ''points'' and ''travel miles'' to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

IFRIC 15 - Agreements for the construction of real estate

This interpretation is effective for annual periods beginning on or after 1st January 2009 and addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation

This interpretation is effective for annual periods beginning on or after 1st October 2008 and applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

IFRIC 17 - Distribution of non-cash assets to owners

The interpretation is effective for annual periods beginning on or after 1st July 2009. This interpretation, issued on 27st 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.

IFRIC 18 - Transfer of assets from customers

The interpretation is effective for annual periods beginning on or after 1.7.2009. This interpretation, issued at 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.

Critical accounting policies and estimates

The preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make a number of judgments, estimates and assertions that affect the reported amount of assets, liabilities, income and expenses in consolidated and stand alone Financial Statements and the accompanying notes. The Bank's management believes that the judgments, estimates and assertions used in the preparation of the Financial Statements, which have not changed in comparison with the previous fiscal year, are appropriate given the factual circumstances as at December 31st ,2008 and are referred to in note 3.

2.2 Consolidation

The consolidated financial statements as at December 31th, 2008 include the financial statements of the Bank ,its subsidiaries and its associate which are referred to in note 2.2.3.

2.2.1 Business combinations and subsidiaries

Subsidiaries, which are those entities in which the Bank has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the parent controls another entity. Subsidiaries are consolidated with the method of full consolidation from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

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

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

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

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

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

2.2.2 Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control.

Investments in associates are accounted for by the equity method.

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

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

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

In case the Group's share over the losses of the associate exceed the value of the investment, any further losses are not recognized unless payments been have made or assumed any further obligations on behalf of the associate.

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

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

2.2.3 Consolidation Basis

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

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

As at December 31st, 2008 the Bank consolidates its subsidiaries a) "Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A", in which the Bank's holding percentage represents 51% of the voting rights b) "BESTLINE CARDS S.A.", in which the Bank's percentage participation in the share capital of the said company is amounted to 50% according to the method of full consolidation. Furthermore the Bank consolidates its associate «ATTICA BANK S.A.» with the equity method in which the Bank's participation in the share capital increased up to 21,03 %.

On 22/07/2008, the share capital increase of the Bank's subsidiary "Greek Postal Savings Bank-EL.TA. Mutual Fund Management S.A" was verified. The increase amounted to 90.000,00 euro, with the Bank's participation increasing by 45.900,00 euro. The company mentioned above was consolidated with the method of full consolidation consistent with the previous fiscal year.

"BESTLINE CARDS S.A." was consolidated on the Balance Sheet of December 31st, 2008 for the first time, as it was acquired in October 2008. The acquisition of 50% of the participation was completed with a payment of 18,9 million euro following the consummation of the share capital increase of the company and the resignation of the former stockholders. The specific company is a subsidiary, as the Bank establishes its corporate strategy. The common nominal shares held by the Bank at 31.12.2008 amounted to 9.680.000. The company operates in the area of mediation, issuance and management of debit and credit cards, as well as bank services and products.

The Bank consolidated its associate « ATTICA BANK S.A. » for the first time at December 31st, 2008 after the acquisition over 20% at the end of December 2008. In the previous fiscal year, the company was included in the portfolio of "Investment securities available for sale".

The accounting policy adopted by the Bank for associates acquired in stages provides that the cost of an associate is measured as the sum of consideration paid for each purchase, including any acquisition-related costs. Any comprehensive income recognised in prior periods in relation to the previously held stake in the acquired associate is reversed through equity with no effect in the income statement.

2.3 Financial Instruments

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

2.3.1 Initial Recognition

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

2.3.2 Classification and Financial Asset Measurement

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

i) Financial assets designated at fair value

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

- Financial assets that are classified as held for trading. These assets are securities that are acquired with the objective of realizing profits from short-term changes in prices, including derivatives, except for derivatives that are designated as effective hedging instruments.
- Financial asset at fair value through profit or loss. Upon initial recognition the Group may designate any financial asset at fair value through profit or loss, when either:

  - It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or

- a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the Board of Directors.

- Derivatives meet the definition of this category, designated at fair value through profit or loss”. In the Balance Sheet they are presented separately under the account “Derivatives” depending on the valuation result.

ii) Loans and Receivables

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

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

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

- Significant financial difficulty of the borrower;
- A breach of contract, (such as a default or delinquency in interest or principal payments);
- The Bank, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

  - Adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments. or

  - National or local economic conditions that correlate with defaults on the assets in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area).

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

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

Consumer Loans are characterized as past due after a 6-month non performing period during which no interest payment took place while mortgage loans after a 12-month period. Past due loans are assessed in memo accounts.

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

iii) Held-to-Maturity financial assets

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

The Held-to-Maturity portfolio, which is kept up to the maturity date, is initially recognized at fair value (which includes the transaction cost) and then is carried at amortized cost using the effective interest method, less any accumulated impairment in value. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount for the impairment loss for assets carried at amortized cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial asset's effective interest rate If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed as long as after the reversal the carrying amount of the financial asset does not exceed the amortized cost that would have been had the impairment not been recognized at the date the impairment is reversed.

If part of the Held to Maturity portfolio is sold or reclassified before maturity date, then the entire held to maturity portfolio must be transferred to the available for sale portfolio (unless IAS 39 criteria are met) at its fair value. In such case, the Group will not be able to classify any financial assets as held to maturity for the next two years.

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

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

iv) Available for sale financial assets

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

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

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

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

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

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

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

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

2.3.3 Measurement of Financial Liabilities

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

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

2.3.4 Derivatives and Hedge Accounting

The Bank holds derivative financial instruments both for profit-making or hedging purposes and for the service of its client's needs.

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

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

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

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

Hedges are classified as follows :

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

The Bank documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. The Bank also assesses, both at hedge inception and on an ongoing basis the hedge effectiveness of the hedging transaction.

Fair value hedge

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

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

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

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

2.3.5 Fair Value attributing methods

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

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

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

2.3.6 Derecognition

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

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

2.3.7 Offsetting

A financial asset and a financial liability is offset and the net amount is presented in the balance sheet when, the Bank currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.3.8 Sale and Repurchase Agreements

The Bank engages in sales of instruments based on repurchase agreements of its own instruments at a future fixed price.
Those instruments that are sold on the terms of being repurchased (repos) are not derecognized from the balance sheet but continue to be valued according to their classification (trading portfolio or available for sale). The amounts received are recognized on the balance sheet as obligations and are valued on their amortized cost using the effective interest rate method.

2.4 Conversion into Foreign Currency

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

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

Transactions in foreign currencies are converted into functional currency using the exchange rates as of the dates of the transactions. Gains and losses from currency translation differences that derive from such transactions and from the conversion of assets and liabilities denominated in foreign currencies into the functional currency using the exchange rates on the balance sheet date, are transferred to the income statement.

2.5 Property, plant and equipment

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

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

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

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

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

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

2.6 Goodwill and Intangible Assets

<u>Goodwill</u>

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

In the case where a subsidiary is acquired, positive goodwill is presented as an intangible asset in the ''Goodwill and other intangible assets'', whereas in the case of the acquisition of an associate, goodwill is included in the value of the Group's investment in the associate. In case of negative goodwill is recorded as income in the Income Statement.

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

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

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

<u>Intangible assets</u>

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

Software maintenance costs are expensed as incurred. Expenditure which enhance or extend the performance of computer software programs beyond their original specifications is recognized as a capital improvement and added to the original cost of the software, provided that it can be reliably measured.

2.7 Foreclosed Assets

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

2.8 Impairment of Tangible and Intangible Assets

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

If the recoverable amount of an asset (or a cash flow generating unit) is estimated to be less than its carrying value, the carrying value of the asset (or the cash flow generating unit) is reduced to the recoverable amount. An impairment loss is immediately recognized in the income statement as an expense.

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

2.9 Leases

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

2.10 Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise of balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with Central Bank, Treasury Bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.11 Income and Deferred Taxes

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

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

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

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

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

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

2.12 Employee Benefits

Short – term benefits: Cash paid to the short-term employee benefits (except for the post retirement benefits) and benefits in kind are recognized as an expense when they are considered accrued.

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

Employee benefits during and after the redundancy of the service

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

a) Defined benefit plans

Defined benefit plans are pension plans that define an amount of pension benefit to be provided, usually as a function of one or more factors such as years of service, age and compensation. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses. The Bank has elected to use the “corridor approach” of IAS 19 “Employee Benefits”, according to which part of the actuarial gains/ losses are not recognized and are amortized over the expected average remaining working lives of the employees participating in that plan. However, without disregarding the above, the Bank at its transition date to IFRS has elected to take the exemption of paragraph 20 of IFRS 1 in relation to Employee benefits and has recognized all the cumulative actuarial gains and losses up to the date of the transition to IFRS.

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

b) Defined contribution plans

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

Share based compensation

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

The proceeds received from the issue of new shares, net of any directly attributable transaction cost, increase share capital and share premium when the options are exercised.

2.13 Provisions

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

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

2.14 Share Capital

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

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

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

2.15 Revenue Recognition

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

Revenue recognition policies are as follows:

i) Interest Income

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

ii) Income from commissions

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

iii) Income from dividends

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

2.16 Dividends Distribution

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

2.17 Reclassification of amounts

Certain amounts of the Financial Statements of the comparative year 2008 have been reclassified compared to the published financial statements to conform to the current fiscal year's presentation.

At the comparable balance sheet dated ended on December 31st, 2007 amount of € 2.233.190,52 has been reclassified from the account "Other Assets" to the account "Due from banks", regarding cash equivalents. Also amount of € 5.463.370,34 has been reclassified from the account "Investment available for sale" to the account "Derivative financial liabilities", regarding valuation of embedded derivatives. The aforementioned amount € 5.463.370,34 has been adjusted to the accounts "Net income from financial instruments designated at fair value through profit or loss" and "Net income from investment securities of the Profit or Loss accounts.

The analysis of "Net interest income", ''Net fee and commission income'', "General and administrative expenses", "Other assets", and "Other liabilities" has been restated in order to be consistent with the previous fiscal year respectively.

The tables of the liquidity risk analysis have also been restated in order to be consistent with the previous fiscal year

It should be noted that the aforementioned amendments have no effect in the results of the previous fiscal year.

3. Critical accounting policies, estimates and judgments

3.1 Critical accounting policies and estimates

The preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make a number of judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses in consolidated and stand alone Financial Statements and the accompanying notes. The Bank's management believes that the judgments, estimates and assumptions used in the preparation of the Financial Statements are appropriate given the factual circumstances as of 31 December 2008 which have not changed in comparison with the previous fiscal year.

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

3.1.1 Recognition and measurement of financial instruments at fair value

Assets and liabilities that are classified as held for trading purposes are recorded at fair value on the balance sheet date, with changes in fair value reflected in "financial operation results". For listed financial instruments, fair value is based on quoted market prices for the specific instrument. Where no active market exists, or where quoted prices are not otherwise available, fair value is determined using a variety of valuation techniques. These include present value methods, models based on observable input parameters, and models where some of the input parameters are unobservable.

Valuation methods are used primarily to value derivatives transacted in the over-the-counter market. All valuation models are validated before they are used as a basis for financial reporting. Although a significant degree of judgment is, in some cases, required in establishing fair values, management believes that the fair values recorded in the balance sheet and the changes in fair values recorded in the income statement are prudent and reflective of the underlying economics, based on the controls and procedural safeguards employed.

3.1.2 Allowance for loan losses

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

3.1.3 Retirement benefit obligations

The defined benefit obligation is actuarially determined using assumed discount rates and assumed rates of compensation increase. These assumptions are ultimately determined by reviewing the Bank's salary increases each year.

3.1.4 Useful lives of depreciable assets

The management of the Bank determines the estimated useful lives and related depreciation charges for its property and other equipment. The Bank's estimate is based on the projected operating life cycle of its buildings and other depreciable assets such as furniture and other equipment, motor vehicles, hardware and other equipment and it could not change significantly. The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. 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.

3.2 Critical Accounting Judgments

3.2.1. Held-to-maturity financial assets

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 is based on the Group's evaluation of its intention and ability to hold such investment to maturity.

3.2.2 Impairment for available-for-sale financial assets

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

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

3.2.3 Income Taxes

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

4. Financial Risk Management

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

The Bank's risk management policies are designed to identify, monitor and analyze these risks, to set appropriate risk limits and controls. The Bank regularly reviews its risk management policies and methods to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Risk Management Division under policies approved by the Board of Directors. The Risk Management Division identifies, evaluates, and hedges financial risks in close co-operation with the Bank's operating units.

Apart from the Risk Management Division, there is also the Risk Management Committee, which has the following responsibilities :

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

4.1 Credit Risk

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

The Bank's overall exposure to credit risk including the liquidation risk mainly arises from the retail banking allowances, the Bank's investment and transaction activities, the trading activities in the derivative markets as well as from the settlement of financial instruments.

4.1.1 Credit risk measurement

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

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

a) Loans and advances

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

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

The Bank evaluates the creditworthiness of its borrowers and assesses the probability of defaulting on their contractual obligations. The Bank focusing on the application of modern credit risk measurement methods, evaluates applicants creditworthiness using applications scoring models. The Bank regularly tests the predictive capability of the creditworthiness evaluation and rating models used both for Corporate and Retail Credit, thus ensuring its potential of accurately depicting any credit risk allowing for the timely implementations of measures addressing arising problems.

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

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

b) Securities and other bills

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

c) Stress Testing

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

Division and primarily make use of the sensitivity analysis technique.

4.1.2 Credit limits management and risk mitigation techniques

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

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

a) Collateral / Security

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

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

- Mortgages and certain consumer loans on real estate property
- Greek State letters of guarantee for loans to public institutions
- Highly valuable objects for pawning
- Pledged deposits and securities

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

b) Derivatives

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

c) Netting arrangements

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

d) Credit-related commitments

The Bank uses credit-related commitments to provide customers with funds as required. These credit-related commitments entail the same risk as the Bank's loans and advances and mainly concern approved loan contracts for mortgage and loans that are related to certified construction of rising real estate.

4.1.3. Impairment and provisioning policy

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

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

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

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

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

Write-offs

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

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

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

The following table presents the Group's maximum credit risk exposure at 31/12/2008 and 31/12/2007, without including collateral held or other credit enhancements. For balance sheet items, credit exposures are based on their carrying amounts as reported on the balance sheet.

Maximum exposure in Credit Risk

Credit risk exposure relating to on-balance sheet assets	**31.12.2008**	**31.12.2007**
Loans and advances to credit institutions	3.008.413.256,28	2.586.652.300,32
Loans and advances to consumers (net of provisions)		
Loans to individuals		
-Consumer loans	1.832.610.091,37	1.650.701.667,70
-Mortgages	4.434.457.162,66	4.052.507.755,70
-Credit cards	168.747.129,26	158.628.137,52
Loans to corporate entities		
-Public sector	519.079.681,44	161.670.459,43
-Dept securities	49.082.279,27	-
Trade Portfolio		
-Bonds	316.667.815,06	445.938.134,74
Derivative financial instruments-assets	5.134.308,41	22.999.365,50
Financial instruments at fair value through profit & loss		
-Bonds	112.528.172,40	334.327.456,13
Investment portfolio		
Available for sale		
-Bonds	2.322.202.528,94	2.991.584.545,96
Held to maturity		
-Bonds	1.143.282.566,59	-
Other assets	309.119.383,83	198.774.350,57
Total	**14.221.324.375,51**	**12.603.784.173,57**
Credit risk exposure to off-balance sheet assets		
Loan commitments and other credit related liabilities	105.758.724,48	106.837.790,53
Total	**14.327.083.099,99**	**12.710.621.964,10**

4.1.5 Loans and advances

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

	31.12.2008		**31.12.2007**	
	Loans and advances to consumers	**Loans and advances to credit institutions**	**Loans and advances to consumers**	**Loans and advances to credit institutions**
Neither past due nor impaired	6.356.709.220,67	3.008.413.256,28	5.618.555.239,14	2.586.652.300,32
Past due over 90 day but not impaired	393.751.474,91	-	287.729.372,29	-
Impaired loans and advances	375.613.944,42	-	204.074.568,95	-
Gross	**7.126.074.640,00**	**3.008.413.256,28**	**6.110.359.180,38**	**2.586.652.300,32**
Less: allowance for impairment	(122.098.296,00)	-	(86.851.160,03)	-
Net	**7.003.976.344,00**	**3.008.413.256,28**	**6.023.508.020,35**	**2.586.652.300,32**

a) Loans without impairment

Loans and advances to customers

31.12.2008	Loans and advances to individuals (retail customers)			Loans and advances to corporate entities		
Grades	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Other Debt Securities	Total loans and advances to customers
Standard monitoring	1.691.671.357,94	3.977.250.187,75	119.625.714,27	519.079.681,44	49.082.279,27	6.356.709.220,67
Total	**1.691.671.357,94**	3.977.250.187,75	**119.625.714,27**	519.079.681,44	**49.082.279,27**	**6.356.709.220,67**

31.12.2007	Loans and advances to individuals (retail customers)			Loans and advances to corporate entities		
Grades	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Other Debt Securities	Total loans and advances to customers
Standard monitoring	1.586.195.509,36	3.749.397.060,02	121.292.210,33	161.670.459,43	-	5.618.555.239,14
Total	**1.586.195.509,36**	3.749.397.060,02	**121.292.210,33**	161.670.459,43	**-**	**5.618.555.239,14**

Loans and advances to credit institutions

	2008	2007
Investment grade	5.954.570,25	556.084.739,67
Special Monitoring	61.020.974,04	284.339.792,23
Standard Monitoring	2.941.437.711,99	1.746.227.768,42
Total	**3.008.413.256,28**	**2.586.652.300,32**

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

31.12.2008	Loans and advances to individuals			Loans and advances to corporate institutions		
	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Other Debt Securities	Total
up to 30 days	34.223.793,84	153.641.592,16	33.059.893,34	0,00	0,00	220.925.279,34
31 - 60 days	15.976.801,21	100.905.986,89	6.366.105,48	-	-	123.248.893,58
61 - 90 days	10.558.164,53	35.128.686,90	3.890.450,58	-	-	49.577.302,01
Total	**60.758.759,58**	**289.676.265,95**	**43.316.449,40**	**0,00**	**0,00**	**393.751.474,93**

31.12.2007	Loans and advances to individuals			Loans and advances to corporate institutions		
	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Other Debt Securities	Total
up to 30 days	34.281.314,79	139.111.632,43	23.711.388,16	0,00	0,00	197.104.335,38
31 - 60 days	14.032.217,72	42.113.488,80	7.206.406,28	-	-	63.352.112,80
61 - 90 days	6.716.076,61	18.053.908,29	2.502.939,21	-	-	27.272.924,11
Total	**55.029.609,12**	**199.279.029,52**	**33.420.733,65**	**0,00**	**0,00**	**287.729.372,29**

c) Loans and advances impaired

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

31.12.2007	Loans and advances to individuals (retail customers)			Loans and advances to corporate		
	Consumer loans	Mortgages	Credit cards	Public Sector loans and debt securities	Other Debt Securities	Total
Impaired loans	48.631.468,05	137.150.389,99	17.447.386,54	-	845.324,37	204.074.568,95
Total	**48.631.468,05**	**137.150.389,99**	**17.447.386,54**	**-**	**845.324,37**	**204.074.568,95**

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

4.1.6 Investment in securities and treasury bills

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

December 31st , 2007	Trade Portfolio	Available for sale	Held to maturity	Debt securities	Total
AAA	59.928.988,00	59.885.097,10	-	-	**119.814.085,10**
AA- to AA+	102.050.266,40	121.143.850,00	-	-	**223.194.116,40**
A- to A+	389.896.512,86	2.595.107.958,16	-	-	**2.985.004.471,02**
Lower than A-	72.725.670,90	164.318.981,00	-	-	**237.044.651,90**
Unrated	155.661.088,00	45.665.289,36	-	-	**201.326.377,36**
Total	**780.262.526,16**	**2.986.121.175,62**	**-**	**-**	**3.766.383.701,78**

4.1.7 Obtaining ownership of provided collaterals

During 2008, the Bank obtained assets after transferring the ownership of its assets' collaterals.

	2008	2007
Pledged assets	390.973,52	312.352,52
Total	**390.973,52**	**312.352,52**

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

The following table breaks down the Bank's main credit exposure at their carrying amounts, as categorized by industrial sector as at 31 December 2008. The Bank has allocated exposures to sectors based on the industry sector of its counterparties.

31.12.2008	BANKING & OTHER FINANCIAL SERVICES	CONSTRUCTION	ENEGRY	INSURANCE	TELECOMMUNICATIONS	OTHER INDUSTRIES	PUBLIC SECTOR	INDIVIDUALS	TOTAL
Loans and advances to credit institutions	3.008.413.256,28	-	-	-	-	-	-	-	**3.008.413.256,28**
Loans and advances to consumers									
-Consumer/personal loans	-	-	-	-	-	-	-	1.832.610.091,37	**1.832.610.091,37**
-Mortgages	-	-	-	-	-	-	-	4.434.457.162,66	**4.434.457.162,66**
-Credit Cards	-	-	-	-	-	-	-	168.747.129,26	**168.747.129,26**
Loans to corporate entities									
-Public Sector	-	395.988.345,44	-	-	-	-	123.091.336,00	-	**519.079.681,44**
-Debt securities	43.944.358,36	-	5.137.920,90	-	-	-	-	-	**49.082.279,26**
Trade Portfolio	-	-	-	-	-	-	-	-	**-**
-Bonds	288.426.315,57	2.868.000,00	-	-	13.285.278,69	1.432.200,00	10.656.020,80	-	**316.667.815,06**
Derivative financial instruments-assets	5.134.308,41	-	-	-	-	-	-	-	**5.134.308,41**
Financial instruments at fair value through profit & loss									
-Bonds	112.528.172,40	-	-	-	-	-	-	-	**112.528.172,40**
Investment Portfolio									
-Available for sale	-	-	-	-	-	-	-	-	**-**
-Bonds	413.050.617,80	13.314.195,00	20.336.280,98	2.349.235,00	51.773.450,00	67.065.419,78	1.754.313.330,38	-	**2.322.202.528,94**
-Held to maturity									
-Bonds	197.177.853,00	-	-	-	6.347.247,35	-	939.757.466,24	-	**1.143.282.566,59**
Other assets	262.055.595,87	-	-	-	-	43.486.390,07	142.607,87	3.434.790,02	**309.119.383,83**
Loan commitments and other credit related liabilities	-	-	-	-	-	-	-	105.758.724,48	**105.758.724,48**
Total Exposure 31.12.2008	**4.330.730.477,69**	**412.170.540,44**	**25.474.201,88**	**2.349.235,00**	**71.405.976,04**	**111.984.009,85**	**2.827.960.761,29**	**6.545.007.897,79**	**14.327.083.099,98**
Total Exposure 31.12.2007	**3.695.808.591,98**	**14.258.665,00**	**24.117.270,00**	**4.721.750,00**	**86.413.650,65**	**56.108.583,72**	**2.845.458.327,47**	**5.980.501.880,75**	**12.707.388.719,57**

4.2 Market Risk

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

4.2.1 Currency Risk

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

The Bank's open foreign exchange positions for the years ended on December 31, 2008 and 2007 in stand alone and on a consolidated basis were as follows.

Currency Risk at 31/12/2008 on consolidated basis

	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with Central Bank	8.379,37	2.329,10	3.042,52	350,17	-	3.233,21	179.924.907,57	179.942.241,94
Receivables to Credit Institutions	45.005.624,83	677.584,02	752.560,23	24.492,22	128.463,74	116.386,62	2.961.708.144,62	3.008.413.256,28
Financial assets at fair value through profit & loss	5.148.309,14	-	-	-	-	-	450.782.850,76	455.931.159,90
Derivative financial instruments	-	-	-	3.628,87	-	-	5.130.679,54	5.134.308,41
Loans & advances to customers	11.949.700,98	-	-	-	-	-	7.114.124.939,02	7.126.074.640,00
Minus :Provisions	-	-	-	-	-	-	(122.098.296,00)	(122.098.296,00)
Investments Available for Sale	71.706.165,46	-	3.651.218,90	-	-	-	2.363.840.449,13	2.439.197.833,49
Investments Held to Maturity	28.162.030,13	-	-	-	-	-	1.115.120.536,46	1.143.282.566,59
Investment in Subsidiaries	-	-	-	-	-	-	-	-
Investment in Associate	-	-	-	-	-	-	94.585.030,36	94.585.030,36
Tangible Assets	-	-	-	-	-	-	115.248.028,61	115.248.028,61
Intangible Assets	-	-	-	-	-	-	19.813.801,87	19.813.801,87
Deferred Tax Asset	-	-	-	-	-	-	101.541.198,31	101.541.198,31
Current tax assets	-	-	-	-	-	-	21.485.825,85	21.485.825,85
Other Assets	1.344.639,66	1.966,65	77.658,21	0,02	184,00	0,01	307.806.144,48	309.230.593,03
Total Assets	**163.324.849,57**	**681.879,77**	**4.484.479,86**	**28.471,28**	**128.647,74**	**119.619,84**	**14.729.014.240,58**	**14.897.782.188,64**
Currency Risk concerning Liabilities								
Liabilities due to credit institutions	123.807.573,47	-	14.569,85	-	-	-	2.680.854.995,18	2.804.677.138,50
Due to Customers	13.401.923,74	655.898,96	767.547,12	120.357,90	118.927,59	287.179,12	11.195.885.844,36	11.211.237.678,79
Derivative financial instruments	770.358,11	-	-	4.568,46	-	3.682,04	86.865.046,43	87.643.655,04
Deferred Tax Liabilities	-	-	-	-	-	-	9.504.176,12	9.504.176,12
Current Tax Liabilities	-	-	-	-	-	-	521.411,83	521.411,83
Retirement Benefit Obligations	-	-	-	-	-	-	20.490.862,35	20.490.862,35
Other Liabilities	8.539.057,63	4.587,27	78.654,74	0,07	2.078,85	3.038,22	211.106.554,29	219.733.971,07
Total Liabilities	**146.518.912,95**	**660.486,23**	**860.771,71**	**124.926,43**	**121.006,44**	**293.899,38**	**14.205.228.890,56**	**14.353.808.893,70**
Net on balance sheet position	**16.805.936,62**	**21.393,54**	**3.623.708,15**	**(96.455,15)**	**7.641,30**	**(174.279,54)**	**523.785.350,02**	**543.973.294,94**
Time contracts and other currency derivatives	(39.104.605,87)	-	(6.826.460,10)	55.408,76	-	231.824,01	45.643.833,20	-
Net currency position	**(22.298.669,25)**	**21.393,54**	**(3.202.751,95)**	**(41.046,39)**	**7.641,30**	**57.544,47**	**569.429.183,22**	**543.973.294,94**

Currency Risk at 31/12/2008 on stand alone basis

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

Respectively, for year 2007 we had the following data:

Currency Risk at 31/12/2007 on consolidated basis

	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with Central Bank	24.588,39	1.221,54	13.115,16	543,91	211,83	6.355,89	129.291.306,14	129.337.342,86
Receivables to Credit Institutions	7.342.158,24	1.010.411,18	978.193,87	197.838,90	188.033,42	587.860,09	2.576.347.804,62	2.586.652.300,32
Financial assets at fair value through profit & loss	39.253.541,21	-	-	-	-	8.988,75	865.329.513,40	904.592.043,36
Derivative financial instruments	-	-	-	-	-	-	22.999.365,50	22.999.365,50
Loans & advances to customers	-	-	-	-	-	-	6.110.359.180,38	6.110.359.180,38
Minus :Provisions	-	-	-	-	-	-	(86.851.160,03)	(86.851.160,03)
Investments Available for Sale	809.051,18	-	-	-	-	-	3.125.987.549,35	3.126.796.600,53
Tangible Assets	-	-	-	-	-	-	112.568.694,37	112.568.694,37
Intangible Assets	-	-	-	-	-	-	10.286.537,47	10.286.537,47
Deferred Tax Asset	-	-	-	-	-	-	49.138.607,11	49.138.607,11
Current tax assets	-	-	-	-	-	-	23.171.304,53	23.171.304,53
Other Assets	734.565,77	2.662,38	4.712,62	181,30	80,32	915,04	198.031.233,14	198.774.350,57
Total Assets	**48.163.904,79**	**1.014.295,10**	**996.021,65**	**198.564,11**	**188.325,57**	**604.119,77**	**13.136.659.935,98**	**13.187.825.166,97**
Currency Risk concerning Liabilities								
Liabilities due to credit institutions	-	-	-	-	-	-	1.038.031.147,54	1.038.031.147,54
Due to Customers	8.866.349,87	774.505,87	607.889,35	105.302,15	183.157,41	249.999,87	11.144.903.711,42	11.155.690.915,94
Derivative financial instruments	-	-	-	-	-	-	10.899.701,70	10.899.701,70
Deferred Tax Liabilities	-	-	-	-	-	-	11.739.311,98	11.739.311,98
Retirement Benefit Obligations	-	-	-	-	-	-	25.110.118,00	25.110.118,00
Other Liabilities	520.592,11	7.200,21	5.443,30	1.132,55	2.987,12	3.531,59	198.788.158,33	199.329.045,21
Total Liabilities	**9.386.941,98**	**781.706,08**	**613.332,65**	**106.434,70**	**186.144,53**	**253.531,46**	**12.429.472.148,97**	**12.440.800.240,37**
Net on balance sheet position	**38.776.962,81**	**232.589,02**	**382.689,00**	**92.129,41**	**2.181,04**	**350.588,31**	**707.187.787,01**	**747.024.926,60**
Time contracts and other currency derivatives	(34.829.074,11)	-	-	-	-	-	34.829.074,11	-
Net currency position	**3.947.888,70**	**232.589,02**	**382.689,00**	**92.129,41**	**2.181,04**	**350.588,31**	**742.016.861,12**	**747.024.926,60**

Currency Risk at 31/12/2007 on stand alone basis

	USD	CAD	GBP	CHF	SEK	OTHER CURRENCIES	EURO	TOTAL
Currency Risk concerning Assets								
Cash and balances with Central Bank	24.588,39	1.221,54	13.115,16	543,91	211,83	6.355,89	129.290.279,34	129.336.316,06
Receivables to Credit Institutions	7.342.158,24	1.010.411,18	978.193,87	197.838,90	188.033,42	587.860,09	2.575.978.686,88	2.586.283.182,58
Financial assets at fair value through profit & loss	39.253.541,21	-	-	-	-	8.988,75	864.743.775,72	904.006.305,68
Derivative financial instruments	-	-	-	-	-	-	22.999.365,50	22.999.365,50
Loans & advances to customers	-	-	-	-	-	-	6.110.359.180,38	6.110.359.180,38
Minus :Provisions	-	-	-	-	-	-	(86.851.160,03)	(86.851.160,03)
Investments Available for Sale	809.051,18	-	-	-	-	-	3.125.987.549,35	3.126.796.600,53
Investments in Associate	-	-	-	-	-	-	1.190.028,00	1.190.028,00
Tangible Assets	-	-	-	-	-	-	112.508.193,52	112.508.193,52
Intangible Assets	-	-	-	-	-	-	10.260.241,65	10.260.241,65
Deferred Tax Asset	-	-	-	-	-	-	49.138.607,11	49.138.607,11
Current tax assets	-	-	-	-	-	-	23.171.304,53	23.171.304,53
Other Assets	734.565,77	2.662,38	4.712,62	181,30	80,32	915,04	197.938.259,80	198.681.377,23
Total Assets	**48.163.904,79**	**1.014.295,10**	**996.021,65**	**198.564,11**	**188.325,57**	**604.119,77**	**13.136.714.311,75**	**13.187.879.542,74**
Currency Risk concerning Liabilities								
Liabilities due to credit institutions	-	-	-	-	-	-	1.038.031.147,54	1.038.031.147,54
Due to Customers	8.866.349,87	774.505,87	607.889,35	105.302,15	183.157,41	249.999,87	11.144.903.711,42	11.155.690.915,94
Derivative financial instruments	-	-	-	-	-	-	10.899.701,70	10.899.701,70
Deferred Tax Liabilities	-	-	-	-	-	-	11.739.311,98	11.739.311,98
Retirement Benefit Obligations	-	-	-	-	-	-	25.094.135,00	25.094.135,00
Other Liabilities	520.592,11	7.200,21	5.443,30	1.132,55	2.987,12	3.531,59	198.738.165,99	199.279.052,87
Total Liabilities	**9.386.941,98**	**781.706,08**	**613.332,65**	**106.434,70**	**186.144,53**	**253.531,46**	**12.429.406.173,63**	**12.440.734.265,03**
Net on balance sheet position	**38.776.962,81**	**232.589,02**	**382.689,00**	**92.129,41**	**2.181,04**	**350.588,31**	**707.308.138,12**	**747.145.277,71**
Time contracts and other currency derivatives	(34.829.074,11)	-	-	-	-	-	34.829.074,11	-
Net currency position	**3.947.888,70**	**232.589,02**	**382.689,00**	**92.129,41**	**2.181,04**	**350.588,31**	**742.137.212,23**	**747.145.277,71**

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

The Bank in order to assess the foreign exchange risk, calculates the effect to the annual result that a variance in the currency exchange rates would provoke. The related calculations that took into account balances at 31.12.2008 have shown that in the case of a variance in the currency market by +/- 6% for the main currencies and +/- 20% for the secondary ones would affect the Bank's results by € 1,54 million.

4.2.2 Interest Rate Risk

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

Interest Rate Risk 31/12/2008 on consolidated basis

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	147.339.240,25	-	-	-	-	32.603.001,69	179.942.241,94
Cash and advances to Credit Institutions	2.948.906.373,76	59.489.382,16	17.500,36	-	-	-	3.008.413.256,28
Financial assets at fair value through profit and loss	208.029.328,96	137.891.153,97	57.174.302,30	20.449.557,52	5.651.644,71	26.824.061,64	456.020.049,10
Derivative Financial instruments	83.974,72	695.777,77	327.181,47	2.830.692,61	330.947,63	865.734,21	5.134.308,41
Loans and Advances to Customers	20.204.668,50	30.118.611,73	731.838.283,33	2.404.991.474,32	505.314.849,00	3.433.606.753,12	7.126.074.640,00
Minus : Provisions	-	-	-	-	-	(122.098.296,00)	(122.098.296,00)
Investments Available for Sale	95.068.002,34	723.699.508,83	119.345.058,50	1.118.116.288,09	265.973.671,18	116.995.304,55	2.439.197.833,49
Investments Held to Maturity	255.912.714,42	41.524.263,72	593.156.781,62	252.688.806,83	-	-	1.143.282.566,59
Investment in associate	-	-	-	-	-	94.585.030,36	94.585.030,36
Tangible Assets	-	-	-	-	-	115.248.028,61	115.248.028,61
Intangible Assets	-	-	-	-	-	19.813.801,87	19.813.801,87
Deferred Tax Asset	-	-	-	-	-	101.541.198,31	101.541.198,31
Current Tax Assets	-	-	-	-	-	21.485.825,85	21.485.825,85
Other Assets	-	-	-	-	-	309.119.383,83	309.119.383,83
Total Assets	**3.675.544.302,95**	**993.418.698,18**	**1.501.859.107,58**	**3.799.076.819,37**	**777.271.112,52**	**4.150.589.828,04**	**14.897.759.868,64**
Liabilities							
Liabilities due to credit institutions	1.103.822.143,32	-	1.700.854.995,18	-	-	-	2.804.677.138,50
Due to Customers	7.751.367.157,77	1.344.174.957,10	2.135.556.507,09	-	-	(19.860.943,17)	11.211.237.678,79
Derivative financial instruments	20.517.442,56	14.354.246,43	10.379.514,44	36.594.888,26	3.065.848,84	2.731.714,50	87.643.655,04
Deferred Tax Liabilities	-	-	-	-	-	9.504.176,12	9.504.176,12
Current Tax Liabilities	-	-	-	-	-	521.411,83	521.411,83
Retirement Benefit Obligations	-	-	-	-	-	20.490.862,35	20.490.862,35
Other Liabilities	-	-	-	-	-	219.733.971,07	219.733.971,07
Total Liabilities	**8.875.706.743,65**	**1.358.529.203,53**	**3.846.791.016,71**	**36.594.888,26**	**3.065.848,84**	**233.121.192,70**	**14.353.808.893,70**
Total Interest Sensitivity Gap	**(5.200.162.440,70)**	**(365.110.505,36)**	**(2.344.931.909,13)**	**3.762.481.931,11**	**774.205.263,68**	**3.917.468.635,35**	**543.950.974,94**

Interest Rate Risk 31/12/2008 on stand alone basis

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	147.339.240,25	-	-	-	-	32.601.618,29	179.940.858,54
Cash and advances to Credit Institutions	2.945.961.577,48	59.489.382,16	17.500,36	-	-	-	3.005.468.460,00
Financial assets at fair value through profit and loss	208.029.328,96	137.891.153,97	57.174.302,30	20.449.557,52	5.651.644,71	25.852.899,48	455.048.886,94
Derivative Financial instruments	83.974,72	695.777,77	327.181,47	2.830.692,61	330.947,63	865.734,21	5.134.308,41
Loans and Advances to Customers	20.204.668,50	30.118.611,73	731.838.283,33	2.404.991.474,32	505.314.849,00	3.433.606.753,12	7.126.074.640,00
Minus :Provisions	-	-	-	-	-	(122.098.296,00)	(122.098.296,00)
Investments Available for Sale	95.068.002,34	723.699.508,83	119.345.058,50	1.118.116.288,09	265.973.671,18	116.995.304,55	2.439.197.833,49
Investments Held to Maturity	255.912.714,42	41.524.263,72	593.156.781,62	252.688.806,83	-	-	1.143.282.566,59
Investment in subsidiaries	-	-	-	-	-	20.136.128,00	20.136.128,00
Investment in associate	-	-	-	-	-	94.585.030,36	94.585.030,36
Tangible Assets	-	-	-	-	-	115.131.606,94	115.131.606,94
Intangible Assets	-	-	-	-	-	11.904.740,40	11.904.740,40
Deferred Tax Asset	-	-	-	-	-	101.463.286,44	101.463.286,44
Current Tax Assets	-	-	-	-	-	21.485.825,85	21.485.825,85
Other Assets	-	-	-	-	-	307.781.050,50	307.781.050,50
Total Assets	**3.672.599.506,67**	**993.418.698,18**	**1.501.859.107,58**	**3.799.076.819,37**	**777.271.112,52**	**4.160.311.682,14**	**14.904.536.926,46**
Liabilities							
Liabilities due to credit institutions	1.103.822.143,32	-	1.700.854.995,18	-	-	-	2.804.677.138,50
Due to Customers	7.751.367.157,77	1.344.174.957,10	2.135.556.507,09	-	-	-	11.231.098.621,96
Derivative financial instruments	20.517.442,56	14.354.246,43	10.379.514,44	36.594.888,26	3.065.848,84	2.731.714,50	87.643.655,04
Deferred Tax Liabilities	-	-	-	-	-	9.466.011,69	9.466.011,69
Current Tax Liabilities	-	-	-	-	-	-	-
Retirement Benefit Obligations	-	-	-	-	-	20.085.320,00	20.085.320,00
Other Liabilities	-	-	-	-	-	218.587.076,18	218.587.076,18
Total Liabilities	**8.875.706.743,65**	**1.358.529.203,53**	**3.846.791.016,71**	**36.594.888,26**	**3.065.848,84**	**250.870.122,37**	**14.371.557.823,37**
Total Interest Sensitivity Gap	**(5.203.107.236,98)**	**(365.110.505,36)**	**(2.344.931.909,13)**	**3.762.481.931,11**	**774.205.263,68**	**3.909.441.559,77**	**532.979.103,09**

Respectively, for year 2007 we had the following data:

Interest Rate Risk 31/12/2007 on consolidated basis

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	90.866.905,65	-	-	-	-	38.470.437,21	129.337.342,86
Cash and advances to Credit Institutions	2.586.652.300,32	-	-	-	-	-	2.586.652.300,32
Financial assets at fair value through profit and loss	104.876.156,46	146.402.900,20	267.059.377,50	66.919.700,45	195.007.456,26	124.326.452,49	904.592.043,36
Derivative Financial instruments	10.844.686,76	3.622.089,44	8.532.589,30	-	-	-	22.999.365,50
Loans and Advances to Customers	2.484.282.627,49	17.474.499,67	288.668.459,23	3.048.233.425,11	253.991.832,05	17.708.336,83	6.110.359.180,38
Minus :Provisions	-	-	-	-	-	(86.851.160,03)	(86.851.160,03)
Investments Available for Sale	62.605.825,46	418.190.309,45	468.896.443,23	1.701.232.917,93	335.195.679,55	140.675.424,91	3.126.796.600,53
Tangible Assets	-	-	-	-	-	112.568.694,37	112.568.694,37
Intangible Assets	-	-	-	-	-	10.286.537,47	10.286.537,47
Deferred Tax Asset	-	-	-	-	-	49.138.607,11	49.138.607,11
Current Tax Assets	-	-	-	-	-	23.171.304,53	23.171.304,53
Other Assets	-	-	-	-	-	198.774.350,57	198.774.350,57
Total Assets	**5.340.128.502,14**	**585.689.798,76**	**1.033.156.869,26**	**4.816.386.043,49**	**784.194.967,86**	**628.268.985,46**	**13.187.825.166,97**
Liabilities							
Liabilities due to credit institutions	500.000.000,00	-	538.031.147,54	-	-	-	1.038.031.147,54
Due to Customers	8.299.202.888,42	1.349.529.324,43	1.506.958.703,09	-	-	-	11.155.690.915,94
Derivative financial instruments	8.336.012,59	733.102,94	1.830.586,17	-	-	-	10.899.701,70
Deferred Tax Liabilities	-	-	-	-	-	11.739.311,98	11.739.311,98
Retirement Benefit Obligations	-	-	-	-	-	25.110.118,00	25.110.118,00
Other Liabilities	-	-	-	-	-	199.329.045,21	199.329.045,21
Total Liabilities	**8.807.538.901,01**	**1.350.262.427,37**	**2.046.820.436,80**	**-**	**-**	**236.178.475,19**	**12.440.800.240,37**
Total Interest Sensitivity Gap	**(3.467.410.398,87)**	**(764.572.628,61)**	**(1.013.663.567,54)**	**4.816.386.043,49**	**784.194.967,86**	**392.090.510,27**	**747.024.926,60**

Interest Rate Risk 31/12/2007 on stand alone basis

	Up to 1month	1-3 months	3-12 months	1-5 years	Over 5 years	Non Affected Elements	Total
Assets							
Cash and Balances in the Central Bank	90.865.878,85	-	-	-	-	38.470.437,21	129.336.316,06
Cash and advances to Credit Institutions	2.586.283.182,58	-	-	-	-	-	2.586.283.182,58
Financial assets at fair value through profit and loss	104.876.156,46	146.402.900,20	267.059.377,50	66.919.700,45	195.007.456,26	123.740.714,81	904.006.305,68
Derivative Financial instruments	10.844.686,76	3.622.089,44	8.532.589,30	-	-	-	22.999.365,50
Loans and Advances to Customers	2.484.282.627,49	17.474.499,67	288.668.459,23	3.048.233.425,11	253.991.832,05	17.708.336,83	6.110.359.180,38
Minus :Provisions	-	-	-	-	-	(86.851.160,03)	(86.851.160,03)
Investments Available for Sale	62.605.825,46	418.190.309,45	468.896.443,23	1.701.232.917,93	335.195.679,55	140.675.424,91	3.126.796.600,53
Investments in Associate	-	-	-	-	-	1.190.028,00	1.190.028,00
Tangible Assets	-	-	-	-	-	112.508.193,52	112.508.193,52
Intangible Assets	-	-	-	-	-	10.260.241,65	10.260.241,65
Deferred Tax Asset	-	-	-	-	-	49.138.607,11	49.138.607,11
Current Tax Assets	-	-	-	-	-	23.171.304,53	23.171.304,53
Other Assets	-	-	-	-	-	198.681.377,23	198.681.377,23
Total Assets	**5.339.758.357,60**	**585.689.798,76**	**1.033.156.869,26**	**4.816.386.043,49**	**784.194.967,86**	**628.693.505,77**	**13.187.879.542,74**
Liabilities							
Liabilities due to credit institutions	500.000.000,00	-	538.031.147,54	-	-	-	1.038.031.147,54
Due to Customers	8.299.202.888,42	1.349.529.324,43	1.506.958.703,09	-	-	-	11.155.690.915,94
Derivative financial instruments	8.336.012,59	733.102,94	1.830.586,17	-	-	-	10.899.701,70
Deferred Tax Liabilities	-	-	-	-	-	11.739.311,98	11.739.311,98
Retirement Benefit Obligations	-	-	-	-	-	25.094.135,00	25.094.135,00
Other Liabilities	-	-	-	-	-	199.279.052,87	199.279.052,87
Total Liabilities	**8.807.538.901,01**	**1.350.262.427,37**	**2.046.820.436,80**	**-**	**-**	**236.112.499,85**	**12.440.734.265,03**
Total Interest Sensitivity Gap	**(3.467.780.543,41)**	**(764.572.628,61)**	**(1.013.663.567,54)**	**4.816.386.043,49**	**784.194.967,86**	**392.581.005,92**	**747.145.277,71**

Furthermore, the Bank, for measuring interest rate risk, estimates the negative impact on the annual interest rate income arising from the parallel change in interest rates in all the currencies as by 100 basis points. The amendments that were made to the balances at the end of December 2008 indicated that in case the interest rate falls by 100 basis points, the

Bank will suffer losses amounting to € 17,56 million.

4.3 Liquidity Risk

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

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

The following tables analyze assets and liabilities based on the years ended on December 31, 2008 and 2007 on stand alone and on consolidated basis.

Consolidated basis
As at 31 December 2008

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

Stand-alone basis
As at 31 December 2008

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

Respectively, for year 2007 we had the following data:

Consolidated basis
As at 31 December 2007

Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Due to banks	500.190.888,89	543.063.233,30	0,00	-	-	1.043.254.122,19
Due to customers	8.718.554.325,19	1.448.851.933,23	2.336.676.031,06	-	-	12.504.082.289,49
Retirement benefit obligations	56.056,32	80.785,25	376.465,65	2.375.661,09	44.490.658,10	47.379.626,40
Other liabilities	153.740.802,59	5.508.427,73	39.809.443,41	270.371,48	-	199.329.045,21
Total liabilities (contractual maturity date)	**9.372.542.072,99**	**1.997.504.379,51**	**2.376.861.940,11**	**2.646.032,57**	**44.490.658,10**	**13.794.045.083,28**
Total assets (expected maturity dates)	**1.141.188.547,55**	**1.960.493.705,18**	**902.513.057,80**	**6.041.927.927,13**	**7.605.370.886,55**	**17.651.494.124,21**

Stand-alone basis
As at 31 December 2007

Liabilities	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Due to banks	500.190.888,89	543.063.233,30	0,00	-	-	1.043.254.122,19
Due to customers	8.718.554.325,19	1.448.851.933,23	2.336.676.031,06	-	-	12.504.082.289,49
Retirement benefit obligations	40.073,32	80.785,25	376.465,65	2.375.661,09	44.490.658,10	47.363.643,40
Other liabilities	153.690.810,25	5.508.427,73	39.809.443,41	270.371,48	-	199.279.052,87
Total liabilities (contractual maturity date)	**9.372.476.097,65**	**1.997.504.379,51**	**2.376.861.940,11**	**2.646.032,57**	**44.490.658,10**	**13.793.979.107,94**
Total assets (expected maturity dates)	**1.141.335.896,65**	**1.958.172.482,78**	**902.513.057,80**	**6.041.927.927,13**	**7.605.365.945,09**	**17.649.315.309,46**

Derivatives Cash flows

a) Derivatives settled on a net basis

2008	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Derivatives over index/securities	-	1.194.099,58	-	-	-	**1.194.099,58**
Total	**0,00**	**1.194.099,58**	**0,00**	**0,00**	**0,00**	**1.194.099,58**

2007	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Derivatives over index/securities	-	823.637,50	-	-	-	**823.637,50**
Total	**0,00**	**823.637,50**	**0,00**	**0,00**	**0,00**	**823.637,50**

b) Derivatives settled on a gross basis

2008	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Currency Swaps						
-Outflow	(28.900,80)	-	(2.168.519,09)	-	-	**(2.197.419,89)**
-Inflow	33.459,71	-	2.252.382,85	-	-	**2.285.842,56**
-Interest Rate Swaps						
-Outflow	-	(245.000,00)	(11.776.452,80)	(198.167.766,18)	(30.740.824,36)	**(240.930.043,34)**
-Inflow	-	8.561.296,60	7.089.492,17	199.019.590,79	28.902.042,67	**243.572.422,23**
Derivatives held for hedging:						
-Currency Swaps						
-Outflow	(83.750,00)	(858.084,61)	(9.816.782,93)	(74.368.959,87)	(25.792.446,67)	**(110.920.024,08)**
-Inflow	118.098,33	865.193,85	7.712.651,38	67.875.996,61	26.502.934,30	**103.074.874,47**
-Interest Rate Swaps						
-Outflow	-	(1.843.365,76)	(39.886.454,18)	(148.746.010,00)	(88.750.650,00)	**(279.226.479,94)**
-Inflow	560.051,32	2.222.438,71	38.101.867,84	142.401.982,13	86.964.052,90	**270.250.392,90**
Total Outflows	**(112.650,80)**	**(2.946.450,37)**	**(63.648.209,00)**	**(421.282.736,05)**	**(145.283.921,03)**	**(633.273.967,25)**
Total Inflows	**711.609,36**	**11.648.929,16**	**55.156.394,24**	**409.297.569,53**	**142.369.029,87**	**619.183.532,16**

2007	up to 1 month	1-3 months	3-12 months	1-5 years	over 5 years	Total
Derivatives held for trading:						
-Currency Swaps						
-Outflow	(30.714,33)	(378.578,00)	(3.311.131,98)	(28.129.121,23)	(14.890.652,97)	**(46.740.198,51)**
-Inflow	30.355,14	436.098,85	3.303.393,18	29.140.460,45	15.830.016,72	**48.740.324,34**
-Interest Rate Swaps						
-Outflow	(12.085.364,48)	(7.474.729,51)	(112.447.931,07)	(1.798.661.935,03)	(223.515.540,35)	**(2.154.185.500,44)**
-Inflow	12.161.849,06	7.656.950,66	118.810.198,00	1.797.078.299,27	223.960.642,61	**2.159.667.939,60**
Total Outflows	**(12.116.078,81)**	**(7.853.307,51)**	**(115.759.063,05)**	**(1.826.791.056,26)**	**(238.406.193,32)**	**(2.200.925.698,95)**
Total Inflows	**12.192.204,20**	**8.093.049,51**	**122.113.591,18**	**1.826.218.759,72**	**239.790.659,33**	**2.208.408.263,94**

4.4 Fair Values of financial assets and liabilities

	Carrying Value		Fair Value	
Financial Assets	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Loans and advances to credit institutions	3.008.413.256,28	2.586.652.300,32	3.008.413.256,28	2.586.652.300,32
Loans and advances to consumers				
-Retail customers	6.557.912.679,29	5.947.843.396,58	6.459.413.855,39	5.943.571.747,56
-Public sector	519.079.681,44	162.515.783,80	519.079.681,44	162.515.783,80
-Debt securities	49.082.279,27	-	39.799.081,47	-
Portfolio held to maturity	1.143.282.566,59	-	1.114.139.849,46	-

	Carrying Value		Fair Value	
Financial liabilities	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Deposits from banks	2.804.677.138,50	1.038.031.147,54	2.804.677.138,50	1.038.031.147,54
Due to customers	11.211.237.678,79	11.155.690.915,94	11.211.964.969,18	11.155.742.175,20

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

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

(a) Loans and advances to banks

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

(b) Loans and advances to customers

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

(c) Held to maturity securities

The fair value of held to maturity securities amounts to € 1.114.139 thousand (2007: € 0 thousand). The fair value of the aforementioned securities is defined through reference to secondary acquisition.

(d) Deposits

The fair value of deposits without a fixed maturity date (saving and current accounts), is the amount that the Bank should pay when demanded by a customer, equal to the carrying amount. Deposits from customers, have average maturity period lower than three months. Therefore, their estimated fair value does not materially differ from their carrying amount.

4.5 Capital Adequacy

In accordance with the regulatory framework applicable to Greek Banks, the Bank is subject to various regulatory capital requirements administered by the Bank of Greece, which are based on the regulations of the Bank of International Settlements (BIS). Those regulations require that banks maintain minimum capital levels against assets and certain off-balance sheet items that expose them to risk , so that the capital adequacy ratio and the solvency ratio to be greater or equal to the percentage of 8%.The total capital adequacy ratio (solvent ratio), on consolidated basis, for a credit institution is defined as the ratio of equity to the sum of risk weighted assets (in accordance with the BIS guidelines) and off-balance sheet items.

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Amounts in thousand €	31.12.2008	31.12.2007
Share Capital	526.262,03	526.262,03
Other Reserves	85.517,21	85.517,21
Retained Earnings	80.177,58	112.850,64
Capital (TIER I)	650.675,36	701.117,29
Capital (TIER II)	0,00	3.940,37
Total Equity	**650.675,36**	**705.057,66**
Less: Reclassifications	111.527,44	131.078,00
Total Equity	**539.147,92**	**573.979,66**
Risk weighted assets (total credit risk)	418.563,11	414.750,90
Risk weighted assets (total market risk)	32.654,22	49.763,81
Risk weighted assets (total operating risk)	50.747,64	0,00
Capital adequacy ratio (TIER I)	**8,59%**	**12,08%**
Total capital adequacy ratio	**8,59%**	**9,89%**

Since January 1st ,2008 the Bank adopted the “Standardized Approach”, for credit risk measurement and the “Basic Indicator Approach” for operating risk measurement, according to the proposals of Basel II. As at December 31st ,2008 the Bank’s total asset adequacy ratio was 8,59% based on the proposals of Basel II, whereas on December 31st, 2007 was 9,89% according to Basel I.

5. Segment Report analysis

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

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

The Bank has divided its activities in different business segments:

1. **Retail Banking**: The segment comprises the total of private individuals. Via the network of its branches and the alternative network of EL.TA shops, the Bank provides its clients with a range of mortgage and consumer credit products, credit cards and deposit products.

2. **Corporate**: This segment comprises of public companies. The Bank provides loans to the customers of this segment and has not issued a letter of credit. This segment is not a strategic activity for the Bank, since it derives from the prior Public Service and such kind of loans are not provided anymore. Bonds that have been transferred from “Trading Securities” portfolio as of 1/07/08 as well as corporate bonds published in the fourth quarter of 2008 are also included in this segment.

3. **Treasury**: This segment comprises the Bank’s capital management, Bank’s securities and treasury services management. The financial products in which the Bank invests are mainly bonds, derivative products, shares listed in both Athens Stock Exchange and foreign stock exchanges and foreign currency transactions.

Segment Reporting on Consolidated Basis				
Amounts in €	**Retail Banking**	**Treasury**	**Corporate**	**Total**
From January 1st to December 31st, 2008				
Net income from interest	273.069.573,77	46.078.636,67	2.636.516,67	**321.784.727,11**
Net income from commissions	13.439.856,84	3.312.231,75	30.206,50	**16.782.295,09**
Other operating income	76.511.506,75	(121.597.681,21)	8.427.036,18	**(36.659.138,28)**
Total net income	**363.020.937,36**	**(72.206.812,79)**	**11.093.759,35**	**301.907.883,92**
Expenses	200.946.647,86	14.754.206,45	5.608.516,59	**221.309.370,90**
Depreciation	9.271.558,24	903.387,45	732.598,04	**10.907.543,73**
Allowance for the impairment of loans	33.299.659,43	-	2.773.252,00	**36.072.911,43**
Allowance for the impairment of receivables	(2.718.493,61)	33.723.005,64	-	**31.004.512,03**
Profit before tax	**122.221.565,44**	**(121.587.412,33)**	**1.979.392,72**	**2.613.545,83**
Tax				233.464,74
Net Profit				**2.847.010,57**
Capital expenditure	11.827.043,27	2.214.548,81	1.022.553,17	**15.064.145,25**
Total Assets at 31.12.2008	6.892.487.144,01	7.412.125.444,46	593.147.280,17	**14.897.759.868,64**
Total Liabilities at 31.12.2008	11.137.819.811,86	2.936.934.749,28	279.054.332,56	**14.353.808.893,70**
From January 1st to December 31st, 2007				
Net income from interest	242.852.321,05	44.168.330,56	7.344.684,17	**294.365.335,78**
Net income from commissions	11.381.470,99	(164.896,17)	44.876,13	**11.261.450,95**
Other operating income	3.527.576,44	(15.700.417,21)	-	**(12.172.840,77)**
Total net income	**257.761.368,48**	**28.303.017,18**	**7.389.560,30**	**293.453.945,96**
Expenses	189.744.397,14	10.281.054,02	4.288.150,55	**204.313.601,71**
Depreciation	9.332.570,48	561.719,11	285.693,93	**10.179.983,52**
Allowance for the impairment of loans and receivables	28.711.261,85	-	-	**28.711.261,85**
Profit before tax	**29.973.139,01**	**17.460.244,05**	**2.815.715,82**	**50.249.098,88**
Tax				(6.800.724,08)
Net Profit				**43.448.374,80**
Capital expenditure	9.354.200,12	322.493,89	279.068,71	**9.955.762,72**
Total Assets at 31.12.2007	6.146.131.601,57	6.872.283.402,46	169.410.162,94	**13.187.825.166,97**
Total Liabilities at 31.12.2007	11.112.150.240,89	1.132.691.588,84	195.958.410,64	**12.440.800.240,37**

Segment Reporting on stand alone Basis				
Amounts in €	**Retail Banking**	**Treasury**	**Corporate**	**Total**
From January 1st to December 31st, 2008				
Net income from interest	273.069.573,77	46.059.186,22	2.636.516,67	**321.765.276,66**
Net income from commissions	13.439.856,84	(1.099.982,23)	30.206,50	**12.370.081,11**
Other operating income	76.511.506,75	(121.464.550,12)	8.427.036,18	**(36.526.007,19)**
Total net income	**363.020.937,36**	**(76.505.346,13)**	**11.093.759,35**	**297.609.350,58**
Expenses	200.946.647,86	10.567.324,95	5.608.516,59	**217.122.489,40**
Depreciation	9.271.558,24	760.888,89	732.598,04	**10.765.045,17**
Allowance for the impairment of loans	33.299.659,43	-	2.773.252,00	**36.072.911,43**
Allowance for the impairment of receivables	(2.718.493,61)	33.708.000,00	-	**30.989.506,39**
Profit before tax	**122.221.565,44**	**(121.541.559,97)**	**1.979.392,72**	**2.659.398,19**
Tax				267.350,86
Net Profit				**2.926.749,05**
Capital expenditure	13.239.869,79	657.129,85	1.144.957,70	**15.041.957,34**
Total Assets at 31.12.2008	6.892.487.144,01	7.418.902.502,28	593.147.280,17	**14.904.536.926,46**
Total Liabilities at 31.12.2008	11.137.819.811,86	2.954.683.678,95	279.054.332,56	**14.371.557.823,37**
From January 1st to December 31st, 2007				
Net income from interest	242.852.321,05	44.165.833,83	7.344.684,17	**294.362.839,05**
Net income from commissions	11.381.470,99	(761.954,88)	44.876,13	**10.664.392,24**
Other operating income	3.527.576,44	(15.696.158,40)	-	**(12.168.581,96)**
Total net income	**257.761.368,48**	**27.707.720,55**	**7.389.560,30**	**292.858.649,33**
Expenses	189.744.397,13	9.736.149,22	4.288.150,55	**203.768.696,90**
Depreciation	9.332.570,48	507.062,22	285.693,93	**10.125.326,63**
Allowance for the impairment of loans and receivables	28.711.261,85	-	-	**28.711.261,85**
Profit before tax	**29.973.139,02**	**17.464.509,11**	**2.815.715,82**	**50.253.363,95**
Tax				(6.805.762,38)
Net Profit				**43.447.601,57**
Capital expenditure	9.352.573,38	322.435,29	279.028,55	**9.954.037,22**
Total Assets at 31.12.2007	6.146.131.601,57	6.872.337.778,23	169.410.162,94	**13.187.879.542,74**
Total Liabilities at 31.12.2007	11.112.150.240,90	1.132.625.613,49	195.958.410,64	**12.440.734.265,03**

6. Net Interest Income

Net interest income is analyzed as follows:

	ON CONSOLIDATED BASIS		**ON STAND ALONE BASIS**	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Interest earned from:				
Fixed Income Securities	193.005.499,01	218.884.938,07	193.005.499,01	218.884.938,07
Loans and advances to customers	358.750.229,92	278.260.222,61	358.750.229,92	278.260.222,61
Amounts due from banks	196.754.398,47	108.625.418,55	196.734.570,73	108.622.736,72
Interests of deposits to Bank of Greece	9.025.259,54	8.447.497,91	9.025.259,54	8.447.497,91
Interest and similar Income	**757.535.386,94**	**614.218.077,14**	**757.515.559,20**	**614.215.395,31**
Interest payable on:				
Liabilities due το credit institutions	156.274.105,28	70.321.159,67	156.274.105,28	70.321.159,67
Amounts due to customers	267.436.352,96	238.584.938,83	267.436.352,96	238.584.938,83
Contribution to Hellenic Deposit Guarantee Fund	10.156.803,14	9.031.883,24	10.156.803,14	9.031.883,24
Other interest bearing liabilities	1.883.398,45	1.914.759,62	1.883.021,16	1.914.574,52
Interest and similar Expenses	**435.750.659,83**	**319.852.741,36**	**435.750.282,54**	**319.852.556,26**
Net Interest Income	**321.784.727,11**	**294.365.335,78**	**321.765.276,66**	**294.362.839,05**

7. Net fee and commission income

Net fee and commission income is analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Commissions from securities	590.134,19	644.496,39	28.291,44	34.907,36
Fund Management Fees & commissions from foreign exchange operations	107.528,95	132.059,53	107.528,95	116.190,81
Commissions from credit card and consumer loans	5.150.444,19	4.922.278,59	5.150.444,19	4.922.278,59
Other Commission Income	12.767.058,44	6.788.033,40	8.710.446,53	6.788.033,40
Total Commission Income	**18.615.165,77**	**12.486.867,91**	**13.996.711,11**	**11.861.410,16**
Credit cards commission expenses	216.628,85	135.855,05	216.628,85	135.855,05
Other commission expenses	1.616.241,83	1.089.561,91	1.410.001,15	1.061.162,87
Total commission expenses	**1.832.870,68**	**1.225.416,96**	**1.626.630,00**	**1.197.017,92**
Net Commission Income	**16.782.295,09**	**11.261.450,95**	**12.370.081,11**	**10.664.392,24**

8. Dividend income

Dividend income is analyzed as follows:

	ON CONSOLIDATED & STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**
Income from dividends on shares of companies listed on the ASE	5.387.927,15	3.659.116,66
Income from dividends on shares of listed companies on foreign stock markets	2.783.084,69	482.655,12
Total	**8.171.011,84**	**4.141.771,78**

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

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

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Gains / (Losses) from financial assets at fair value through P&L				
- Shares	(27.895.668,92)	11.553.491,72	(27.834.931,34)	11.543.506,62
- Securities and derivatives	(17.776.570,22)	(90.353.211,55)	(17.776.570,22)	(90.353.211,55)
- Mutual Funds	(7.688.174,45)	1.276.653,12	(7.683.796,29)	1.260.310,60
	(53.360.413,59)	**(77.523.066,71)**	**(53.295.297,85)**	**(77.549.394,33)**
Foreign exchange profits/(losses)	1.435.212,50	(1.039.012,61)	1.435.212,50	(1.039.012,61)
Total	**(51.925.201,09)**	**(78.562.079,32)**	**(51.860.085,35)**	**(78.588.406,94)**

From July 1st 2008 the Bank has applied fair value hedge accounting for the part of fixed rate mortgage loans and consumer portfolio using interest rate swaps. For the period 1/7/2008-31/12/2008 the net result of derivatives valuation amounted to a loss of € 54.255.184,26, while the net result of loans and receivables valuation at fair value amounted to a profit of € 54.022.036,47. The difference of €233.142,47 has been recognized as other operating income , whereas the result of hedge accounting has been included in securities and derivatives of profit and loss line “Net Income from financial instruments designated at fair value through Profit or Loss”.

From October 1st 2008 has applied hedge accounting for bonds that are included in the Available for sale portfolio and as well as in Loans and receivables with interest rate swap and future contracts. For the period 1/10/2008-31/12/2008, the net result from impairment of derivatives amounted to a loss of € 27.799.726,85 and the net result from impairment of bonds amounted to a profit of € 26.456.810,86.

10. Net income from investment securities

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

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Net income from the available for sale securities				
- Shares	(4.619.691,30)	12.705.420,48	(4.619.691,30)	12.705.420,48
- Bonds and other securities	10.088.508,05	50.505.116,06	10.088.508,05	50.505.116,06
- Impairment	(955.800,34)	(2.007.900,00)	(955.800,34)	(2.007.900,00)
Total	**4.513.016,41**	**61.202.636,54**	**4.513.016,41**	**61.202.636,54**

11. Other operating income

The other operating income is analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Rental income	7.741,68	32.334,11	31.814,25	32.334,11
Other income	2.574.292,88	1.012.496,12	2.618.235,66	1.043.082,55
Total	**2.582.034,56**	**1.044.830,23**	**2.650.049,91**	**1.075.416,66**

12. Personnel expenses

The number of the Group employees on December 31st, 2008 amounts to 1.783 (of which 98 relate to subsidiaries) as compared to 1.318 (6 of which are relate to the subsidiaries) as of December 31st, 2007 respectively.

Personnel expenses affect the profit/(loss) of the fiscal year as follows:

Amounts in €	ON CONSOLIDATED BASIS 31.12.2008	31.12.2007	ON STAND ALONE BASIS 31.12.2008	31.12.2007
Wages and salaries	76.186.923,35	65.481.709,47	75.121.353,43	65.232.071,45
Social security contributions	4.216.099,75	2.357.415,42	4.019.157,09	2.302.817,86
Provision for staff termination indemnity (note 34)	4.752.301,29	303.941,00	4.728.206,62	303.941,00
Other personnel expenses	2.019.751,94	2.115.372,18	2.004.075,77	2.115.372,18
Cost of shares offered to employees at a discount and free from the main shareholder	-	14.774.197,03	-	14.774.197,03
Cost for additional employee expense L. 3016/2202	-	16.051.965,04	-	16.051.965,04
Cost of voluntary redundancy (note 34)	15.701.054,38	-	15.701.054,38	-
Total	**102.876.130,71**	**101.084.600,14**	**101.573.847,29**	**100.780.364,56**

On May 30th, 2008 the establishment of the ''Voluntary Redundancy Plan'' for the Bank's staff, was decided in order to improve the effectiveness and efficiency ratios and also reinforcing the Bank with new personnel. The ''Voluntary Redundancy Plan'' has been accepted by 130 employees, who represent the 7,72% of the existing personnel as at December 31st , 2008. The Plan's cost amounting to €15,70 mil. approximately is depicted in ''Cost of voluntary redundancy''.

The account «Cost of additional employee expense Law 3016/2002» pertains to the remuneration cost of pending legal claims of the total of employees, arising in the third quarter of 2007, aimed at the retrospective (from the year 2002 and onwards) payment of the € 176 monthly allowance , in compliance with Article 14, of the Law 3016/2002, which, following the compromise reached by the parties involved was limited to the total amount of allowance as that of € 16,05 million. The aforementioned amount does not comprise the retrospective daily interest rates and administrative expenses that will burden the Bank in case the claims of the employees are satisfied – an event that is regarded as highly probable according to the estimates of the legal advisers. Following the compromise that had been reached, the employees resigned from their right as far as any current or contingent court claims are concerned.

The "Cost of Shares offered to the employees at a discount and free from the main shareholder" for the year ended 31 December 2007 includes the amount of €13.770 million in relation to the first part of the Stock Option Plan for the shares that were offered to the employees, as the Extraordinary General Assembly decided on 18th April 2007. Further analysis of the above is presented in note 36.

Regarding the second part of the above Plan, Bank's management during third semester of 2008 recalculated the number of stock options which were expected to be asked at 30/11/2008 based on the terms of the Stock Option Plan.

13. General, administrative and other operating expenses

General, administrative and other operating expenses are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Associated lawyers & engineers fees	4.002.978,32	6.050.721,80	4.002.978,32	6.050.721,80
Electronic Data Support fees	2.844.147,46	6.683.028,25	2.552.374,26	6.642.081,63
Other third party fees and expenses	27.852.205,65	30.917.018,60	26.335.953,79	30.842.294,03
Expenses of EL.TA. Network	17.984.899,47	12.998.260,31	17.984.899,47	12.998.260,31
Rental expense of buildings	5.005.854,85	3.702.348,80	4.915.067,50	3.723.934,77
Insurance Expenses	693.349,79	701.467,04	690.219,03	701.467,04
Telephone-Postal expenses	3.879.311,79	4.333.081,65	3.750.423,75	4.325.052,92
Repairs & maintenance	1.919.608,86	1.773.363,38	1.894.050,13	1.762.019,63
Office supplies	1.244.565,93	2.240.523,44	1.178.749,94	2.229.616,39
Promotion and Advertising Expenses	24.218.869,20	6.098.772,85	24.196.748,27	6.064.820,01
Electricity Expenses	1.601.244,36	1.422.022,81	1.601.244,36	1.422.022,81
Cleaning expenses	992.858,95	983.189,44	992.858,95	983.189,44
Tax & Duties- VAT	11.490.944,36	10.087.654,72	11.469.838,58	10.079.126,50
Subscription-Contributions	1.605.415,32	1.644.315,88	1.537.910,40	1.579.897,63
Other administrative expenses	6.709.906,15	9.678.254,98	6.660.227,99	9.671.649,47
Total	**112.046.160,46**	**99.314.023,95**	**109.763.544,74**	**99.076.154,38**

14. Other operating expenses

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Cost of consumer loans to employees	4.705.825,87	2.632.447,54	4.705.825,87	2.632.447,54
Other expenses	1.681.253,86	1.282.530,08	1.079.271,50	1.279.730,42
Total	**6.387.079,73**	**3.914.977,62**	**5.785.097,37**	**3.912.177,96**

15. Impairment Losses on loans, advances and other assets

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Loans and advances to customers	36.072.911,43	28.711.261,85	36.072.911,43	28.711.261,85
Other assets	33.723.005,64	-	33.708.000,00	-
Reversal of provision for other assets	(2.718.493,61)	-	(2.718.493,61)	-
Total	**67.077.423,46**	**28.711.261,85**	**67.062.417,82**	**28.711.261,85**

16. Income Tax

Tax expense affects the profit/(loss) of the year as follows:

Amounts in €	ON CONSOLIDATED BASIS 31.12.2008	31.12.2007	ON STAND ALONE BASIS 31.12.2008	31.12.2007
Income Tax	20.169.805,38	25.776.405,74	20.161.946,02	25.776.405,74
Deferred Tax	(20.403.270,12)	(18.975.681,66)	(20.429.296,88)	(18.970.643,36)
Total	**(233.464,74)**	**6.800.724,08**	**(267.350,86)**	**6.805.762,38**

Current income tax for the Bank has been calculated using a tax rate of 25% for the periods 1/01/2008-31/12/2008 and 1/01/2007-31/12/2007. Current income tax is recognized as expense for the fiscal year and calculated based on the current tax rate.

According to Law 3697/08 starting from 2010, the tax rate will be reduced one percent annually until the rate reaches 20% in 2014 and thereafter, dividends approved by the general shareholders meetings after 1.1.2009 are subject to a withholding tax of 10% with no further tax obligation for the beneficiary.

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

The movement of current tax income which has been recognized in the Income Statement is analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS 31.12.2008	31.12.2007	ON STAND ALONE BASIS 31.12.2008	31.12.2007
Profit before tax	**2.613.545,83**	**50.249.098,88**	**2.659.398,19**	**50.253.363,95**
Income tax based on the current tax rate of 25%	653.386,46	12.562.274,72	664.849,55	12.563.340,99
Income not subject to taxation	(23.827.385,01)	(16.269.957,59)	(23.851.735,49)	(16.265.985,56)
Expenses not deductible for tax purposes	21.497.548,70	9.700.618,48	21.497.548,70	9.700.618,48
Effect of tax rate change	952.058,19	-	950.853,46	-
Other effects	490.926,92	807.788,47	471.132,92	807.788,47
Income tax	**(233.464,74)**	**6.800.724,08**	**(267.350,86)**	**6.805.762,38**
Actual tax rate	-8,93%	13,53%	-10,05%	13,54%

17. Earnings per share

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

The basic and diluted earnings per share for the years 01/01-31/12/2008 and 01/01-31/12/2007 are calculated as follows:

	On consolidated basis		On stand alone basis	
Amounts in €	**01.01-31.12.08**	**01.01-31.12.07**	**01.01-31.12.08**	**01.01-31.12.07**
Net profit/(loss) attributable to the shareholders of the Bank	2.885.206,40	43.447.995,92	2.926.749,05	43.447.601,57
Weighted average number of shares outstanding	141.525.736	140.911.687	141.532.736	140.911.687
Possible shares from stock option	-	1.401.932	-	1.401.932
Average number of shares for diluted earnings/(loss) per share	141.525.736	142.313.619	141.532.736	142.313.619
Basic earnings/(loss) per share	**0,0204**	**0,3083**	**0,0207**	**0,3083**
Diluted earnings/(loss) per share	**0,0204**	**0,3053**	**0,0207**	**0,3053**

18. Dividends

The Annual General Assembly of the Shareholders held on May 2nd, 2008 decided the distribution of dividends in the amount of € 35.558.245,50 which was paid to shareholders within the legally provided period and in accordance with the Bank's financial calendar.

19. Cash and Balances with Central Bank

Cash and Balances with Central Bank are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Cash	32.603.001,69	38.471.464,01	32.601.618,29	38.470.437,21
Balances with Central Bank	147.339.240,25	90.865.878,85	147.339.240,25	90.865.878,85
Total	**179.942.241,94**	**129.337.342,86**	**179.940.858,54**	**129.336.316,06**

In the account of "Balances with Central Bank" an amount of € 147.339.240,25 at 31.12.2008 and an amount of € 89.820.020,77 at 31.12.2007 concerns mandatory deposits to Central Bank.

20. Due from Banks

Amounts due from banks are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Time Deposits with banks	2.466.688.230,75	2.442.006.554,49	2.465.188.230,75	2.442.006.554,49
Correspondent Banks	1.003.418,57	2.621.680,44	1.003.418,57	2.621.680,44
Sight deposits	8.663.506,53	7.573.164,03	7.300.318,84	7.204.046,29
Futures margin accounts	27.164.504,82	8.794.674,11	27.164.504,82	8.794.674,11
Reverse repos	453.081.608,59	122.000.000,00	453.000.000,00	122.000.000,00
Others	51.811.987,02	3.656.227,25	51.811.987,02	3.656.227,25
Total	**3.008.413.256,28**	**2.586.652.300,32**	**3.005.468.460,00**	**2.586.283.182,58**

21. Loans and advances to Customers

The loans and advances to customers are analyzed as follows:

	ON CONSOLIDATED & STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**
Public Sector loans and debt securities	519.079.681,44	162.515.783,80
Consumer loans	1.886.804.642,37	1.689.856.586,53
Mortgage Loans	4.479.837.862,66	4.085.826.479,53
Credit Cards	191.270.174,26	172.160.330,52
Debt securities of loan portfolio	49.082.279,27	-
Total	**7.126.074.640,00**	**6.110.359.180,38**
Less: Allowances for impairment on loans and advances to customers	(122.098.296,00)	(86.851.160,03)
Net Total	**7.003.976.344,00**	**6.023.508.020,35**

In accordance to the amendments of IAS 39, the Bank reclassified securities amounting to € 18,93 million of "Trading Portfolio" and securities amounting to € 5,00 million from "Available for Sale Portfolio" to "Loans and Receivables" on July 1st, 2008. The aforementioned securities are not quoted in an active market and the Bank has the intention to hold them for the foreseeable future. These securities have been tested for impairment.

The movement of impairment on loans and advances to customers is analyzed as follows :

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

	Consumer loans	Mortgages	Credit Cards	Public Sector loans and debt securities	Debt securities of loan portfolio	Total
Balance at January 1st, 2007	**28.754.355,65**	**21.684.023,40**	**8.744.544,58**	**845.324,37**	**0,00**	**60.028.248,00**
Provision for loan impairment	10.400.563,18	11.634.700,43	6.675.998,24	-	-	28.711.261,85
Loans written off	-	-	(1.927.835,86)	-	-	(1.927.835,86)
Returns from written off loans of the year	-	-	39.486,04	-	-	39.486,04
Balanace at December 31st, 2007	**39.154.918,83**	**33.318.723,83**	**13.532.193,00**	**845.324,37**	**0,00**	**86.851.160,03**

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

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Financial Assets designated at fair value through profit or loss				
Bonds issued by financial institutions	50.741.672,40	116.427.556,13	50.741.672,40	116.427.556,13
Mutual Fund Units	25.528.641,81	31.703.566,26	24.658.032,29	31.117.828,58
Alternative Investments	61.786.500,00	217.899.900,00	61.786.500,00	217.899.900,00
Total Financial Assets designated at fair value through profit or loss	**138.056.814,21**	**366.031.022,39**	**137.186.204,69**	**365.445.284,71**
Trading Securities				
Bonds and other debt securities				
Greek Government Bonds	565.255,51	144.371.634,56	565.255,51	144.371.634,56
Foreign Government Bonds	10.093.830,00	32.987.449,00	10.093.830,00	32.987.449,00
Bonds issued by financial institutions	276.522.150,86	122.060.483,76	276.522.150,86	122.060.483,76
Corporate Bonds	29.486.578,69	146.518.567,42	29.486.578,69	146.518.567,42
	316.667.815,06	**445.938.134,74**	**316.667.815,06**	**445.938.134,74**
Shares				
Shares listed on the ASE	1.295.419,83	71.650.158,93	1.194.867,19	71.650.158,93
Shares listed on foreign stock exchanges	-	20.972.727,30	-	20.972.727,30
	1.295.419,83	**92.622.886,23**	**1.194.867,19**	**92.622.886,23**
Total Trading Securities	**317.963.234,89**	**538.561.020,97**	**317.862.682,25**	**538.561.020,97**
Total	**456.020.049,10**	**904.592.043,36**	**455.048.886,94**	**904.006.305,68**

The pledged bonds in trade portfolio as at 31/12/2008 are analyzed as follows:

Pledged Greek Government Bonds included in Trading Portfolio	
Type of engagement	**Fair Value 31.12.2008**
Interbank Repos	2.473.619,18
Pledged assets for daily liquidity (Bank of Greece)	104.052.100,00
Customer Repos	-
Total	**106.525.719,18**

23. Derivative financial instruments – assets - liabilities

As at December 31st , 2008 and December 31st , 2007 the Bank was trading the following derivatives:

	December 31st, 2008			December 31st, 2007		
Amounts in €	Face Value	Fair Value		Face Value	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Interest rate swaps	1.455.096.189,55	3.259.667,24	48.399.625,90	2.473.750.000,00	20.292.726,87	5.167.146,31
Credit default swaps	181.486.347,63	786.158,93	2.585.017,44	-	-	-
Currency swaps	46.002.920,54	490.868,76	3.359.019,52	34.829.074,11	1.775.501,13	161.685,05
Futures	217.807.052,85	593.984,61	1.813.644,18	167.646.962,50	931.137,50	107.500,00
Fx forwards	1.222.707,74	3.628,87	45.190,66	-	-	-
Embedded derivatives	194.927.246,59	-	31.441.157,34	61.660.000,00	-	5.463.370,34
Total	**2.096.542.464,90**	**5.134.308,41**	**87.643.655,04**	**2.737.886.036,61**	**22.999.365,50**	**10.899.701,70**

From the aforementioned Derivative Financial Instruments the Bank, at 31/12/2008, holds Interest Rate and Currency Swaps for hedging accounting purposes. From the aforementioned derivative financial instruments and for fair value hedging, the Bank holds, as of 31/12/2008, interest rate swaps and currency swaps: a) to hedge Loans of nominal value € 975.260.000,00 for which the net fair value results to an obligation of € 35.443.903.26 and b) to hedge debt securities portfolio and portfolio Available For Sale of nominal value € 281.318.260.71 for which the net fair value results to an obligation of € 12.821.251,16.

24. Investment securities available for sale and held to maturity

Investment securities available for sale are analyzed as follows:

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS 31.12.2008	31.12.2007
Available for sale securities		
Debt securities		
Greek Government Bonds	1.680.530.172,84	2.404.760.977,62
Foreign Government Bonds	68.769.007,54	101.402.720,00
Corporate Bonds	234.582.994,86	213.988.166,78
Bonds issued by financial institutions	333.306.203,70	271.432.681,56
Bonds issued by International Organisations	5.014.150,00	-
Total income of debt securities	**2.322.202.528,94**	**2.991.584.545,96**
Available for sale equity securities		
Share listed on ASE	85.686.056,56	103.404.646,16
Unlisted shares	30.580.296,38	30.511.489,49
Venture Capitals	728.951,61	1.295.918,92
Total variable income equity securities	**116.995.304,55**	**135.212.054,57**
Total available for sale securities	**2.439.197.833,49**	**3.126.796.600,53**
Securities held to maturity		
Debt seurities		
Greek Government Bonds	939.757.466,24	-
Bonds issued by financial institutions	187.957.748,35	-
Corporate bonds	15.567.352,00	-
Total held to maturity securities	**1.143.282.566,59**	**0,00**
Total available for sale securities and held to maturity securities	**3.582.480.400,08**	**3.126.796.600,53**

The management of the Bank assessed that the current liquidity crisis justifies the rare circumstances criteria set by the amendments of IAS 39 and IFRS 7, issued in October 2008 and applied from 1/7/2008,

Based on the aforementioned amendments the following reclassification took place:

- a) Shares and bonds of amount € 158,23 million have been transferred from the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio, the valuation of which for the period 01/07-31/12/2008 came to a loss of € 33,69 million and recognized in equity. b) Bonds of amount € 47,03 million have been transferred from the "Trading Securities" portfolio to "Held to Maturity" portfolio, c) Bonds of amount € 18,93 million have been transferred from the "Trading Securities" portfolio to "Loans and Receivables",
- and bonds of amount € 5 million from "Available for Sale Securities" portfolio transferred to "Loans and Receivable" portfolio.

The securities which have been reclassified to "Held to maturity" or "Loans and Receivables" portfolio have been measured at amortized cost and consequently a fair value loss of amount € 14,16 million had no effect on the income statement and the equity of the period from 01/07-31/12/2008. The reclassification of the aforementioned securities to “Held to Maturity Portfolio” as well as to “Loans and Receivables” has been at fair value as at 01/07/2008, which became the new amortized cost on the basis of which the effective interest rate method was used to allocate the interest income.

Furthermore, Greek Government Bonds of fair value € 442,54million transferred, at 01/10/2008, from the “Trading Securities” portfolio to “Available for Sale Securities” portfolio. The fair value loss of these bonds for the period 01/10-31/12/2008 was € 9,25 million and recognized in the Available for sale reserve.

The revaluation loss at fair value for the period 01/01- 30/06/2008 was € 24,8 million and for the period 01/01-30/09/2008 was € 7,85 million which have been recognized respectively in the Income Statement and is also included in the account: “ Net income of Financial Instruments Designated at Fair Value through Profit/(Loss)”.

For the securities that have been transferred to “Held to Maturity Portfolio” the Bank has the ability and the intention to hold them unti the date of maturity. The Bonds that have been transferred to “Loans and Receivables” are not quoted in an active market and the Bank has the intention to hold them for the foreseeable future.

The fair values of pledged bonds at 31/12/2008 are included in the available for sale portfolio as follows:

Pledged Greek Government Bonds included in Investment Portfolio

Type of engagement	Fair Value 31.12.2008
Interbank Repos	1.271.266.181,00
Pledged assets for daily liquidity (Bank of Greece)	1.178.813.142,50
Customer Repos	3.635.715,92
Total	**2.453.715.039,42**

The movement of investment securities available for sale for the fiscal year 01/01-31/12/2008 is analyzed as follows:

	Investments available for sale	Investments held to maturity	Total
Opening balance as at 1.1.2008	**3.126.796.600,53**	**0,00**	**3.126.796.600,53**
Additions	1.218.554.120,64	1.098.057.140,34	2.316.611.260,98
Reclassification to Available for sale portfolio	600.774.291,49	47.038.940,88	647.813.232,37
Reclassification to Loans and Receivables	(5.000.000,00)	-	(5.000.000,00)
Transfer in associate	(84.131.733,84)	-	(84.131.733,84)
Disposals & write offs	(2.237.889.089,22)	-	(2.237.889.089,22)
Foreign exchange differences	4.885.453,42	1.392.530,12	6.277.983,54
Premium/ discount	(10.956.428,15)	(3.206.044,75)	(14.162.472,90)
Adjustment to fair value recognized directly in reserves	(173.835.381,38)	-	(173.835.381,38)
Closing balance as at 31.12.2008	**2.439.197.833,49**	**1.143.282.566,59**	**3.582.480.400,08**

The movement of available for sale and held to maturity securities for the fiscal year 01/01-31/12/2007 is analyzed as follows:

	Investments available for sale	Investments held to maturity	Total
Opening balance as at 1.1.2007	**4.097.038.608,53**	**490.183.271,81**	**4.587.221.880,34**
Additions	1.709.423.342,75	-	1.709.423.342,75
Disposals & write offs	(2.609.978.031,99)	(488.762.419,66)	(3.098.740.451,65)
Foreign exchange differences	(64.791,76)	-	(64.791,76)
Premium / discount	(4.929.936,12)	(1.420.852,15)	(6.350.788,27)
Adjustment to fair value recognized directly in reserves	(64.692.590,88)	-	(64.692.590,88)
Closing balance as at 31.12.2007	**3.126.796.600,53**	**0,00**	**3.126.796.600,53**

25. Property, plant and equipment

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

Property, plant and equipment on consolidated basis

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
January 1st, 2007	65.615.461,77	37.533.599,66	3.596.353,25	35.693.821,12	5.322,58	142.444.558,38
Disposals / Transfers	-	-	-	-	-	-
Additions	-	4.564.831,68	6.530,57	4.139.289,98	-	8.710.652,23
Disposals & write offs	-	-	-	-	-	-
December 31st, 2007	**65.615.461,77**	**42.098.431,34**	**3.602.883,82**	**39.833.111,10**	**5.322,58**	**151.155.210,61**
Accumulated depreciation						
January 1st, 2007	-	(4.364.159,79)	(3.076.693,96)	(23.283.857,99)	-	(30.724.711,74)
Disposals & write offs	-	-	-	-	-	-
Depreciation	-	(1.768.092,51)	(142.899,24)	(5.950.812,75)	-	(7.861.804,50)
December 31st, 2007	**0,00**	**(6.132.252,30)**	**(3.219.593,20)**	**(29.234.670,74)**	**0,00**	**(38.586.516,24)**
Net Book Value at December 31st, 2007	**65.615.461,77**	**35.966.179,04**	**383.290,62**	**10.598.440,36**	**5.322,58**	**112.568.694,37**
Cost						
January 1st, 2008	65.615.461,77	42.098.431,34	3.602.883,82	39.833.111,10	5.322,58	151.155.210,61
Acquisition of subsidiary	-	91.927,61	5.299,07	493.708,61	-	590.935,29
Disposals & write offs	(9.000,00)	-	-	-	-	(9.000,00)
Additions	-	6.236.594,73	59.449,99	4.492.711,16	-	10.788.755,88
December 31st, 2008	**65.606.461,77**	**48.426.953,68**	**3.667.632,88**	**44.819.530,87**	**5.322,58**	**162.525.901,78**
Accumulated depreciation						
January 1st, 2008	-	(6.132.252,30)	(3.219.593,20)	(29.234.670,74)	-	(38.586.516,24)
Acquisition of subsidiary	-	(27.772,41)	(2.623,58)	(476.517,05)	-	(506.913,04)
Disposals & write offs	-	-	-	-	-	-
Depreciation	-	(2.125.256,47)	(110.088,45)	(5.949.098,98)	-	(8.184.443,90)
December 31st, 2008	**0,00**	**(8.285.281,17)**	**(3.332.305,23)**	**(35.660.286,77)**	**0,00**	**(47.277.873,17)**
Net Book Value at December 31st, 2008	**65.606.461,77**	**40.141.672,51**	**335.327,65**	**9.159.244,10**	**5.322,58**	**115.248.028,61**

Property, plant and equipment on Stand alone basis

Amounts in €	Land	Buildings & Building installations	Mechanical Equipment & vehicles	Furniture and other equipment	Assets under Construction	Total
Cost						
January 1st, 2007	65.615.461,77	37.511.223,68	3.596.353,25	35.544.047,64	5.322,58	142.272.408,92
Disposals / Transfers	-	-	-	-	-	-
Additions	-	4.564.831,68	6.530,57	4.137.564,48	-	8.708.926,73
Disposals & write offs	-	-	-	-	-	-
December 31st, 2007	**65.615.461,77**	**42.076.055,36**	**3.602.883,82**	**39.681.612,12**	**5.322,58**	**150.981.335,65**
Accumulated depreciation						
January 1st, 2007	-	(4.350.094,81)	(3.076.693,96)	(23.212.757,12)	-	(30.639.545,89)
Disposals & write offs	-	-	-	-	-	-
Depreciation	-	(1.765.169,70)	(142.899,24)	(5.925.527,30)	-	(7.833.596,24)
December 31st, 2007	**0,00**	**(6.115.264,51)**	**(3.219.593,20)**	**(29.138.284,42)**	**0,00**	**(38.473.142,13)**
Net Book Value at December 31st, 2007	**65.615.461,77**	**35.960.790,85**	**383.290,62**	**10.543.327,70**	**5.322,58**	**112.508.193,52**
Cost						
January 1st, 2008	65.615.461,77	42.076.055,36	3.602.883,82	39.681.612,12	5.322,58	150.981.335,65
Disposals & write offs	(9.000,00)	-	-	-	-	(9.000,00)
Additions	-	6.236.594,73	59.449,99	4.486.791,05	-	10.782.835,77
December 31st, 2008	**65.606.461,77**	**48.312.650,09**	**3.662.333,81**	**44.168.403,17**	**5.322,58**	**161.755.171,42**
Accumulated depreciation						
January 1st, 2008	-	(6.115.264,51)	(3.219.593,20)	(29.138.284,42)	-	(38.473.142,13)
Disposals & write offs	-	-	-	-	-	-
Depreciation	-	(2.121.625,34)	(109.889,73)	(5.918.907,28)	-	(8.150.422,35)
December 31st, 2008	**0,00**	**(8.236.889,85)**	**(3.329.482,93)**	**(35.057.191,70)**	**0,00**	**(46.623.564,48)**
Net Book Value at December 31st, 2008	**65.606.461,77**	**40.075.760,24**	**332.850,88**	**9.111.211,47**	**5.322,58**	**115.131.606,94**

26. Goodwill and Intangible assets

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

Amounts in €	ON CONSOLIDATED BASIS GOODWILL	ON CONSOLIDATED BASIS SOFTWARE	ON STAND ALONE BASIS SOFTWARE
Cost			
January 1st, 2007	-	15.740.866,42	15.600.799,64
Additions	-	1.245.110,49	1.245.110,49
December 31st, 2007	**-**	**16.985.976,91**	**16.845.910,13**
Accumulated amortisation			
January 1st, 2007	-	(4.381.260,42)	(4.293.938,09)
Amortization charge	-	(2.318.179,02)	(2.291.730,39)
December 31st, 2007	**0,00**	**(6.699.439,44)**	**(6.585.668,48)**
Net Book Value at December 31st, 2007	**0,00**	**10.286.537,47**	**10.260.241,65**
Cost			
January 1st, 2008	-	16.985.976,91	16.845.910,13
Acquisition of subsidiary	7.704.298,57	771.668,39	-
Additions	-	4.275.389,37	4.259.121,57
December 31st, 2008	**7.704.298,57**	**22.033.034,67**	**21.105.031,70**
Accumulated amortisation			
January 1st, 2008	-	(6.699.439,44)	(6.585.668,48)
Acquisition of subsidiary	-	(576.081,99)	-
Amortisation charge of the year	-	(2.648.009,94)	(2.614.622,82)
December 31st, 2008	-	**(9.923.531,37)**	**(9.200.291,30)**
Net Book Value at December 31st, 2008	**7.704.298,57**	**12.109.503,30**	**11.904.740,40**

The amount of goodwill (temporary goodwill) created during the fiscal year derived from the difference between the acquisition price and the assets consolidated in the Group's financial statements from the acquisition of 50% of the subsidiary "BESTLINE CARDS S.A.". The total fee of 18.900.200,00 € was given in cash, from which 2.904.000,00€ was given through capital increase and the rest amount of 15.996.200,00€ was given through increase of share premium, which completed on October 3rd, 2008. As at December 31st, 2008, no goodwill impairment tests were carried out due to the fact that the purchase price allocation process to assets and liabilities has not been completed nor the allocation of the relevant goodwill to the cash flows production units.

Details on the net assets and temporary goodwill arising from the initial acquisition are presented in the table which follows:

Amounts in €	Fair Value recognized at acquisition date
Assets	
Property, plant and equipment	84.022,25
Intangible assets	195.586,40
Loans and advances to customers	1.472.868,53
Due to related parties	764.000,00
Financial assets designated at fair value through profit & loss	159.280,00
Other assets	483.799,60
Cash ans cash equivalents	21.218.721,13
Total Assets	**24.378.277,91**
Liabilities	
Due to Suppliers	291.928,34
Deferred tax liabilities	2.975,81
Retirement benefit obligations	365.464,68
Current income tax liabilities	1.126.079,67
Other liabilities	200.026,55
Total liabilities	**1.986.475,04**
Net Assets	**22.391.802,87**
Shareholding acquired by the Group	**50,00%**
Net asset value acquired by the Group	11.195.901,43
Plus : Temporary goodwill arising on acquisition	7.704.298,57
Total acquisition cost	**18.900.200,00**
Less : Net cash acquired with the subsidiary	21.218.721,13
Net cash inflow for acquisition of subsidiary	**2.318.521,13**

It is noted that the fair value of the aforementioned assets, liabilities as well as contingent liabilities, was defined based on temporary values. The procedure of allocating the acquisition cost based on the estimation of the fair value of the recognizable intangible assets, tangible assets and other assets and liabilities (Purchase price allocation, PPA), is underway.

27.Investment is subsidiaries

The bank's investment percentage in its subsidiaries at 31.12.2008 and 31.12.2007 respectively, is analysed as follow.

Name	Country of incorporation	Participation Type	Bank's ownership interest %	Participation Cost 31.12.2008
GREEK POSTAL SAVINGS BANK-ELTA MUTUAL FUNDS MANAGEMENT S.A.	Greece	Direct	51%	1.235.928,00
BESTLINE CARDS S.A	Greece	Direct	50%	18.900.200,00
TOTAL				**20.136.128,00**

Name	Country of incorporation	Participation Type	Bank's ownership interest %	Participation Cost 31.12.2007
GREEK POSTAL SAVINGS BANK-ELTA MUTUAL FUNDS MANAGEMENT S.A.	Greece	Direct	51%	1.190.028,00
TOTAL				**1.190.028,00**

The abovementioned companies are consolidated with the method of full consolidation. "BEST LINE CARDS PROVISION OF FINANCIAL SERVICES S.A." is included for the first time in the consolidated financial statements as of 31/12/2008, since 50% was acquired in October 2008. In note 26"Goodwill and intangible fixed assets" details are mentioned regarding the acquisition and the generated goodwill.

28. Investment in associate

ATTICA BANK S.A., as an associate with a percentage of 21,03%, on 31/12/2008 consolidates according to the equity method. The company was recognised as an associate on December 23rd 2008 when the participation in its share capital was over 20% and transferred from the ''Available for sale'' portfolio to ''Investment in associate''. For the fiscal year 2008, the proportion of profit and loss of the associate has not been recognized in Group's Income Statements because the recognition was made on the last days of the fiscal year.

	ON CONSOLIDATED & STAND ALONE	
Amounts in €	**31.12.2008**	**31.12.2007**
Balance at January 1st	**0,00**	**0,00**
Transfer from Available for sale portfolio	94.585.030,36	-
Balance at December 31st	**94.585.030,36**	**0,00**

ATTICA BANK S.A. is a societé anonyme. The Registration Number of the Company is 6067/06/B/86/06. The Bank is listed on the Athens Stock Exchange (ASE). and the address of its registered office is 23, Omirou Street in the prefecture of Athens (Postal Code 106-72).

31.12.2008

	Country of incorporation	Total Assets	Total Equity	Total Liabilities	Profit/ loss	Bank's ownership
ATTICA BANK S.A.	Greece	4.520.268.891,63	324.358.163,67	4.195.910.727,96	12.610.329,50	21,03%

The acquisition cost for the 21,03% of the share capital of the company amounted to €94.585.030,36. The amount of goodwill resulting from the acquisition is included in the Acquisition cost of ''ATTICA BANK SA'' in the «Investment in Associate» of the Consolidated Balance Sheet. The goodwill resulting from the acquisition is analyzed as follows:

Amounts in €	
Acquisition cost	94.585.030,36
Minus : % participation in the net assets of the associate company	
Total Shareholder's Equity (on acquisition date)	324.358.163,67
Shareholding %	21,03%
Group Share	68.212.521,82
Goodwill	**26.372.508,54**

It is noted that the fair value of the aforementioned assets, liabilities as well as contingent liabilities, was defined based on temporary values and the published financial statements of ATTICA BANK S.A. on December 31st, 2008. The procedure of allocating the acquisition cost based on the estimation of the fair value of the recognizable intangible assets, tangible assets and other assets and liabilities (Purchase price allocation, PPA), is underway.

29. Deferred tax assets and liabilities

According to Law 3697/2008 concerning the gradual reduction of tax rates between the years 2010 to 2014, the Bank and its subsidiaries performed a recalculation of deferred taxes based on the new tax rates. The effect was recorded in the financial statements. Deferred tax assets and liabilities have been calculated based on the nominal tax rate at which temporary taxable and deductible differences are expected to reverse. Deferred tax assets and liabilities on stand alone and consolidated basis are analyzed as follows:

ON CONSOLIDATED BASIS

Amounts in €	31.12.2008		31.12.2007	
	Assets	Liabilities	Assets	Liabilities
Property plant and equipment	-	2.468.595,60	-	3.655.613,91
Intangible Assets	2.200.842,56	37.904,43	-	1.035.358,54
Financial assets at fair value throught profit and loss	25.690.199,62	873.718,48	23.428.677,98	480.179,90
Available for sale financial assets	37.475.755,90	-	3.881.317,29	574.244,13
Loans and advances to customers	6.497.171,69	6.123.957,61	4.846.829,40	2.749.405,51
Retirement benefits obligations	4.396.255,67	-	6.273.533,75	-
Derivative financial instruments	17.287.849,70	-	-	3.244.509,99
Provisions for other assets	1.386.176,95	-	2.123.557,73	-
Other staff benefit provisions	1.324.877,24	-	1.210.820,94	-
Accrued expenses	5.282.068,98	-	7.373.870,02	-
Total	**101.541.198,31**	**9.504.176,12**	**49.138.607,11**	**11.739.311,98**

ON STAND ALONE BASIS

Amounts in €	31.12.2008		31.12.2007	
	Assets	Liabilities	Assets	Liabilities
Property plant and equipment	-	2.468.595,60	-	3.655.613,91
Intangible Assets	2.200.842,56	-	-	1.035.358,54
Financial assets at fair value throught profit and loss	25.690.199,62	873.458,48	23.428.677,98	480.179,90
Available for sale financial assets	37.475.755,90	-	3.881.317,29	574.244,13
Loans and advances to customers	6.497.171,69	6.123.957,61	4.846.829,40	2.749.405,51
Retirement benefits obligations	4.318.343,80	-	6.273.533,75	-
Derivative financial instruments	17.287.849,70	-	-	3.244.509,99
Provisions for other assets	1.386.176,95	-	2.123.557,73	-
Other staff benefit provisions	1.324.877,24	-	1.210.820,94	-
Accrued expenses	5.282.068,98	-	7.373.870,02	-
Total	**101.463.286,44**	**9.466.011,69**	**49.138.607,11**	**11.739.311,98**

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

The movement of deferred taxes of the years 2008 and 2007 is analyzed as follows:

Amounts in €	On Consolidated Basis 31.12.2008	31.12.2007
Deferred tax expenses		
Intangible Assets	(3.233.157,71)	746.079,11
Recognition of Financial derivatives	(20.532.359,69)	998.411,03
Loans and Advances to Customers	1.724.209,81	(6.251.043,02)
Retirement benefit obligations	1.950.371,02	(75.985,25)
Other Provisions	2.715.125,52	(2.261.284,97)
Financial assets designated at fair value through profit and loss	(1.840.440,76)	(11.561.453,65)
Non tax deductible buildings depreciation	(3.963.769,70)	(305.776,06)
Tangible Assets - Differences in depreciation	2.776.751,39	(264.628,85)
Deferred tax recognized to the results	**(20.403.270,12)**	**(18.975.681,66)**
Deferred tax recognized directly to the shareholder's equity	(34.168.682,74)	(24.819.203,45)
Net change in deferred tax	**(54.571.952,86)**	**(43.794.885,11)**

Amounts in €	On Stand Alone Basis 31.12.2008	31.12.2007
Deferred Tax Expenses		
Intangible Assets	(3.236.201,10)	746.079,11
Recognition of Financial derivatives	(20.532.359,69)	998.411,03
Loans and Advances to Customers	1.724.209,81	(6.251.043,02)
Retirement benefit obligations	1.955.189,95	(75.985,25)
Other Provisions	2.715.125,52	(2.261.284,97)
Financial assets designated at fair value through profit and loss	(1.868.243,06)	(11.556.415,35)
Non tax deductible buildings depreciation	(3.963.769,70)	(305.776,06)
Tangible Assets - Differences in depreciation	2.776.751,39	(264.628,85)
Deferred tax recognized to the income statement	**(20.429.296,88)**	**(18.970.643,36)**
Deferred tax recognized directly to shareholder's equity	(34.168.682,74)	(24.819.203,45)
Net change in deferred tax	**(54.597.979,62)**	**(43.789.846,81)**

30. Current income tax assets and liabilities

Amounts in €	ON STAND ALONE AND CONSOLIDATED BASIS 31.12.2008	31.12.2007
Advance payment regarding income tax and other income tax assets to be offset	43.648.917,19	50.212.131,29
Income tax liabilities	(22.163.091,34)	(27.040.826,76)
Net income tax assets	**21.485.825,85**	**23.171.304,53**

Current tax liabilities are amounted to € 521.411,83 and are strictly related to tax liabilities of subsidiaries.

31. Other assets

Other assets are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Foreclosed assets	3.060.242,49	2.744.263,14	3.060.242,49	2.744.263,14
Due to Greek Government	127.057,16	267.844,77	126.394,66	267.182,27
Accrued interest on loans	40.110.484,48	22.600.796,17	40.110.484,48	22.600.796,17
Accrued interest on Interbank deposits	41.704.475,73	26.274.292,72	41.704.475,73	26.274.292,72
Portfolio Accrued interest	129.869.044,11	120.375.114,37	129.869.044,11	120.375.114,37
Contribution to Hellenic Deposit Guarantee Fund	21.795.674,00	-	21.795.674,00	-
Warranties	33.708.000,00	-	33.708.000,00	-
Other assets	78.228.143,15	35.006.270,30	76.890.472,32	34.913.959,46
Provision for impairment of other assets	(39.483.737,29)	(8.494.230,90)	(39.483.737,29)	(8.494.230,90)
Total	**309.119.383,83**	**198.774.350,57**	**307.781.050,50**	**198.681.377,23**

In accordance with article 6 of Law 3714/7.11.2008 the amount of deposits guaranteed by the deposit guarantee fund, increased from € 20,000 to € 100,000 per depositor. The contribution paid by banks to the deposit guarantee fund also increased. Thus, banks have made additional contributions for 2008. Law 3746/16.2.2009 concerning the "Deposits Guarantee Fund and Investment (TEKE)" provides that the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008 will be included in a special asset group whose elements are jointly included in the proportion of each participant in the credit institutions.

The account "provision for impairment of other assets" is analyzed as follows:

	ON CONSOLIDATED & STAND ALONE BASIS	
Amounts in €	31.12.2008	31.12.2007
Balance at start of the year	(8.494.230,90)	(9.576.398,57)
Expense for the year	(33.708.000,00)	-
Income for the year	2.718.493,61	-
Write offs for the year	-	1.082.167,67
Balance at fiscal year	**(39.483.737,29)**	**(8.494.230,90)**

The expenditure of € 33.708.000,00 refers to provisions recognized for possible default on repayment of debts warranted from third parties. Revenue of € 2.718.493.61 refers to the reversal of the provision recognized for impairment of other assets, the reason for which has expired.

32. Due to Banks

Amounts in €	ON CONSOLIDATED & STAND ALONE BASIS 31.12.2008	31.12.2007
Due to banks:		
Deposits from other banks	1.103.807.573,47	500.000.000,00
Securities sold under agreement to repurchase (Repos)	1.700.869.565,03	538.031.147,54
Total	**2.804.677.138,50**	**1.038.031.147,54**

33. Due to Customers

Deposits and other customer accounts are analyzed as follows:

Amounts in €	ON CONSOLIDATED BASIS 31.12.2008	31.12.2007	ON STAND ALONE BASIS	
Sight deposits	34.922.140,72	9.501.699,01	54.783.083,89	9.501.699,01
Savings deposits	6.204.696.531,93	7.070.510.006,81	6.204.696.531,93	7.070.510.006,81
Time Deposits	4.958.354.891,75	4.018.501.599,95	4.958.354.891,75	4.018.501.599,95
Securities sold under agreements to repurchase (Repos)	3.821.645,07	42.513.511,94	3.821.645,07	42.513.511,94
Other Liabilities	9.442.469,32	14.664.098,23	9.442.469,32	14.664.098,23
Total	**11.211.237.678,79**	**11.155.690.915,94**	**11.231.098.621,96**	**11.155.690.915,94**

34.Retirement benefit obligation

Amounts in €	ON STAND ALONE BASIS 31.12.2008	31.12.2007
Liabilities in Balance Sheet:		
Lump sum retirement benefits		
- Unfunded	**20.085.320,00**	**25.094.135,00**

The sums included in the balance sheet are:

Amounts in €	31.12.2008	31.12.2007
Present Value of unfunded benefits payable	25.075.675,00	28.490.121,00
Unrecognised actuarial profits/(losses)	(4.990.355,00)	(3.395.986,00)
Liability in Balance Sheet	**20.085.320,00**	**25.094.135,00**

The sums recognised in profit or loss are:

Amounts in €	31.12.2008	31.12.2007
Current service cost	928.528,00	136.347,57
Financial cost	1.367.526,00	150.180,43
Recognition of actuarial loss/gain	49.725,00	17.413,00
Recognised cost of previous employment	18.083.482,00	0,00
Total included in personnel expenses	**20.429.261,00**	**303.941,00**

The movement in the retirement benefit obligations is as follows:

Amounts in €	31.12.2008	31.12.2007
Opening balance	25.094.135,00	24.790.194,00
Total expense recognised in income statement	20.429.261,00	303.941,00
Benefits paid by the employer	(25.438.076,00)	-
Closing balance	**20.085.320,00**	**25.094.135,00**

The main actuarial assertions used for accounting purposes are:

	31.12.2008	31.12.2007
Discount rate	5,60%	4,80%
Rate of compensation increase	4,00%	4,00%
Expected remaining service life	20,64	11,09
Inflation	2,50%	2,50%

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

35. Other liabilities

Other liabilities are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Other taxes payable	10.635.743,26	10.483.401,01	10.430.812,19	10.472.325,50
Accrued interest on deposits	54.568.345,93	46.937.129,25	54.568.345,93	46.937.129,25
Accrued interbank interest	62.403.528,90	39.266.948,29	62.403.528,90	39.266.948,29
Accrued interest on Financial securities	11.274.968,95	32.867.953,01	11.274.968,95	32.867.953,01
Insurance premiums payable	1.662.466,05	886.899,38	1.527.923,81	875.452,95
Suppliers	23.116.670,98	16.026.393,91	22.916.918,66	16.008.376,71
Other liabilities	56.072.247,00	52.860.320,36	55.464.577,74	52.850.867,16
Total	**219.733.971,07**	**199.329.045,21**	**218.587.076,18**	**199.279.052,87**

36. Share capital

Share capital movements are analyzed as follows:

	Number of shares	Par Value	Share Capital
Balance at January 1st, 2007	140.866.770	3,7	521.207.049
Issue of new shares	1.366.212	3,7	5.054.984
Balance at December 31st, 2007	**142.232.982**	**3,7**	**526.262.033**
Issue of new shares	0		0
Balance at December 31st, 2008	**142.232.982**	**3,7**	**526.262.033**

Stock Option Plan

On 18/4/2007 the Extraordinary General Assembly of the shareholders of the Bank, in compliance with Article 13 of the Law 2190/1920 decided on the establishment of a two-year share disposal plan in the form of stock options to the members of the Board of Directors (only the employees' representatives), the Bank staff and associated companies not to exceed 2.817.335 shares thus corresponding to 2% of the shares issued at that point of time of the Bank. The distribution price of the newly issued shares was decided to be €3.70, which was equal to their existing nominal value of the Bank shares. The Board of Directors of the Bank was authorized by the General Assembly to proceed to the definition of the specific conditions of the plan. The maturity period of the stock options was decided as that of annual duration and the maturity date was defined as at 30th November of each year. The stock options that reach maturity in each period are decided to be those equal to half of the total of approved shares of the Plan.

The beneficiaries are entitled to full or partial exercise of their rights through their written statement addressed to the Board of Directors. In case a beneficiary does not exercise all the rights provided to him/her within the exercise period, he/she will be able to exercise them in the forthcoming year and, in any case, prior to the termination of the plan.

The General Assembly of May 16th, 2008 partly amended the Stock Option Plan to be in accordance with the new provision of article 13 of

L.2190/1920, which amended by L.3604/2007. The Plan provides the Board of Directors with additional authorization, which mainly a) gives them the right to take all necessary actions in the frame of law so that the number of shares to be exercised come from new listed shares issuance via share capital increase through payment in cash or / and through distribution of treasury shares that bank holds or is about to obtain, and b) gives them the right to determine or change maturity date of stock option.

The movement in the stock options for the years 01/01 - 31/12/2007 and 1/01 – 31/12/2008 is as follows:

	31.12.2008	31.12.2007
Options at January, 1st	**1.451.123**	**0**
Granted options	-	2.817.335
Exercised options	-	(1.366.212)
Non exercised options according to stock option plan	(1.451.123)	-
Options at December, 31st	**0**	**1.451.123**

The fair value of the options has been defined based on the share price as at the option grant date (23/11/2007). In December 2007, the number of options that were exercised within the frame of the aforementioned plan comes to 1.366.212 shares. The deposited amount for the exercise of the rights by the beneficiaries amounts to € 5.054.984,40 and it constituted the bank's share capital increase. The second part of the plan for the fiscal year 2008 was not realised according to the terms of the plan.

The General Assembly of May 16th, 2008, in accordance with article 13, L.2190/1920 decided to establish a stock option plan as to provide the Board of Directors with authorization benefits. Beneficiaries are a) members of Board of Directors (except the Chairman), b) Bank's employees, and c) employees of affiliated companies. The Plan has one year duration (year 2008). The maximum number of shares to be disposed in the framework of the Plan, provided that the beneficiaries exercise their rights, would not exceed 3.324% of Bank's outstanding shares. The issue price of shares was equal to thirteen euros (€ 13.00). Maturity date of stock option would be determined by the Board of Directors. The General Assembly also decided that the Board of Directors could proceed to either a share capital increase or a treasury shares' disposal in order to satisfy beneficiaries' stock option. The above stock option plan was not performed under its terms.

37. Share premium

The movement from share issuance at a premium is analyzed as follows:

Balance at January 1st, 2007	**2.130.062,03**
Shares offered to the employees at a discount and free due to 12 months holding	1.003.290,66
Increase due to cost of Stock Option Plan (December 2007)	13.770.906,37
Balance at December 31st, 2007	**16.904.259,06**
Movement in share premium of fiscal year 2008	-
Balance at December 31st, 2008	**16.904.259,06**

38. Other Reserves, Retained earnings, Revaluation Reserves and Treasury Shares

Other Reserves, Retained earnings and Revaluation Reserves are analyzed as follows:

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Legal Reserve for the period	68.663.547,54	68.517.210,08	68.663.547,54	68.517.210,08
Special Reserves	17.000.000,00	17.000.000,00	17.000.000,00	17.000.000,00
Retained Earnings	80.031.247,83	112.850.624,39	80.652.666,26	113.430.500,17
Total	**165.694.795,37**	**198.367.834,47**	**166.316.213,80**	**198.947.710,25**

According to article 44 of Codified Law 2190/1920 every year 5% of Bank's net profits are held for statutory reserve until this reserve equals 1/3 of Share Capital. The tax free reserves are included in the retained earnings and relate to profits from securities and also specially taxable income (with decreased factors), as income from interest of Greek Government Bonds and treasury bills that have not been distributed. The tax free reserves and reserves from specially taxable income as at 31/12/2008 amount to € 59.694.422,91.

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

Amount in €	**31.12.2008**	**31.12.2007**
	Available for sale reserve	
Balance at start of the year	1.724.201,84	127.619.439,41
Less: Deferred tax	3.307.073,16	(21.512.130,29)
Net opening balance	**5.031.275,00**	**106.107.309,12**
Net profits/(losses) transferred to income statement	(4.513.016,41)	(61.202.646,69)
Net profits/(losses) transferred to associate	10.453.296,52	-
Net profits/(losses) transferred to income statement due to hedging	(25.351.811,57)	-
Net profits/(losses) from changes in fair value	(174.847.532,85)	(64.692.590,88)
Deferred tax movement	34.168.682,74	24.819.203,45
Balance at fiscal year	**(155.059.106,57)**	**5.031.275,00**

Treasury shares

The General Assembly of May 2nd, 2008 decided the implementation of a Share Buyback Plan, pursuant to Article 16 of Law 2190/1920 "re: Societés Anonymes", as is in force. In particular, the G.A. approved the purchase of treasury shares via Athens Stock Exchange up to 10 million (Bank's) shares, with purchase values in the range of € 3,70 (minimum) and € 19 (maximum) within twenty four months from May 2nd, 2008. Within the frame of realization of the abovementioned General Meeting decision, the Board of Directors, under the plan implementation procedures, decided at its as at 30th May 2008 meeting on the acquisition of equity shares within the period approved by the General Meeting, as in compliance with the procedures prescribed by the effective legislation. The number of treasury shares on consolidated basis for the year ended at 31/12/2008 is 3.073.575 shares at a value of € 21.639.036,60 while on stand alone basis the number of treasury shares is 3.062.575 shares at a value of € 21.444.296,60. It is also noted that according to the article 28 of Law on Dematerialized securities System, on the Capital Market, taxation issues and other provisions, as long as the financial institutions participate to the plan of economy's reinforcement, they are not allowed to buy any treasury shares.

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39. Commitments, Contingent liabilities and Assets

a) Contingent tax liabilities

The tax liabilities of the Bank and of its consolidated subsidiary are not final, as there are periods that have not been subject to tax audits. Such periods are:

GROUP	OPEN TAX YEARS
HELLENIC POSTBANK SA	2007-2008
Greek Postal Savings Bank – EL.TA. Mutual Fund Management S.A.F	2006-2008
BESTLINE	2006-2008
ATTICA BANK	2006-2008

Due to the fact that the tax audit may not recognize the business objective of certain expenses or encumber with some other differences, it is possible that additional taxes will be imposed for periods that have not been audited by the tax authorities. The provision raised for the unaudited tax years of the Bank amounts to € 2.400.000,00, of the Greek Postal Savings Bank-EL.TA Mutual Fund Management S.A.F amounts to € 13.544,00, for the Bestline amounts to € 75.000 and for Attica Bank amounts to € 1.597.961.

b) Operating leases

The Bank's commitments (as lessee) mainly arise from buildings which are used as branches and vehicles used by Management. Its receivables (as lessor) mainly relate to rentals from buildings leased to Group's company and others.

The minimum future lease payments for the company are:

	31.12.2008	31.12.2007
- within one year	4.552.249,63	3.767.548,42
- over one year and up to 5 years	12.986.261,09	11.910.075,57
- over 5 years	9.138.178,54	5.250.516,25
Total	**26.676.689,26**	**20.928.140,25**

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

The minimum future lease receives for the company are:

	31.12.2008	31.12.2007
- within one year	32.909,61	32.190,16
- over one year and up to 5 years	33.896,90	66.237,72
- over 5 years	-	-
Total	**66.806,51**	**98.427,88**

Note : Concerns rental incomes from leased buildings

c) Other contingent liabilities

Amounts in €	31.12.2008	31.12.2007
Commitments to extend credit	**105.758.724,48**	**106.837.790,53**

d) Legal issues

There are certain claims and customer lawsuits against the Bank in the ordinary course of business. The total amount claimed by third parties in lawsuits filed against the Bank based on consultation with the Bank's legal department stands at € 4,77 million. In addition the total amount claimed by the Bank stands at € 1.25 million. The provision raised for the unsettled legal claims or lawsuits in arbitrage amounts to € 400.000,00. This provision is included in the line «Other liabilities» .

40. Transactions and Balances of Related Parties

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

Directors and the Bank's managers that participate in Committees.

Amounts in €

Loans granted to related parties	**31.12.2008**	**31.12.2007**
Loans to Members of the Board of Directors and managers of the Group	7.782.843,15	4.770.899,62
Loan's Interest	183.225,22	91.317,06
	7.966.068,37	**4.862.216,68**
Members of the Board of Directors and of management fees and other benefits	**31.12.2008**	**31.12.2007**
Board of Directors and other committee participation fees	507.935,00	278.500,00
Board of Directors and member of management fees	4.124.524,14	2.385.902,78
Other benefits to Board of Directors and members of management	242.897,60	436.699,65
Total	**4.875.356,74**	**3.101.102,43**
Benefits towards Management and managers of the subsidiary-Greek Postal Savings Bank-EL.TA. Mutual Fund Management SA	**31.12.2008**	**31.12.2007**
Board of Directors and Postal's Savings Bank-EL.TA.'s Managers fees	61.200,00	52.200,00
Deposit balances	**31.12.2008**	**31.12.2007**
Group's Board of Directors members and managers	3.779.798,15	2.644.516,01
Time deposits of subsidiaries	19.860.943,17	-
Deposit Interest	108.286,67	43.647,05
	23.749.027,99	**2.688.163,06**
Interbank receivables	**31.12.2008**	**31.12.2007**
Due to associate	159.000.000,00	-
Interbank interest	11.041,67	-
	159.011.041,67	**0,00**
Transactions with the subsidiaries Greek Postal Savings Bank-EL.TA. Mutual Fund Management SA and Bestline S.A.	**31.12.2008**	**31.12.2007**
Other Income	210.057,95	53.033,72
Other Expenses	1.293.259,31	-
	1.503.317,26	**53.033,72**

41. Adjustment of prior year cash flow statement

	Adjusted amount	Published amount	Adjusted amount	Published amount		
	ON CONSOLIDATED BASIS From January 1st to 31.12.2007		ON STAND ALONE BASIS From January 1st to 31.12.2007		Adjustments	Subnote
Amounts in €						
Net cash flow from :						
Operating activities	(548.734.972,24)	(550.968.162,76)	(548.755.860,78)	(550.989.051,30)	2.233.190,52	(I)
Investing activities	1.379.361.336,03	1.379.361.336,03	1.379.312.061,53	1.379.312.061,53	-	
Financing activities	(79.542.777,60)	(79.542.777,60)	(79.465.077,60)	(79.465.077,60)	-	
Net increase of cash and cash equivalents	**751.083.586,19**	**748.850.395,67**	**751.091.123,15**	**748.857.932,63**	**2.233.190,52**	
Cash and cash equivalents at the beginning of the year	1.112.457.670,78	1.112.457.670,78	1.112.079.989,28	1.112.079.989,28	0,00	
Cash and cash equivalents at the end of year	**1.863.541.256,97**	**1.861.308.066,45**	**1.863.171.112,43**	**1.860.937.921,91**	**2.233.190,52**	(I)

Subnote:
I. Effect from change of due from banks and other assets lines

42. Cash and cash equivalents analysis

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

	ON CONSOLIDATED BASIS		ON STAND ALONE BASIS	
Amounts in €	**31.12.2008**	**31.12.2007**	**31.12.2008**	**31.12.2007**
Cash and balances with Central Bank	32.603.001,69	39.517.322,09	32.601.618,29	39.516.295,29
Due from banks	1.397.212.009,00	1.679.652.300,32	1.394.267.212,73	1.679.283.182,58
Greek Government Bonds held for trading	565.255,51	144.371.634,56	565.255,51	144.371.634,56
Cash and cash equivalents	**1.430.380.266,20**	**1.863.541.256,97**	**1.427.434.086,53**	**1.863.171.112,43**

43. Post Balance Sheet Events

On Wednesday, January 28th, 2009 the Shareholders of TT HELLENIC POSTBANK S.A. were invited to attend the Extraordinary General Meeting. The General Meeting decided to approve the Bank's subordination to article 1 of Law 3723/2008 "For the enhancement of liquidity of the economy in response to the impact of the international financial crisis". More specifically it was decided the increase of Bank's share capital up to the amount of 225 mil € by issuing 60.800.00 preference shares, of nominal value € 3,70 per share , completely undertaken by Hellenic Republic, together with the abolition of the pre-emptive rights.

On Monday, March 30th, 2009 the Shareholders of TT HELLENIC POSTBANK S.A. were invited to attend the Extraordinary General Meeting in order to make decisions on the increase of the Bank's share capital up to the amount of 526,3 mil. €, through payment in cash and the issuance of new voting common shares which grants pre-emptive rights to existing shares. Granting of rights of pre-emption to existing shareholders. On March 9th, 2009 both the relevant invitation and the Bank's Board of Directors Report came out, according to the article 9 of L. 3016/2002 and the article 4.14.1.1 of Athens Exchange.

In accordance with the provisions of articles 16 and 45 of Cod. Law 2190/1920 in conjunction with the provisions of article 1, paragraph 3 of Law 3723/2008, the dividend to be distributed may not exceed the maximum amount determined by the provisions of Development Law 148/1967, which is namely 35% of the distributable profits of the fiscal year 2008. Moreover, on "amendments to Law on Dematerialized Securities System, on the Capital Market, taxation issues and other provisions", article 28, in the event of distribution of dividends for the fiscal year 2008,in the appliance of the amendments of article 1, paragraph 1 of Law 3723/2008 (Official Gazzet 250 A) , distribution must be exclusively in the form of shares. Under the aforementioned facts the Board of Directors of the Bank is cautious of making any suggestion about the dividend distribution before the upcoming General Assembly of Shareholders. Moreover, according to the above article of L.3723/2008, as long as the financial institutions participate to the plan of economy's reinforcement, they are not allowed to buy any treasury shares.

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

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

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

31 December 2008	Purchase of own shares on December, 30th, 2008 .
30 December 2008	Purchase of own shares on December, 29th 2008
29 December 2008	.Purchase of own shares on December, 24th 2008.
24 December 2008	Purchase of own shares .
23 December 2008	Purchase of own shares.
22 December 208	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005. Purchase of own shares on December, 19th, 2008 .
19 December 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005. Purchase of own shares on December, 18th, 2008 .
18 December 2008	Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005. Purchase of own shares on December, 17th, 2008
17 December 2008	Purchase of own shares on December, 16th, 2008 .
16 December 2008	Purchase of own shares.
15 December 2008	Purchase of own shares on December, 12th, 2008
12 December 2008	Purchase of own shares.
11 December 2008	Purchase of Own Shares
9 December 2008	Purchase of own shares on December, 8th, 2008.
8 December 2008	Purchase of own shares.
5 December 2008	Purchase of own shares.
4 December 2008	Purchase of own shares on December, 3d, 2008
3 December 2008	Purchase of own shares on December, 2nd, 2008
2 December 2008	Purchase of own shares on December, 1st, 2008
1 December 2008	.Presentation to Analyst`s - 3Q Financial Results 2008 Purchase of own shares on November, 28th, 2008
28 November 2008	Purchase of own shares on November, 27th, 2008
27 November 2008	Purchase of own shares on November, 26th, 2008
26 November 2008	Announcement Date for 3Q 2008 Financial Results
21 November 2008	Purchase of own shares on November, 20th, 2008
20 November 2008	Purchase of own shares on November, 19th, 2008
19 November 2008	Purchase of own shares on November, 18th, 2008
18 November 2008	Purchase of own shares on November, 17th, 2008
14 November 2008	Purchase of own shares on November, 13th, 2008
13 November 2008	Purchase of own shares on November, 12th, 2008

12 November 2008	Announcement of regulated information of Law 3556/2007.
	Purchase of own shares on November, 11th, 2008
4 November 2008	Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
	Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
	Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005
	Purchase of own shares on October, 31, 2008.
31 October 2008	Announcement of regulated information
29 October 2008	Purchase of own shares on October, 27th, 2008
	Announcement of regulated information
	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
27 October 2008	Purchase of own shares.
24 October 2008	Purchase of own shares
16 October 2008	Announcement of regulated information
13 October 2008	Announcement of regulated information
	Announcement of regulated information
6 October 2008	Announcement
1 October 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005
	Purchase of own shares
30 September 2008	Purchase of own shares
19 September 2008	Purchase of own shares
16 September 2008	Purchase of own shares
15 September 2008	Purchase of own shares
12 September 2008	Purchase of own shares
11 September 2008	Purchase of own shares
10 September 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
	Purchase of own shares
9 September 2008	Purchase of own shares
8 September 2008	Purchase of own shares
5 September 2008	Purchase of own shares
4 September 2008	Purchase of own shares
3 September 2008	Financial Results of 1st Half 2008
	Purchase of own shares
2 September 2008	Purchase of own shares
1 September 2008	Presentation to Analyst`s - 1st half 2008 Financial Results

27 August 2008	Date of Announcement of 1st Half 2008 Bank's Financial Results
4 August 2008	Share Buyback Plan - Monthly Report of July 2008
25 July 2008	Change in the composition of the Board of Directors of the Bank
21 July 2008	Announcement of important facts
15 July 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no.
14 July 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no.
10 July 2008	Announcement of regulated information according to Law 3340/2005
9 July 2008	Share Buyback Plan - Monthly Report
	Purchase of own shares
7 July 2008	Purchase of own shares
3 July 2008	Purchase of own shares
23 June 2008	Announcement
	Purchase of own shares
17 June 2008	Purchase of own shares
11 June 2008	Distribution of dividend of fiscal year 2007
4 June 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
2 June 2008	1rst Quarter 2008 Results Presentation - June 2008
	Presentation to Analysts
28 May 2008	Date of announcement of Bank's 1st Quarter 2008 Financial Results
20 May 2008	Decisions of the First Iterative General Assembly of May 16th, 2008
19 May 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
5 May 2008	Decisions of the Ordinary General Assembly of May 2nd, 2008
22 April 2008	Announcement
17 April 2008	INVITATION TO THE ORDINARY GENERAL ASSEMBLY OF SHAREHOLDERS OF THE GREEK POSTAL SAVINGS BANK S.A.-Correction
1 April 2008	Annual Results Presentation
27 March 2008	Financial Calendar of 2008
21 March 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
12 March 2008	Announcement of regulated information - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
27 February 2008	New Treasury Manager of the Bank
11 February 2008	Announcement of regulated information - Law 3556/2007

28 January 2008	Announcement of regulated information pursuant to law 3556/2007 - Trade Acknowledgement, article 13, law 3340/2005 and Decision of the Hellenic Capital Market Commission no. 3/347/07.12.2005.
22 January 2008	Notification of significant change concerning the voting rights deriving from shares under L.3556/2007 (articles 9 para. 3 and 14).
18 January 2008	New share capital of Greek Postal Savings Bank S.A.
14 January 2008	INTRODUCTION OF SHARES FROM THE SHARE CAPITAL INCREASE FOLLOWING THE EXERCISE OF THE STOCK OPTION PLAN

(*) The Bank's IR announcements of the full year 2008 are available on the web site of the Bank

http://www.irwebpage.com/ttbank/english/announcements.php?ys=2008

AVAILABILITY
OF ANNUAL FINANCIAL REPORT

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

- STATEMENT by the Members of the BoD (law 3556/2007, article 4)
- Board of Directors Management Report
- Independent Auditor's Report
-
- Financial Statements on Consolidated and Stand Alone Basis December 31st, 2008 in accordance with International Financial Reporting Standards
- Information according to law 3401/2005, article 10
- FINANCIAL DATA AND INFORMATION FOR THE YEAR ENDED AS AT 31.12.2008 (Published according to Law 2190/1920 Article 135, concerning companies that prepare annual financial statements under International Financial Reporting Standards (IFRS))

is available on the Bank's website address:

http://www.irwebpage.com/ttbank/english/financial_statement_year.php?y=2008

TT HELLENIC POSTBANK S.A.

Company's registration number 54777/06/B/03/7
Head office 2-6,Pesmazoglou St, 101 75, Athens, Greece

FINANCIAL DATA AND INFORMATION FOR THE YEAR ENDED AS AT 31.12.2008

(Published according to Law 2190/1920 Article 135, concerning companies that prepare annual financial statements under International Financial Reporting Standards (IFRS))

The Financial information presented below derive from the condensed financial information for the year and provides a general information of the financial position and results of Hellenic Postbank S.A. and Hellenic Postbank S.A. Group. Therefore, we recommend to the reader, prior to making any investment decision or other transaction concerning the Bank to visit the web site www.ttbank.gr, where the set of financial statements of the year ended as at December 31st, 2008 are available together with the auditors' review report.

COMPANY'S PROFILE

Responsible authority	: Ministry of Development
Web Site	: www.ttbank.gr
Date of approval by the Board of Directors of the condensed financial information for the year ended as at December 31st, 2008	: March 27th , 2009
Certified Auditors	: Sourbis Dimitrios (R.N. SOEL 16891)
	: Michalatos Constantinos (R.N. SOEL 17701)
Auditing Company	: PricewaterhouseCoopers S.A. (R.N. SOEL 113)
Type of audit report	: Unqualified Opinion

BOARD OF DIRECTORS COMPOSTITION

Chairman	: Philippides Angelos
Executive Vice-Chairman	: Kaminaris Antonios
Executive Member	: Xifaras Georgios
Non-Executive Member	: Taprantzis Andreas
Non-Executive Member	: Chatzimichalis Dimitrios
Non-Executive Member	: Oikonomopoulou Antouanetta
Non-Executive Member	: Michalopoulou Adamantia
Non-Executive Member	: Tsagdis Ioannis
Non-Executive Member	: Kotsiris Konstantinos
Independent Non-Executive Member	: Halikias Ioannis
Independent Non-Executive Member	: Spiliopoulous Vasilios

BALANCE SHEET INFORMATION

Amounts in thousand euros

	Consolidated 31/12/2008	Consolidated 31/12/2007	Stand alone 31/12/2008	Stand alone 31/12/2007
ASSETS				
Cash and balances with central bank	179.942,24	129.337,34	179.940,86	129.336,32
Due from banks	3.008.413,26	2.586.652,30	3.005.468,46	2.586.283,18
Financial assets designated at fair value through profit and loss	456.020,05	904.592,04	455.048,89	904.006,31
Derivative financial instruments	5.134,31	22.999,37	5.134,31	22.999,37
Loans and advances to customers	7.126.074,64	6.110.359,18	7.126.074,64	6.110.359,18
Less: Allowance for impairment on loans & advances to customers	(122.098,30)	(86.851,16)	(122.098,30)	(86.851,16)
Investment securities available for sale	2.439.197,83	3.126.796,60	2.439.197,83	3.126.796,60
Investment securities held to maturity	1.143.282,57	-	1.143.282,57	-
Investment in subsidiary	-	-	20.136,13	1.190,03
Investment in associates	94.585,03	-	94.585,03	-
Property, plant and equipment	115.248,03	112.568,70	115.131,60	112.508,19
Intangible assets	19.813,80	10.286,54	11.904,74	10.260,24
Deferred tax assets	101.541,20	49.138,61	101.463,29	49.138,61
Current tax assets	21.485,83	23.171,30	21.485,83	23.171,29
Other assets	309.119,38	198.774,35	307.781,05	198.681,38
Total Assets	**14.897.759,87**	**13.187.825,17**	**14.904.536,93**	**13.187.879,54**
LIABILITIES				
Due to banks	2.804.677,14	1.038.031,15	2.804.677,14	1.038.031,15
Due to customers	11.211.237,68	11.155.690,92	11.231.098,62	11.155.690,92
Derivative financial instruments	87.643,66	10.899,70	87.643,66	10.899,70
Deferred tax liabilities	9.504,18	11.739,31	9.466,01	11.739,31
Current tax liabilities	521,41	-	-	-
Retirement benefit obligations	20.490,86	25.110,12	20.085,32	25.094,14
Other liabilities	219.733,97	199.329,05	218.587,08	199.279,04
Total Liabilities (a)	**14.353.808,90**	**12.440.800,25**	**14.371.557,83**	**12.440.734,26**
Share Capital	526.262,03	526.262,03	526.262,03	526.262,03
Share premium	16.904,26	16.904,26	16.904,26	16.904,26
Available for sale reserve	(155.059,11)	5.031,28	(155.059,11)	5.031,28
Treasury Shares	(21.639,04)	(126,70)	(21.444,30)	-
Other Reserves	85.663,55	85.517,21	85.663,55	85.517,21
Retained Earnings	80.031,25	112.850,62	80.652,67	113.430,50
Shareholders' equity	**532.162,94**	**746.438,70**	**532.979,10**	**747.145,28**
Minority Interest in Equity	11.788,03	586,22	-	-
Total Equity (b)	**543.950,97**	**747.024,92**	**532.979,10**	**747.145,28**
Total Equity and Liabilities (a) + (b)	**14.897.759,87**	**13.187.825,17**	**14.904.536,93**	**13.187.879,54**

INCOME STATEMENT INFORMATION FOR THE YEAR

Amounts in thousand euros

	Consolidated 1/1-31/12/2008	Consolidated 1/1-31/12/2007	Stand alone 1/1-31/12/2008	Stand alone 1/1-31/12/2007
Net Interest Income	321.784,73	294.365,33	321.765,28	294.362,84
Net fee and commission income	16.782,29	11.261,45	12.370,08	10.664,39
Dividend income	8.171,01	4.141,77	8.171,01	4.141,77
Net Income from financial instruments designated at fair value through Profit or Loss	(51.925,20)	(78.562,08)	(51.860,09)	(78.588,41)
Net income from investment securities	4.513,02	61.202,64	4.513,02	61.202,64
Other operating income	2.582,03	1.044,83	2.650,05	1.075,42
Total Operating Income	**301.907,88**	**293.453,94**	**297.609,35**	**292.858,65**
Personnel expenses	(102.876,13)	(101.084,60)	(101.573,85)	(100.780,36)
General and administrative and other operational expenses	(112.046,16)	(99.314,02)	(109.763,54)	(99.076,15)
Depreciation and amortization charges	(10.907,54)	(10.179,98)	(10.765,04)	(10.125,33)
Other operating expenses	(6.387,08)	(3.914,98)	(5.785,10)	(3.912,18)
Impairment losses on loans	(36.072,91)	(28.711,26)	(36.072,91)	(28.711,26)
Other provisions	(31.004,51)	-	(30.989,51)	-
Profit/(Loss) before tax	**2.613,55**	**50.249,10**	**2.659,40**	**50.253,37**
Income tax	233,46	(6.800,73)	267,35	(6.805,77)
Net Profit/ (Loss)	**2.847,01**	**43.448,37**	**2.926,75**	**43.447,60**
Attributable to:				
Equity holders of Bank	**2.885,21**	**43.448,00**	**2.926,75**	**43.447,60**
Minority Interest	**(38,20)**	**0,37**	**-**	**-**
Earnings per share -Basic (in €)	0,0204	0,3083	0,0207	0,3083
Earnings per share - Diluted (in €)	0,0204	0,3053	0,0207	0,3053

STATEMENT OF CHANGES IN EQUITY INFORMATION FOR THE YEAR

Amounts in thousand euros

	Consolidated 1/1-31/12/2008	Consolidated 1/1-31/12/2007	Stand alone 1/1-31/12/2008	Stand alone 1/1-31/12/2007
Balance at the beginning of the year (1/1/2008 and 1/1/2007 respectively)	**747.024,92**	**869.421,17**	**747.145,28**	**869.464,59**
Profit / (Loss) after tax for the year	2.847,01	43.448,37	2.926,75	43.447,60
Increase / (Decrease) of share Capital	44,10	5.054,98	-	5.054,98
Minority exercises after acquisition of subsidiary	11.195,90	-	-	-
Dividend distribution	(35.558,25)	(84.520,06)	(35.558,25)	(84.520,06)
Purchases of Treasury Shares	(21.512,33)	(126,70)	(21.444,30)	-
Net Income recognized in Equity	(160.090,38)	(86.252,84)	(160.090,38)	(86.301,83)
Balance at the end of the year (31/12/2008 and 31/12/2007 respectively)	**543.950,97**	**747.024,92**	**532.979,10**	**747.145,28**

CASH FLOW STATEMENT INFORMATION FOR THE YEAR

Amounts in thousand euros

	Consolidated 1/1-31/12/2008	Consolidated 1/1-31/12/2007	Stand alone 1/1-31/12/2008	Stand alone 1/1-31/12/2007
Net cash flow from operating activities (a)	(284.675,71)	(548.734,97)	(266.033,25)	(548.755,86)
Net cash flow from investing activities (b)	(91.458,80)	1.379.361,34	(112.701,23)	1.379.312,06
Net cash flow from financing activities (c)	(57.026,48)	(79.542,78)	(57.002,54)	(79.465,08)
Net increase of cash and equivalents (a) + (b) + (c)	(433.160,99)	751.083,59	(435.737,02)	751.091,12
Cash and cash equivalents at the beginning of the year	**1.863.541,26**	**1.112.457,67**	**1.863.171,11**	**1.112.079,99**
Cash and cash equivalents at the end of the year	**1.430.380,27**	**1.863.541,26**	**1.427.434,09**	**1.863.171,11**

Athens, March 27th 2009

BOARD OF DIRECTORS CHAIRMAN	**BOARD OF DIRECTORS VICE- CHAIRMAN**
ANGELOS PHILIPPIDES **I.D. NUM. S147554**	**ANTONIOS KAMINARIS** **I.D. NUM. AB649989**
GENERAL MANAGER OF FINANCE AND OPERATIONS	**DEPUTY GENERAL MANAGER OF FINANCE AND OPERATIONS**
GEORGIOS XIFARAS **I.D.NUM. T125995** **P.E.R.N. 26575**	**ALEXANDROS TOPALOGLOU** **I.D. NUM. X158663** **P.ER.N. 12737**

DIRECTOR OF FINANCIAL SERVICES

ATHANASIOS DIONAS
I.D. NUM. M584387
P.E.R.N. 41345

Additional data and information:

1. The accounting policies, applied by the Group, based on International Financial Reporting Standard (I.F.R.S.)for the preparation of the financial information as at December 31st, 2008 are consistent with those stated in the respective financial information of the year ended as at December 31st, 2007 . The Bank made use of the amendments of International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 7, which were published on October 2008 and are effective since July 1st, 2008. The effects of applying the aforementioned amendments are set out in Note 10 below.

2. Hellenic Postbank S.A. , at December 31st, 2008 , consolidates its subsidiaries with the method of full consolidation: a) «Greek Postal Savings Bank-EL.TA Mutual Fund Management S.A.» with participation of 51% and b) «BESTLINE CARDS S.A» with participation of 50%. The company « ATTICA BANK S.A.» is consolidated as an associate with the equity method with the participation rising at December 31st, 2008 to 21,03%. «BESTLINE CARDS S.A. » has been part of the consolidated Balance Sheet of December 31st, 2008 for the first time since it was acquired in October 2008. The acquisition of 50% of the participation was completed with a payment of €18.9 million following the consummation of the share capital increase of the company and the resignation of the former shareholder. The company operates in the area of mediation, issuance and management of debit and credit cards and as well as bank services and products. Furthermore the Bank consolidates its associate « ATTICA BANK S.A. » for the first time at December 31st, 2008 after the acquisition of over 20% at the end of December 2008. In the previous fiscal year, the associate was included in the "Investment securities available for sale" portfolio. Detailed information about the associate and the subsidiaries companies are mentioned in notes 2.2.2 and 2.2.3 of the Financial Information.

3. The Bank has been audited by the tax authorities until the year 2006, whereas the consolidated companies «Greek Postal Savings Bank-EL.TA Mutual Fund Management S.A.» and «BESTLINE CARDS S.A» as well as the associate «ATTICA BANK S.A.» have been audited until the year 2005, and are analytically presented in note 39 of the Financial Information as at December 31st, 2008. The accumulated provision for unaudited tax years of the Group and the Bank amounts to € 4,08 million of which € 2,4million are referred to the Bank.

4. There are no unsettled legal claims or lawsuits in arbitrage, which may have significant effect in the Bank's financial statements. The accumulated provision raised for unsettled legal claims or lawsuits in arbitrage amounts to € 0,4 million whereas provisions for other assets raised for the Bank amount to € 5,78 million.

5. The number of the Group and the Bank employees as at December 31st, 2008 amounted to 1.783 and 1.685 respectively, while in the previous fiscal year (December 31st, 2007) were 1.318 and 1.312 respectively.

6. Property, plant and equipment are free of any liens and encumbrances.

7. The Group's and Bank's transactions with related parties, regarding the year starting from January 1st, 2008 to December 31st, 2008 were as follows: a) Group's with Board of Directors and members of management: claims 7.782,84 thousand euros, liabilities 3.779,80 thousand euros, transaction and participation fees € 4.936,56 thousand , income € 183,23 thousand and expenses € 108,29 thousand, b) Bank's with Board of Directors and members of management: claims € 7.687,62 thousand , liabilities €3.499,80 thousand , transaction and participation fees € 4.875,36 thousand, income € 177,24 thousand and expenses € 104,89 thousand , c) Bank's with related; claims € 159,01 million and liabilities € 19,86 million and d) income and expenses of Group with associate are € 210,06 thousand and € 1.293,26 thousand respectively.

8. The net income recognized for the fiscal year 2008 in equity of the Group and the Bank concerning losses amounting to (€ 160.090,38 thousand) arising from the valuation of the Available for Sale Portfolio while the comparative amount of the previous year had been (€ 101.076,03 thousand).

9. Reclassifications of accounts in the previous year took place in order to be comparable with those of the closing year, which are analytically presented at the note 2.17 of the Financial Information as at December 31st, 2008. It should be noted that the aforementioned amendments have no effect in the results of the previous year.

10.In accordance with the implementation of IAS 39 and IFRS 7 amendments, which were published on October 2008 and are effective from July 1st, 2008, have been reclassification at the treasury, as described in Note 24 of Financial Information. Remeasuring the reclassified securities, for the period starting from July 1st, 2008 to December 31st, 2008 , resulted to a fair value loss of amount € 42,94 million, which have been recognized in the Available for sale Reserve. For the securities, which are measured at amortized cost for the period for the period starting from July 1st, 2008 to December 31st, 2008 , a fair value loss equal to € 14,16 million (difference in impairment of fair value) had no effect on the income statement and the Equity.

11. The General Assembly of May 2nd, 2008 approved, in accordance with the Article 16 of Law 2190/1920 "re: Societés Anonymes" the establishment of Share Buyback Plan approved the purchase of treasury shares up to 10 million shares, with purchase values in the range of € 3,70 (minimum) and € 19 (maximum) respectively. These acquisitions will occur within twenty four months (24) from the date that decision was taken, that is the period from May 2nd, 2008 until May 2nd, 2010. According to the implementation framework of the aforementioned approval, the Board of Directors' Meeting of May 30th, 2008, set on the Share Buyback plan. According to article 28 on "amendments to Law on Dematerialised Securities System, on the Capital Market, taxation issues and other provisions" of Law 3723/2008 for as long as financial institutions participate in the reinforcement of the economy's cash flow are not allowed to purchase treasury shares .

12. The number of Treasury Shares held by the Group for the year ended as at December 31st, 2008 is € 3.073.575 at cost of € 21.639,03 thousand , while those held by the Bank is 3.062.575 (2,153 % of Capital Share) at cost of € 21.444,30 thousand .

13. According to the General Assembly of Shareholders of May 2nd, 2008, which has been approved by the No K2-12015/29.9.2008 decision of Ministry of Development, the trade name and the distinctive title used ever since by the Bank in its international transactions is as follows: a) international trade name: "TT HELLENIC POSTBANK S.A.", b) international distinctive title: "HELLENIC POSTBANK".

14. The establishment of a Stock Option Plan , with one year duration , which was granted by The General Assembly of May 16th, 2008 , in accordance with the article 13, par. 13 of Law 2190/1920 beneficiaries are a) the members of the Board of Directors (excluding the Chairman and the Vice-Chairman), b) the employees of the Bank and c) the employees of its affiliated companies, which was not completed in accordance with the terms of the program .

15. The second part of the Stock Option Plan , of the year 2008 , which was granted by the Extraordinary General Assembly of April 18th, 2007, according to the amended article 13 of law 2190/20, which was partially modified by The General Assembly of May 16th, 2008 benefit a) the two members of the Board of Directors who represent the employees on the Board b) the personnel of the Bank and c) the personnel of the affiliated companies ,which was not completed in accordance with the terms of the program .

16. On May 30th, 2008 the establishment of the Voluntary Redundancy Plan for the Bank's staff, was decided in order to improve the effectiveness and efficiency ratios while reinforcing the Bank with new personnel. The Voluntary Redundancy Plan has been accepted by 130 employees, who represent approximately the 7,7% of the existing personnel as at December 31st, 2008. The Plan's cost amounting to €15,70 million approximately is included in ''Personnel expenses''.

17. The Extraordinary General Assembly of the Bank's shareholders which took place on January 28th, 2009 approved the share capital increase by € 224.960.000 , with the issue of 60.800.000 preference shares of nominal value € 3,70 each and cancellation of the pre-emptive rights of existing shareholders in favor of the Greek State according to Law 3723/2008 referring to the "Reinforcement of the economy's cash flow in order to confront the consequences of the Global financial crisis".

18. In accordance with the provisions of articles 16 and 45 of Cod. Law 2190/1920 in conjunction with the provisions of article 1, paragraph 3 of Law 3723/2008, the dividend to be distributed may not exceed the maximum amount determined by the provisions of Development Law 148/1967, which is namely 35% of the distributable profits of the fiscal year 2008. Moreover, on "amendments to Law on Dematerialized Securities System, on the Capital Market, taxation issues and other provisions", article 28, in the event of distribution of dividends for the fiscal year 2008,in the appliance of the amendments of article 1, paragraph 1 of Law 3723/2008 (Official Gazzet 250 A) , distribution must be exclusively in the form of shares. Based on the aforementioned facts the Board of Directors of the Bank is unsure of making a proposal for the distribution or not dividend before the upcoming General Assembly of Shareholders.