

# **PROTONBANK**

## **INTERIM CONDENSED FINANCIAL INFORMATION FOR THE 1<sup>ST</sup> HALF OF YEAR 2011**

**For the Bank and the Group**

**According to the International Financial Reporting Standards**

**Athens, September 8<sup>th</sup>, 2011**

The information contained in this Interim Financial Information has been translated from the original Interim Financial Information that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek Report, the Greek document prevails.

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**I. Statement of the Board of Directors (According to article 5 par. 2 of Greek Law 3556/2007)**

We hereby declare and confirm that to the best of our knowledge, semi annual financial statements and the respective consolidated financial statements of «Proton Bank S.A.» for the period 1.1.2011 - 30.6.2011 which were prepared according to the current financial reporting standards, truly and fairly depict the assets, liabilities, equity and income of the Group and the Bank, as well as of the companies included in the consolidation, in line with paragraphs 3 to 5 of article 5 of law 3556/2007.

We also declare and confirm that to the best of our knowledge, the Board of Directors Report truly depicts the information required as per paragraph 6 of article 5 of law 3556/2007.

Athens, September 8<sup>th</sup>, 2011

The Vice - Chairman

The Managing Director

The member of the board of directors

Georgios Milonas

George Taniskidis

Dimitrios Reppas

**II. Interim Report of the Board of Directors according to Greek Law 3556/2007 for the period ending June 30th, 2011.****Economic and financial developments and performance during 1<sup>st</sup> Half 2011**

The first half of 2011, proved a rather difficult period for Greece. The Growth and Stability Pact 2010-2013 that was set up in cooperation with the European Union (EU), the European Central Bank (ECB) and the International Monetary Fund (IMF) was pursuing improved competitiveness for the Greek economy, the viability of the Social Security System and the restoration of fiscal deficit in manageable levels. The Growth and Stability Pact 2010-2013 was implemented to a satisfactory extent in 2010, when several changes were enacted in the legal framework, that had been postponed for many years, despite their widely recognised necessity. During 2Q2011, the government drafted a new Medium-term plan, setting new targets for structural changes, in order to take into account the fiscal and economic conditions of the first half of 2011.

On top of domestic economic developments, the second quarter has been characterised by increasing uncertainties for a potential escalation of the debt crisis to several peripheral economies of the Eurozone. International capital markets volatility, especially after Portugal's application to the support mechanism, reflects not only the impact of the fiscal crisis in the periphery of the Eurozone, but also uncertainties concerning debt problems outside the Eurozone. The global economy was additionally burdened by the increase in oil prices and energy cost, as a result of the turmoil in North Africa and Western Asia.

Under this frame of reference, the new assistance program for Greece of July 21, is of paramount importance, both because of its size and because of its developmental aspect. Furthermore, this assistance pact is perceived as a step in the direction of political integration. The lack of political integration is considered as a fundamental weakness for the Eurozone. As far as the Greek banking sector is concerned, its expected participation in the Private Sector Involvement (PSI), implies a negative impact on results and equity.

In addition to the negative macroeconomic conjuncture, the Greek banking sector is operating under tight liquidity conditions. This is because the Greek banking sector has no access to international interbank and capital markets for funding. During the first half of the year, the ECB has reduced the amount of securities that are accepted as collateral. In any event, continuing acceptance by ECB of Greek government securities and other assets of Greek issuance, is paramount for the liquidity of the Greek banking system.

The negative conjuncture that prevailed throughout 1H2011, resulted, among other things to an outflow of deposits from the Greek banking system. This outflow was caused by the recession, as well as by the uncertainties concerning economic developments and the prospects of the Greek economy. PROTON Bank did not escape this trend, so that customer deposits declined by 7,52% during the first half of the year.

During the first quarter of the year, the Bank proceeded to the issuance of subordinated notes of € 60 mil., which were distributed by way of private placement. The notes are of 10-year maturity with issue date February 8, 2011. The Bank, as issuer, has a right to early redemption on the completion of five years from the issue date, with the prior written approval of the Bank of Greece. As these notes constitute Lower Tier II capital, they further enhance the capital adequacy ratio of the Bank.

The 2<sup>nd</sup> Iterative General Meeting of the Bank's common shareholders of May 23<sup>rd</sup>, 2011 approved the increase of the Bank's share capital up to the amount of € 50 mil. with the issuance of pre-emption rights in favour of its existing shareholders, as well as the issuance of a convertible bond loan for up to € 50 mil. It also approved the reduction of the Bank's share capital by an amount of € 262,645,214.18, by reducing the nominal value of ordinary shares from € 4,49 each, to € 0,30 each, for the purpose of creating a special reserve in the same amount (€ 262,645,214.18), according to article 4 paragraph 4a of codified law 2190/1920. Consequently, the Bank's share capital will amount to € 98.805.142,39, pending approval by the competent authorities.

The Bank participates in the government scheme for banking sector liquidity support, under the provisions of the respective law. Following the increase of the Bank's share capital by € 80 mil. in 2009, with the issuance of preferred shares in favour of the Greek State, in accordance with the terms and conditions of Greek law 3723/2008, the Bank also participates in the third provision of law 3723/2008 for liquidity support, receiving from the State another € 78 mil., in the form of guarantees to customer loans. In accordance with article 2 of Greek law 3723/2008, the Bank proceeded during 2H2010 to two bond issues, of € 40 mil. and € 109.4 mil., respectively, guaranteed by the Greek State.

Net fee and commission income reached € 3.06 mil., during 1H2011, versus € 24.24 mil. during 1H2010, (-87.38% y-o-y). This decrease was largely the outcome of reduced investment banking activity due to the negative economic conjuncture and the general uncertainty.

Net income from financial instruments during 1H2011 recorded a loss of € 2.57 mil., vis-à-vis losses of € 5.22 mil. during 1H2010. Total net operating income reached € 36.32 mil., corresponding to a 30.33% decline in relation to the equivalent period of 2010. This decline is entirely due to the decrease in net fee and commission income.

Total operating expenses at Group level reached € 72.41 mil., versus € 50.29 mil. during 1H2010, corresponding to a 43.99% y-o-y increase. It should be noted that during 1H2011 the Bank restructured its branch network, through branch mergers and cost cutting in the greater Athens area, which has the largest concentration of branches. Following this restructuring, the Bank's network as of 30.06.2011 consists of 28 branches.

Operating results for the first half of 2011 are negatively affected by increased provisions. Increased provisions constitute the key instrument against credit risk, assisting the Bank to weather adverse economic conditions. The Group continues its policy of undertaking additional provisions. PROTON Bank undertook new provisions for impairment losses on financial and non-financial assets, burdening 1H2011 results with € 43.05 mil., versus equivalent provisions of € 21.73 mil. in 1H2010. This increase in provisions provides a safety net against a potential increase in non-performing loans.

The Greek State has asked Greek banks and social security funds to participate in the PSI scheme.

Taking into account the Bank's exposure to Greek public debt, to securities that are involved in the PSI, that as of 30.06.2011 amounted to € 691 mil., the management of PROTON Bank, decided against the Bank's participation in the PSI.

Given that there will be sufficient coverage of the PSI by other credit institutions and social security funds, with a substantial exposure to Greek public debt, we regard the probability that interest and capital on existing bonds will not be repaid, to be extremely limited.

In the event that the Bank participated in the voluntary lengthening of the maturity profile of the Greek debt, the Management estimates that the impairment loss arising from the bonds that are involved in the PSI, would amount to approximately € 80 mil., before taxes.

The net consolidated result for 1H2011 was a loss of € 29.96 mil., versus profits of € 1.10 mil. in 1H2010.

The results of subsidiary/associate companies did not have a significant impact on consolidated results. Indicatively, PROTON Mutual Funds Management Company recorded before consolidation losses of € 27 ths., whereas Omega Insurance Brokerage recorded before consolidation net profits of € 270 ths. First

Global Brokers, a Serbia-based subsidiary recorded before consolidation losses of € 74 ths. First Global Brokers is in the process of dissolution and liquidation, expected to be completed within 2011.

Consolidated loans to customers (after provisions) at 30.06.2011 stood at € 1,989.11 mil., corresponding to a 1.93% increase, as compared to 31.12.2010. At the same time, customer deposits amounted to € 1,788.68 mil., recording a 7.52% decline, as compared to 31.12.2010. Consequently, the net loan-to-deposit ratio reached 111.21% at 30.06.2011, as compared to 100.89% at 31.12.2010. The Bank's NPL ratio at 30.06.2011 stood at 11.46%, as compared to 9.20% at 31.12.2010, whereas the coverage ratio stood at 60.67%.

Group total assets at 30.06.2011 stood at € 3,525 mil., as compared to € 4,255 mil. at 31.12.2010. The decrease in total assets is largely the outcome of government bond maturities during 1H2011, which have not been renewed upon maturity. Total equity at 30.06.2011 stood at € 245 mil., versus € 276 mil. at 31.12.2010. The Capital Adequacy Ratio (Basel II definition), stood at 11.52% at 30.06.2011 at Group level and at 11.79% at parent company level. The Tier I ratio stood at 9.61% at Group level and at 9.78% at parent company level.

At parent company level, the Bank's net result for the first half of the year, was a loss of € 29.99 mil., as compared to profits of € 1.41 mil. in 1H2010. Bank assets at 30.06.2011 stood at € 3,529 mil., versus € 4,261 mil. at 31.12.2010. Total equity of the Bank reached € 249 mil., versus € 280 mil. at 31.12.2010.

## LOANS & DEPOSITS

(Amounts in thousands of Euro)	30.06.2011	31.12.2010	%
<b>Total Loans (before provisions)</b>	<b>2.137.762</b>	<b>2.057.519</b>	<b>3,90%</b>
Mortgages	38.456	38.518	-0,16%
Consumer/personal	135.953	137.571	-1,18%
Finance lease receivables	66.287	72.707	-8,83%
Corporate entities	1.897.066	1.808.723	4,88%
<b>Total Deposits</b>	<b>1.788.683</b>	<b>1.934.130</b>	<b>-7,52%</b>

## CONSOLIDATED RESULTS

(Amounts in thousands of Euro)	1.1-30.06.2011	1.1-30.06.2010	%
Net Interest Income	34.611	31.669	9,29%
Net Fee and Commission Income	3.059	24.236	-87,38%
Other Operating Income	1.221	1.445	-15,50%
Net Income from Financial Instruments	(2.571)	(5.222)	-50,77%
<b>Total Operating Income</b>	<b>36.320</b>	<b>52.128</b>	<b>-30,33%</b>
Personnel Expenses	(13.466)	(12.233)	10,08%
Other Administrative Expenses	(12.932)	(12.822)	0,86%
Depreciation Expenses	(2.969)	(3.503)	-15,24%
Loans impairment charges and other provisions	(43.045)	(21.729)	98,10%
<b>Total Operating Expenses</b>	<b>(72.412)</b>	<b>(50.287)</b>	<b>44,00%</b>
<b>Share of profit/loss of associates</b>	<b>-</b>	<b>13</b>	
<b>Profit / Loss before taxes</b>	<b>(36.092)</b>	<b>1.854</b>	
Income Tax	6.129	(840)	
<b>Net Profit / Loss</b>	<b>(29.963)</b>	<b>1.014</b>	
<b>Attributable to:</b>			
Equity holders of the Bank	(30.034)	984	
Non-controlling interests	71	30	

## Post- accounting period important events

During the first three weeks of August, the Bank was subjected to negative publicity, following the preliminary investigation of former BoD members in a case related to possible violation of the Anti-Money Laundering – AML/CFT – Framework. It is noted that the Directorate of Banking Supervision of the Bank of Greece, has audited the Bank concerning the extent of its compliance to the Anti-Money Laundering – AML/CFT – Framework. The Bank has expressed its views on the findings of this audit, within the deadline set forth by the Bank of Greece. In the event that the Bank has violated the Anti-Money Laundering – AML/CFT – Framework, in the cases described in the findings of the respective audit, the Bank will be subject to the forfeitures implied by the legal and institutional framework. The Bank is not aware of any decision by the Bank of Greece concerning forfeitures of a monetary/financial nature (indicatively, interest-free deposit, fine in favour of the Greek State), with respect to violations or omissions, in relation to the respective findings of the aforementioned audit. It is nevertheless noted that the Committee for Credit and Insurance Matters of the Bank of Greece, decided (reference number 15/1/19.8.2011), to appoint a commissioner to the Bank, in accordance to article 63, paragraph 2, combined with the provisions of article 8, elements iv and vi of L. 3601/2007. The Bank is proceeding in a systematic and direct manner, to the correction of all weaknesses pinpointed by the aforementioned audit of the Bank of Greece.

On August 19, together with the restructuring of the Bank's Board of Directors, the response of the four largest banks of the country (National Bank, Eurobank, Alpha, Piraeus Bank) was announced, to PROTON Bank's proposal for taking part in the initiatives that are necessary for the beginning of a new period for the Bank, with an integrated business plan that will be looking into their participation to the planned convertible bond issue of an amount up to € 50 mil.

**Main risks and uncertainties for 2H 2011**

As far as macroeconomic developments are concerned, there is a risk of the debt crisis escalating to major European economies and to the U.S. Most developed economies face large fiscal deficits and borrowing requirements, leading to debt accumulation and absorption of liquidity. Additional problems for the global economy arise from the increase in oil prices and energy cost, as a result of the geopolitical developments in North Africa and Western Asia, as well as from the increase in metal and other commodity prices. Consequently, the uncertainties remain in place for the global economy.

The Greek economy is presently facing unprecedented macroeconomic difficulties. The recession of the Greek economy and the country's pressing fiscal problems present risks to the domestic banking system. The participation of the Greek banking sector in the PSI and the Greek debt restructuring scheme has a significant impact on results and equity.

As far as liquidity risk is concerned, there is always the risk of potential new customer deposit outflows in the future. Nevertheless, this risk is contained, following the recent executive changes, with the presence of the Bank of Greece in the Bank's management and the imminent drafting of a new integrated business plan. Further risks arise from the unavoidable decrease in domestic demand, as a result of restrictive fiscal policy and tight labour market conditions. The deterioration of economic conditions and the recession of the Greek economy may lead to a disproportional increase in non-performing loans. In order to allow for such an eventuality, the Bank increased its provisions in 2010 through to 1H2011.

With respect to market risk, affecting the Bank's investments and the valuation of its portfolios, it is noted that the Bank maintains positions in bond and equity markets. Potential further negative developments in Greek and/or international capital markets during 2H2011, entails the risk of respective losses. The Bank's ALCO Committee monitors closely all market related risks, with active management and hedging of positions, mainly through derivatives.

Foreign exchange risk for the Group is limited, given that the bulk of its exposure is in Euro. Exposure in USD, JPY, CHF, or other currencies is minimal.

**Expectations for operations during 2H 2011**

The recent managerial restructuring of the Bank, with the participation of the Bank of Greece and the response of the four largest banks of the country, marks the beginning of a new era for the Bank.

The new management prepares a new integrated business plan, that is taking into account all risks and uncertainties inherent in the present economic conjuncture. The priorities of the new management include the strengthening of the Bank's capital base through the planned convertible bond issue of € 50 mil.

Notwithstanding the operating environment presenting adversities to our country, to the banking system in general and to PROTON Bank in particular, the management, together with all the employees of the Group continue their strenuous efforts for the progress of the Bank, remaining confident and optimistic, unaffected by external factors.

**Related Party Transactions**

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

**a): Intra-group transactions (Bank revenues from transactions with associated companies) 1.1-30.6.2011**

(in thousands of euro)	Proton's participation on 30.06.2011	Rent buildings	Other income	Commissions
<b>Company expenses</b>				
PROTON MUTUAL FUNDS S.A.	99,91%	18	11	15
OMEGA INSURANCE BROKERS S.A.	66,00%	7	3	-
FIRST GLOBAL BROKERS SA AD	88,76%	-	-	-
<b>TOTAL</b>		<b>25</b>	<b>14</b>	<b>15</b>

**b): Intra-group transactions (Bank expenses from transactions with associated companies) 1.1-30.6.2011**

(in thousands of euro)	Proton's participation on 30.06.2011	Interest on deposits
<b>Company revenues</b>		
PROTON MUTUAL FUNDS S.A.	99,91%	<b>100</b>

**c): Intra-group transactions (Bank claims from transactions with associated companies) 30.6.2011**

(in thousands of euro)	Proton's participation on 30.06.2011	Other
<b>Liabilities of companies</b>		
PROTON MUTUAL FUNDS S.A.	99,91%	2
OMEGA INSURANCE BROKERS S. A.	66,00%	317
<b>TOTAL</b>		<b>319</b>

**d): Intra-group transactions (Bank liabilities from transactions with associated companies) 30.6.2011**

(in thousands of euro)	Proton's participation on 30.06.2011	Cash deposits	Fixed deposits
<b>Claims of companies</b>			
PROTON MUTUAL FUNDS S.A.	99,91%	1.684	2.899
OMEGA INSURANCE BROKERS S. A.	66,00%	518	-
<b>TOTAL</b>		<b>2.202</b>	<b>2.899</b>

**e): Transactions with other related parties of the group** (in thousands of euro)

	30.06.2011	31.12.2010
<b>Assets</b>		
Loans	3.670	11.719
Other receivables	40	22
<b>Total</b>	<b>3.710</b>	<b>11.741</b>
<b>Liabilities</b>		
Deposits	13.189	40.793
Hybrid capital and other borrowed funds	1.016	-
Other liabilities	8	8
<b>Total</b>	<b>14.213</b>	<b>40.801</b>
	<b>1.1.-30.06.2011</b>	<b>1.1.-30.06.2010</b>
<b>Income</b>		
Interest and similar income	130	2.053
Other income	271	7.065
<b>Total</b>	<b>401</b>	<b>9.118</b>
<b>Expenses</b>		
Salaries and other remuneration	1.255	1.299
Interest expense and similar charges	478	1.215
Debt securities in issue	43	-
Other operating expenses	42	58
<b>Total</b>	<b>1.818</b>	<b>2.572</b>

 Athens, September 8<sup>th</sup>, 2011

The Managing Director

George Taniskidis

**III. Auditor's Review Report on Interim Financial Information**

To the Shareholders of Proton Bank S.A.

**Introduction**

We have reviewed the accompanying condensed company and consolidated statement of financial position of Proton Bank S.A. (the "Bank") and its subsidiaries as of 30 June 2011 and the related condensed company and consolidated income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**Scope of review**

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

**Conclusion**

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

**Reference to Other Legal and Regulatory Requirements**

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

Athens, 8 September 2011

THE CERTIFIED AUDITOR

Konstantinos Michalatos  
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**IV. Condensed Interim Consolidated Financial Information for the period ending June 30<sup>th</sup>, 2011**
**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**

(in thousands of euros)	Note	1.1- 30.06.2011	1.1- 30.06.2010	1.4- 30.6.2011	1.4- 30.6.2010
Interest and similar income		97.202	64.835	50.623	34.959
Interest expense and similar charges		(62.591)	(33.166)	(32.664)	(18.518)
<b>Net interest income</b>	6	<b>34.611</b>	<b>31.669</b>	<b>17.959</b>	<b>16.441</b>
Fee and commission income		4.956	25.512	2.233	19.316
Fee and commission expense		(1.897)	(1.276)	(955)	(691)
<b>Net fee and commission income</b>	7	<b>3.059</b>	<b>24.236</b>	<b>1.278</b>	<b>18.625</b>
<b>Dividend income</b>		<b>42</b>	<b>635</b>	<b>42</b>	<b>635</b>
<b>Net trading income</b>	8	<b>825</b>	<b>(6.092)</b>	<b>145</b>	<b>(2.743)</b>
<b>Net income from financial instruments designated at fair value</b>		<b>732</b>	<b>(230)</b>	<b>455</b>	<b>(208)</b>
<b>Gains less losses from investment securities</b>	9	<b>(4.170)</b>	<b>465</b>	<b>(2.815)</b>	<b>311</b>
<b>Other operating income</b>		<b>1.221</b>	<b>1.445</b>	<b>424</b>	<b>1.075</b>
<b>Operating income</b>		<b>36.320</b>	<b>52.128</b>	<b>17.488</b>	<b>34.136</b>
Personnel expenses		(13.466)	(12.233)	(7.452)	(6.247)
Other administrative expenses		(12.932)	(12.822)	(6.263)	(8.176)
Depreciation and amortization expenses		(2.969)	(3.503)	(1.239)	(1.708)
Loans impairment charges and other provisions	10	(43.045)	(21.729)	(39.813)	(20.159)
<b>Total operating expenses</b>		<b>(72.412)</b>	<b>(50.287)</b>	<b>(54.767)</b>	<b>(36.290)</b>
<b>Share of profit of associates</b>		-	<b>13</b>	-	-
<b>Profit / (loss) before tax</b>		<b>(36.092)</b>	<b>1.854</b>	<b>(37.279)</b>	<b>(2.154)</b>
Income tax expense	11	6.129	(840)	6.271	(543)
<b>Profit/(loss) after tax</b>		<b>(29.963)</b>	<b>1.014</b>	<b>(31.008)</b>	<b>(2.697)</b>
<b>Attributable to:</b>					
Equity holders of the Bank		(30.034)	984	(31.038)	(2.727)
Non-controlling interests		71	30	30	30
<b>Earnings per share:</b>					
<b>Basic (expressed in € per share)</b>	12	<b>(0,4850)</b>	<b>0,0159</b>	<b>(0,5012)</b>	<b>(0,0440)</b>

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

(in thousands of euros)	Note	1.1- 30.06.2011	1.1- 30.06.2010	1.4- 30.6.2011	1.4- 30.6.2010
<b>Profit/(loss) for the period</b>		<b>(29.963)</b>	<b>1.014</b>	<b>(31.008)</b>	<b>(2.697)</b>
Fair value gains on available -for-sale financial assets, net of tax		(621)	(18.803)	(4.085)	(953)
Currency translation differences and transaction		(8)	(13)	(3)	(9)
<b>Other comprehensive income for the period, net of tax</b>	13	<b>(629)</b>	<b>(18.816)</b>	<b>(4.088)</b>	<b>(962)</b>
<b>Total comprehensive income for the period, after tax</b>		<b>(30.592)</b>	<b>(17.802)</b>	<b>(35.096)</b>	<b>(3.659)</b>
<b>Attributable to:</b>					
Equity holders of the Bank		(30.663)	(17.831)	(35.126)	(3.688)
Non-controlling interests		71	29	30	29

The notes on pages 14 to 27 are an integral part of these condensed consolidated interim financial information as at 30<sup>th</sup> June 2011.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

(in thousands of euros)	<b>Note</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>ASSETS</b>			
Cash and balances with the Central Bank		51.433	82.978
Loans and advances to banks		94.147	386.044
Loans and advances to customers	14	1.989.110	1.951.369
Derivative financial instruments		13.709	15.987
Financial assets held for trading	15	27.196	150.355
Financial assets designated at fair value	16	83.705	38.481
Investment securities:			
-Held-to-maturity	17	368.330	553.365
-Available-for-sale	18	291.560	270.738
Debt receivable	19	392.303	607.587
Intangible assets		75.436	77.370
Property, plant and equipment		23.121	24.010
Deferred tax assets		47.585	38.834
Other assets		67.774	58.176
<b>Total assets</b>		<b><u>3.525.409</u></b>	<b><u>4.255.294</u></b>
<b>LIABILITIES</b>			
Due to banks	20	1.364.917	1.980.740
Due to customers	21	1.788.683	1.934.130
Financial Liabilities at fair value		-	90
Derivative financial instruments held for trading		21.541	18.619
Hedging derivatives		3.624	7.301
Debt securities in issue		18.631	17.965
Hybrid capital and other borrowed funds		60.417	-
Retirement benefit obligations		2.083	1.870
Current income tax liabilities		5.626	3.807
Other liabilities		14.624	14.855
<b>Total liabilities</b>		<b><u>3.280.146</u></b>	<b><u>3.979.377</u></b>
<b>EQUITY</b>			
Share capital		361.450	361.450
Share premium		84.686	84.704
Less: Treasury shares		(7.668)	(7.668)
Other reserves	23	(112.654)	(112.033)
Retained earnings		(80.677)	(50.635)
		<b><u>245.137</u></b>	<b><u>275.818</u></b>
Non-controlling interests		126	99
<b>Total equity</b>		<b><u>245.263</u></b>	<b><u>275.917</u></b>
<b>Total equity and liabilities</b>		<b><u>3.525.409</u></b>	<b><u>4.255.294</u></b>

The notes on pages 14 to 27 are an integral part of these condensed consolidated interim financial information as at 30<sup>th</sup> June 2011.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(in thousands of euros)	Attributable to equity holders of the Bank						Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Revaluation reserve	Statutory reserve	Retained earnings/ (losses)			
<b>Balance as at 1<sup>st</sup> January 2010</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.739</b>	<b>(83.902)</b>	<b>2.647</b>	<b>(40.892)</b>	<b>316.374</b>	<b>103</b>	<b>316.477</b>
<b>Changes during the period 1.1 - 30.6.2010</b>									
Total comprehensive income after tax	-	-	-	(18.803)	-	972	(17.831)	29	(17.802)
Cost in share capital increase	-	-	(18)	-	-	-	(18)	-	(18)
Dividend relating to 2009	-	-	-	-	-	-	-	(37)	(37)
<b>Balance as at 30<sup>th</sup> June 2010</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.721</b>	<b>(102.705)</b>	<b>2.647</b>	<b>(39.920)</b>	<b>298.525</b>	<b>95</b>	<b>298.620</b>
<b>Changes during the period 1.7 - 31.12.2010</b>									
Total comprehensive income after tax	-	-	-	(11.975)	-	(10.715)	(22.690)	4	(22.686)
Cost in share capital increase	-	-	(17)	-	-	-	(17)	-	(17)
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.704</b>	<b>(114.680)</b>	<b>2.647</b>	<b>(50.635)</b>	<b>275.818</b>	<b>99</b>	<b>275.917</b>
<b>Balance as at 1<sup>st</sup> January 2011</b>									
<b>Balance as at 1<sup>st</sup> January 2011</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.704</b>	<b>(114.680)</b>	<b>2.647</b>	<b>(50.635)</b>	<b>275.818</b>	<b>99</b>	<b>275.917</b>
<b>Changes during the period 1.1 - 30.6.2011</b>									
Total comprehensive income after tax	-	-	-	(621)	-	(30.042)	(30.663)	71	(30.592)
Cost in share capital increase	-	-	(18)	-	-	-	(18)	-	(18)
Dividend relating to 2010	-	-	-	-	-	-	-	(44)	(44)
<b>Balance as at 30<sup>th</sup> June 2011</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.686</b>	<b>(115.301)</b>	<b>2.647</b>	<b>(80.677)</b>	<b>245.137</b>	<b>126</b>	<b>245.263</b>

The notes on pages 14 to 27 are an integral part of these condensed consolidated interim financial information as at 30<sup>th</sup> June 2011.

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT**

<b>(in thousands of euros)</b>	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	(36.091)	1.854
Adjustments for:		
Add: impairment losses on loans, financial and non-financial assets	42.878	21.729
Add: depreciation expense	2.969	3.503
Add: provisions for retirement benefits	213	162
Add: interest from financing activities	3.035	-
Gains (-)/ losses (+) from revaluation of financial assets at fair value through profit or loss	1.769	655
Gains (-)/ losses (+) from investment activities	11.230	(15.159)
<b>Cash flows before changes in operating assets and liabilities</b>	<b>26.003</b>	<b>12.744</b>
<b>Changes in operating assets and liabilities:</b>		
Net (increase)/decrease in cash and balances with the Central Bank	35.547	(39.721)
Net (increase)/decrease in loans and advances to banks	10.320	(13.898)
Net (increase)/decrease in Loans and advances to customers	(80.243)	(380.365)
Net (increase)/decrease in financial assets at fair value through profit or loss	78.268	(87.140)
Net (increase)/decrease in dept receivable	215.085	-
Net (increase)/decrease in other assets	(9.630)	(3.489)
Net increase /(decrease) in deposits from banks	(615.823)	933.273
Net increase /(decrease) in due to customers	(145.447)	79.281
Net increase /(decrease) in other liabilities	(289)	(4.401)
<b>Net cash flow from operating activities before tax payment</b>	<b>(486.209)</b>	<b>496.284</b>
Income taxes paid	(794)	(270)
<b>Net cash flow from operating activities</b>	<b>(487.003)</b>	<b>496.014</b>
<b>Cash flow from investing activities</b>		
(Purchase) / sale of property, plant and equipment and intangible assets	(313)	(1.150)
(Purchase)/ proceeds from held-to-maturity financial assets	179.904	(105.439)
(Purchase)/ proceeds from the sale of available-for-sale financial assets	(27.585)	(293.078)
Dividends received from available for sale financial assets	-	13
Dividends received from financial assets at fair value through profit or loss	42	622
<b>Net cash used in investing activities</b>	<b>152.048</b>	<b>(399.032)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) from debt securities in issue	(421)	(434)
Bond issue	57.800	-
<b>Net cash from financing activities</b>	<b>57.379</b>	<b>(434)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(277.576)</b>	<b>96.548</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>362.121</b>	<b>194.257</b>
<b>Cash and cash equivalents at the end of period</b>	<b>84.545</b>	<b>290.805</b>

The notes on pages 14 to 27 are an integral part of these condensed consolidated interim financial information as at 30<sup>th</sup> June 2011.

## 1. General information

PROTON BANK SA (hereafter 'the Bank',) and its subsidiaries (hereafter together with the Bank, the 'Group'), is engaged in the provision of retail and corporate banking services, investment banking services, private banking and asset management, brokerage services and insurance and other services. The Group's commerce business is found mainly in Greece.

The Bank is established in Greece and has a network of 28 branches.

Web site: [www.proton.gr](http://www.proton.gr)

As of December 2005, the Bank's shares are listed on the Athens Stock Exchange.

The total number of common shares outstanding at 30<sup>th</sup> June 2011 was 61.923.339.

The shares of the Bank are intangible common shares and are included in the FTSE-80 Small cap index

Also, the Bank has issued 17.817.371 preferred shares without voting rights, nominal value € 4,49 to the Greek government, in accordance with the provisions of Law 3723/2008.

The number of personnel as of 30<sup>th</sup> June 2011 was 562.

The present financial information were approved by the Board of Directors on 8<sup>th</sup> September 2011.

### The Group

#### Investments in subsidiaries at 30<sup>th</sup> June 2011 (full consolidation method)

##### As at 30.06.2011 (in thousands of euros)

Name	Country	Participation %	Assets	Liabilities	Income	Profit/(loss) before tax
Proton Mutual Funds Management Co SA	Greece	99,91%	8.717	189	303	(27)
Omega Brokers SA	Greece	66,00%	5.580	5.230	763	270
First Global Brokers AD (*)	Serbia	88,76%	74	477	36	(74)
Intellectron Systems SA (**)	Greece	55,64%	-	-	-	-
<b>Total</b>			<b>14.371</b>	<b>5.896</b>	<b>1.102</b>	<b>169</b>

##### As at 31.12. 2010 (in thousands of euros)

Name	Country	Participation %	Assets	Liabilities	Income	Profit/(loss) before tax
Proton Mutual Funds Management Co SA	Greece	99,91%	8.651	97	340	(251)
Omega Brokers SA	Greece	66,00%	4.378	4.109	1.188	133
First Global Brokers AD (*)	Serbia	88,76%	195	515	116	(424)
Intellectron Systems SA (**)	Greece	55,64%	-	-	-	-
<b>Total</b>			<b>13.224</b>	<b>4.721</b>	<b>1.644</b>	<b>(542)</b>

(\*) On November 5, 2010 the Board of Directors of First Global Brokers SA decided and it was approved by the Extraordinary General Meeting of Shareholders on 23 November 2010, which is expected to be completed in 2011.

The assets of the company which on June 30, 2011 was 74 thousand Euros, is not material for the size of the Group.

(\*\*) This company is under bankruptcy status

## 2. Basis of preparation of the condensed interim financial information

The accounting principles followed during the preparation of the present financial statements are set out below and have been consistently applied to all accounting periods presented, for all companies consolidated.

The Group's functional currency is the Euro and the amounts included in the financial statements are presented in thousands of Euros, unless otherwise stated in the respective notes.

### 2.1 Basic accounting principles

The principal accounting policies, computations, significant policies and estimations which have been adopted in the preparation of this condensed consolidated interim financial information are consistent with those of the annual consolidated financial statements of the Group for the year ended 31 December 2010.

Furthermore, normal purchases or sales of financial assets are recognised and derecognised using trade date accounting.

Contracts that require or allow net settlement of the change in the value of the contract are accounted for as derivatives in the period between the trade date and the settlement date.

The Group's functional currency is the Euro and the amounts in the financial information are presented in thousands of Euros, unless otherwise stated in the relevant notes.

Certain accounts of the previous year's financial statements have been adjusted in order to become comparable to the corresponding accounts of the current year.

Any differences presented among the amounts of the financial statements and the relevant amounts presented at notes, are due to rounding's.

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

Standards and Interpretations effective for the current financial year

**IAS 24 (Revised) "Related Party Disclosures"**

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Group's financial statements.

**IAS 32 (Amendment) "Financial Instruments: Presentation"**

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

**IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"**

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

**IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"**

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

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

**IFRS 3 "Business Combinations"**

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

**IFRS 7 "Financial Instruments: Disclosures"**

The amendments include multiple clarifications related to the disclosure of financial instruments.

**IAS 1 "Presentation of Financial Statements"**

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

**IAS 27 "Consolidated and Separate Financial Statements"**

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

**IAS 34 "Interim Financial Reporting"**

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

**IFRIC 13 "Customer Loyalty Programmes"**

The amendment clarifies the meaning of the term 'fair value' in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

**IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)**

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

**IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)**

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU.

**IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012)**

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

**IAS 19 (Amendment) "Employee Benefits"** (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. This amendment has not yet been endorsed by the EU.

**IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

**IFRS 13 "Fair Value Measurement"** (Effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**Group of standards on consolidation and joint arrangements** (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

**IFRS 10 "Consolidated Financial Statements"**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

**IFRS 11 "Joint Arrangements"**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

**IFRS 12 "Disclosure of Interests in Other Entities"**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

**IAS 27 (Amendment) "Separate Financial Statements"**

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

**IAS 28 (Amendment) "Investments in Associates and Joint Ventures"**

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

**2.2 Comparative information**

For the preparation of the condensed consolidated interim statement of financial position and the condensed consolidated interim financial statement, comparative accounting data of 31<sup>st</sup> December 2010 and 30<sup>th</sup> June 2010, respectively, have been employed.

### 3. Financial risk management

In this section presented information about the risks that the Group is exposed and are described the methods that are used by the Management in order to control them. The most significant financial risks to which the Group is exposed are credit risk, liquidity risk and market risk. In Market risk are included the foreign exchange risk, the interest rate risk and the risk of changes in stock prices.

In the interim financial information are not included all financial risk management information and disclosures required during the preparation of the annual financial statements. Therefore, the present financial information should be read in conjunction with the Annual Financial Report of 31<sup>st</sup> December 2010.

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

The following table presents the Group's maximum credit risk exposure as of 30/06/2011 and 31/12/2010 to Bonds issued by Hellenic Republic.

	Maximum exposure	
	30.6.2011	31.12.2010
Available for sale	204.274	177.107
Debt receivables	336.036	334.858
Held to maturity	368.330	553.365
Held for trading	13.418	109.253
<b>Total</b>	<b>922.058</b>	<b>1.174.583</b>

#### Bonds issued by Hellenic Republic

The table below presents an analysis of the Bonds issued by Hellenic Republic by rating agency designation at 30 June 2011, based on S&P 's rating.

Rating	S&P Rating Agency				Total
	Available for sale	Debt receivables	Held to maturity	Held for trading	
CCC	204.274	342.055	368.330	13.418	<b>928.077</b>

#### Market risk

The Group defines the market risk as the risk arising from changes in the value of the outstanding positions in financial instruments of the Group, resulting from fluctuations in the price changes of financial instruments

Market risk is analyzed in the following types:

- Interest rate risk, which relates the change in value of financial instruments as a result of changes in interest rates,
- Price risk, resulting from the change in value of financial instruments due to changes in prices (eg stock prices)
- Currency risk, by changing the value of financial instruments as a result of currency changes,
- Risk of volatility due to changes in value of financial instruments as a result of fluctuations in volatility.

The Bank applies a centralized approach to managing market risk and as a result, the definition of market risk covers the entire Group

The definition of market risk that is adopted by the Group, includes the management of market risk factors to the whole portfolio of the Group (trading and banking book) and therefore includes the interest rate risk in the banking portfolio.

**Value at Risk (VaR):** The Group uses the historical methodology in its VaR calculations with a 99% confident interval and a 1 day holding period. This methodology calculates value at risk for each rate based on daily historical perturbations and determines VaR by each risk factor (interest, price, volatility). The 99<sup>th</sup> percentile VaR results from the subtraction of the worst 1% historical perturbations. The Group constantly revises its internal VaR model and performs in constant intervals back testing in order to evaluate the VaR results to the actual daily P&L.

Alternatively on a daily basis sensitivity rates are calculated and scenario of crisis is effected to assess the economic losses of the overall portfolio of the bank in a very unusual economic change.

#### Crisis scenario

The measurement of the stress scenario is made by using the variation in risk parameters resulting from the worst observation of historical VaR price distribution. Therefore, the methodology uses historical data to simulate the historical scenarios, while in parallel the estimation of the damage is done by using extreme observations of the sample in order to simulate the EVT methodology. The time horizon that is used in the calculations is relevant to the overall historical data that is available to the bank and have extended from today until 02.05.2006.

In the following table, the minimum, maximum and average levels are presented for the period 1.1.2011-30.6.2011

VaR	1.1.2011 to 30.6.2011		
	Average	High	Low
	341,87	492,03	191,06

**Liquidity Risk**

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

Compared to year-end 2010, the Group has reduced its reliance on the ECB by about 487 million Euros.

On February 2011, by virtue of its Board of Directors decision dated 26.1.2011, the Bank issued subordinated notes, of 60 million Euros, of ten year maturity. The issue was distributed by way of private placement. Through this issue, the Group raised the amount of 59.4 million Euros.

The Group tries to balance the need between financing and flexibility, by maintaining a portfolio with different maturities. Besides, the Group measures and monitors, on a daily basis, the mandatory liquidity ratios, "Liquid Assets / Total Liabilities" and "Net Current Assets / Total Liabilities", as these prescribed by the Bank of Greece, whereas, on regular time intervals, the Group works out scenarios of liquidity crisis and the ability of handling such crisis is thoroughly appreciated. The monitoring and controlling of the liquidity risk exposure represents a dynamic procedure in order the Group's business and strategic goals to be fully fulfilled.

The Asset and Liability committee (ALCO) during their meeting monitors the relevant liquidity indicators and takes the appropriate measures to finance adequately the Group activities.

The following table analyzes the Bonds issued by Hellenic Republic of the Group by remaining maturity as at the reporting date.

	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
Available for sale	48.910	50.561	32.159	72.643
Debt receivables	-	15.615	186.074	140.366
Held to maturity	-	-	368.330	-
Held for trading	5.884	1.401	4.035	2.099
<b>Total</b>	<b>54.794</b>	<b>67.577</b>	<b>590.598</b>	<b>215.108</b>

**Asset management and capital adequacy**

The total regulatory capital of the Group at 30 June 2011 amounted to 332.099 thousand Euros, over 291.432 thousand Euros at 31 December 2010.

#### 4. Critical accounting estimates and judgments

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

##### 4.1 Recognition of the identifiable intangible assets acquired from business combinations

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

- Is separable, i.e. capable of being separated or divided from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability or
- Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Thus, the Group has identified intangible assets from a business combination as follows:

- Intangible assets from loan contractual agreements
- Intangible assets from deposits contractual agreements
- Intangible assets from contractual agreements in brokerage services.

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

##### 4.2 Impairment losses on loans and receivables

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

##### 4.3 Fair value of derivative financial instruments

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

##### 4.4 Impairment of available-for-sale financial assets

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

##### 4.5 Impairment test of goodwill acquired in a business combination

The Group assesses annually whether goodwill has come from acquisitions has been impaired in accordance with the accounting policy stated in note 2 of the annual financial report 1.1-31.12.2010. The recoverable amounts of cash generating units is determined by calculating the value in use.

##### 4.6 Held-to-maturity investments

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

##### 4.7 Income taxes

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

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

##### 4.8 Private Sector Involvement (PSI)

These interim financial information has been prepared under the decision of not participating in the Private Sector Involvement (PSI) as stated in Note 26 "Subsequent Events" .

**5. Segment analysis**

The Group adopts a structure of three Business Units, which are engaged in business mainly in Greece. These business units are being managed separately since they require different strategic reporting.

**Commercial Banking:** This segment includes retail and commercial banking activities: i) retail banking, addressing households, small and medium enterprises, ii) corporate banking, addressing large corporate and shipping companies.

This Unit is being supported by the branch network and manages all depository products (savings, liquidity products/sight accounts, investment products/time deposits, repos, swaps, lending, mortgage-consumer-corporate credit, leasing, letter of guarantees, and credit cards.

**Investment Banking:** This segment includes the provision of brokerage services, underwriting, capital markets related advisory and intermediation services, investment banking products and services, and brokerage services. It also includes interbank activities, through the Treasury.

**Other activities:** This Business Unit includes insurance and reinsurance brokerage, as well as activities of the Bank and its subsidiaries, not included in one of the previous two Business Units.

The Group does not allocate to its business segments income tax expenses, or the expenses of certain administrative services. Furthermore, apart from depreciation, the aforementioned segments do not hold any significant non-cash items.

The amounts reported in the tables below, are also included in the management reports submitted to the Executive committee.

The Executive Committee is responsible for strategic planning, coordination and operations of the Bank and its subsidiaries. It sets goals, parameters and strategies regarding the course of action of the Bank. It also analyzes and proposes to the BoD. The Executive Committee consists of five Members.

The President of the Executive Committee supervises the work and attends meetings, as appropriate, in order to express his opinion and to contribute to the Executive Committee on issues that are related with the predetermined strategy, the efficiency and the resources of the Bank .

The segment analysis by business units is as follows:

**As at 30<sup>th</sup> June 2011**

(in thousands of euros)	Retail Banking	Investment Banking	Other financial services	Total
Interest and similar income	66.993	30.209	-	97.202
Interest expense and similar charges	(43.903)	(18.688)	-	(62.591)
<b>Net interest income</b>	<b>23.090</b>	<b>11.521</b>	-	<b>34.611</b>
Fee and commission income	3.242	1.714	-	4.956
Fee and commission expense	(1.598)	(299)	-	(1.897)
<b>Net fee and commission income</b>	<b>1.644</b>	<b>1.415</b>	-	<b>3.059</b>
<b>Dividend income</b>	-	<b>42</b>	-	<b>42</b>
<b>Net trading income</b>	-	<b>825</b>	-	<b>825</b>
<b>Net income from financial instruments designated at fair value</b>	-	<b>732</b>	-	<b>732</b>
<b>Gains less losses from investment securities</b>	-	<b>(4.170)</b>	-	<b>(4.170)</b>
<b>Other operating income</b>	<b>8</b>	<b>450</b>	<b>763</b>	<b>1.221</b>
<b>Operating income</b>	<b>24.742</b>	<b>10.815</b>	<b>763</b>	<b>36.320</b>
Administrative expenses	(18.184)	(7.731)	(483)	(26.398)
Depreciation expenses	(2.322)	(644)	(3)	(2.969)
Loans impairment charges and other provisions	(42.688)	(357)	-	(43.045)
<b>Profit/(loss) before tax</b>	<b>(38.452)</b>	<b>2.083</b>	<b>277</b>	<b>(36.092)</b>
Income tax expense	-	-	-	6.129
<b>Profit/(loss) after tax</b>	-	-	-	<b>(29.963)</b>
<b>Total assets</b>	<b>2.188.424</b>	<b>1.331.405</b>	<b>5.580</b>	<b>3.525.409</b>
<b>Total liabilities</b>	<b>1.782.110</b>	<b>1.492.806</b>	<b>5.230</b>	<b>3.280.146</b>

As at 30<sup>th</sup> June 2010

(in thousands of euros)	<u>Retail Banking</u>	<u>Investment Banking</u>	<u>Other financial services</u>	<u>Total</u>
Interest and similar income	33.297	31.538	-	64.835
Interest expense and similar charges	<u>(21.150)</u>	<u>(12.016)</u>	-	<u>(33.166)</u>
<b>Net interest income</b>	<b>12.147</b>	<b>19.522</b>	-	<b>31.669</b>
Fee and commission income	14.416	11.096	-	25.512
Fee and commission expense	<u>(729)</u>	<u>(547)</u>	-	<u>(1.276)</u>
<b>Net fee and commission income</b>	<b>13.687</b>	<b>10.549</b>	-	<b>24.236</b>
<b>Dividend income</b>	-	<b>635</b>	-	<b>635</b>
<b>Net trading income</b>	-	<b>(6.092)</b>	-	<b>(6.092)</b>
<b>Net income from financial instruments designated at fair value</b>	-	<b>(230)</b>	-	<b>(230)</b>
<b>Gains less losses from investment securities</b>	-	<b>465</b>	-	<b>465</b>
<b>Other operating income</b>	-	<b>755</b>	<b>690</b>	<b>1.445</b>
<b>Operating income</b>	<b>25.834</b>	<b>25.604</b>	<b>690</b>	<b>52.128</b>
Administrative expenses	(17.280)	(7.328)	(447)	(25.055)
Depreciation expenses	(2.857)	(643)	(3)	(3.503)
Loans impairment charges and other provisions	<u>(20.229)</u>	<u>(1.500)</u>	-	<u>(21.729)</u>
<b>Profit before tax</b>	<b>(14.532)</b>	<b>16.133</b>	<b>240</b>	<b>1.841</b>
<b>Share of profit of associates</b>				<b>13</b>
Income tax expense				<u>(840)</u>
<b>Profit after tax</b>				<b>1.014</b>
<b>Total assets</b>	<b>1.660.917</b>	<b>2.246.308</b>	<b>5.001</b>	<b>3.912.226</b>
<b>Total liabilities</b>	<b>1.536.508</b>	<b>2.072.405</b>	<b>4.693</b>	<b>3.613.606</b>

In the Commercial Banking figures the followings are included i) interest and similar income from loans to customers and financial lease operations, ii) interest expense and similar charges from customer deposits.

In the Investment Banking figures the followings are included i) interest and similar income from interest-bearing portfolio, from claims from financial institutions and other interest income, ii) interest expense and similar charges from financial institutions and debt securities in issue.

In the Commercial Banking figures the followings are included i) fee and commission income from loans to customers, credit cards, and letter of guarantees, ii) fee and commission expense credit cards, funds transfer and letters of guarantees.

In the Investment Banking figures the followings are included i) fee and commission income from investment products, stock exchange activities, active portfolio management, foreign exchange services, dealing operations, ii) fee and commission expense from investment products, derivative securities, fiduciary services.

Other Operating Income comprises rental income and income from non-banking services.

<b>6. Net interest income</b>	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
<b>Interest and similar income</b>		
Loans and advances to customers	66.700	33.367
Debt securities	28.941	29.224
Loans and advances to banks	963	1.422
Other interest and similar income	598	822
<b>Total</b>	<b>97.202</b>	<b>64.835</b>
<b>Interest expense and similar charges</b>		
Due to customers	(44.282)	(21.906)
Deposits from banks	(12.056)	(7.997)
Contributions (Law N.128)	(3.206)	(2.848)
Debt securities in issue	(3.046)	(403)
Other interest and similar expense	(1)	(12)
<b>Total</b>	<b>(62.591)</b>	<b>(33.166)</b>
<b>Net interest income</b>	<b>34.611</b>	<b>31.669</b>
<b>7. Net fee and commission income</b>	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
<b>Fee and commission income</b>		
<b>Investment Banking:</b>		
Investment activities	55	8.370
Securities brokerage	1.342	1.829
Asset management	131	626
<b>Retail Banking:</b>		
Loans and receivables	2.477	2.725
Credit cards	174	306
Bancassurance	-	10.896
Letters of guarantee	478	380
Imports-exports	112	106
<b>Fund management:</b>		
Foreign currency transactions	164	180
Remittance	22	94
Other	1	-
<b>Total</b>	<b>4.956</b>	<b>25.512</b>
<b>Fee and commission expense</b>		
<b>Investment Banking:</b>		
Investment activities	(4)	(15)
Securities brokerage	(468)	(700)
<b>Retail Banking:</b>		
Credit cards	(94)	(147)
Remittance fees/commissions from LGs	(1.305)	(384)
<b>Fund management:</b>		
Fiduciary activities	(20)	(26)
<b>Other activities:</b>		
Other commissions	(6)	(4)
<b>Total</b>	<b>(1.897)</b>	<b>(1.276)</b>
<b>Net fee and commission income</b>	<b>3.059</b>	<b>24.236</b>
<b>8. Net trading income</b>	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
Transaction gains less losses	4.538	885
Securities valuation	(1.807)	(525)
Stock sales	(589)	(2.352)
Derivative financial instruments	698	(3.546)
Foreign exchange translation and transaction (gains less loss)	(2.015)	(554)
<b>Total</b>	<b>825</b>	<b>(6.092)</b>

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The valuation of derivatives which are held for hedging is 3.377 thousand Euros.

**9. Profit less losses from investment securities**

	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
Sales of available for sale securities	320	465
Sales of securities carried at amortized cost	(4.490)	-
<b>Total</b>	<b>(4.170)</b>	<b>465</b>

**10. Loans impairment charges and other provisions**

	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
<b>a) Impairment losses on loans and receivables</b>	<b>(42.504)</b>	<b>(20.171)</b>
<b>b) Other provisions</b>		
Available-for-sale equity investments	(189)	(1.221)
Impairment losses of non current assets	(168)	(279)
Other assets	(184)	(58)
	<b>(541)</b>	<b>(1.558)</b>
<b>Total</b>	<b>(43.045)</b>	<b>(21.729)</b>

**11. Income tax expense**

	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
Current tax	(2.463)	(1.003)
Deferred tax	8.758	303
Tax provisions	(166)	(140)
<b>Total</b>	<b>6.129</b>	<b>(840)</b>

The tax rate for Greek legal entities, in accordance with the articles of the Greek tax legislation runs to 20% for the period 2011. The companies of the Group have been reviewed by the tax authorities and have settled all their liabilities, unless for the periods mentioned below:

Proton Bank S.A.	2009-2010
Proton Mutual Funds Management Co SA	2010
Omega Brokers S.A.	2010
First Global Brokers:	2002-2010
Intellectron Systems S.A.:	2001-2010

For the un-audited period a relevant provision has been recognized in accordance with the IFRS, total amounts 826 thousand Euros. The calculation of the deferred tax has been based on the tax rate that it is estimated to stand on the applicable tax law when the temporary tax or deductible differences will be reversed. Under the current circumstances, we consider that the deferred tax will be recovered, because it comes mostly from the valuation of receivables and from the increased accounting provisions in relation with the provision for tax purposes.

The income tax expense charged in the consolidated income statement differs with the one that would be calculated by strictly applying the nominal tax rate over the taxable profits.

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

**12. Earnings per share**

	<b>1.1-30.06.2011</b>	<b>1.1-30.06.2010</b>
<b>Net profit / (loss) attributable to the share holders of the bank</b>	<b>(30.034)</b>	<b>984</b>
Number of ordinary shares outstanding at the beginning of period	62.683.822	62.683.822
Less: Treasury shares	(760.483)	(760.483)
<b>Number of ordinary shares outstanding at the end of period</b>	<b>61.923.339</b>	<b>61.923.339</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>61.923.339</b>	<b>61.923.339</b>
<b>Basic and diluted earnings per share (expressed in euro per share)</b>	<b>(0,4850)</b>	<b>0,0159</b>

Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares. The earnings per share for the previous period were adjusted in order to be comparative with the current period.

**13. Other comprehensive income analysis**

	<b>1.1-30.06.2011</b>		
	<b>Before Tax</b>	<b>Tax</b>	<b>Net after Tax</b>
Net change in available for sale investment	(631)	10	(621)
Change in currency translation reserve	(8)	-	(8)
<b>Total</b>	<b>(639)</b>	<b>10</b>	<b>(629)</b>

  

	<b>1.1-30.06.2010</b>		
	<b>Before Tax</b>	<b>Tax</b>	<b>Net after Tax</b>
Net change in available for sale investment	(23.310)	4.507	(18.803)
Change in currency translation reserve	(13)	-	(13)
<b>Total</b>	<b>(23.323)</b>	<b>4.507</b>	<b>(18.816)</b>

**14. Loans and advances to customers**

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Individuals:</b>		
Mortgages	38.456	38.518
Consumer/personal	105.741	106.929
Credit cards	30.212	30.642
<b>Total loans and receivables to individuals</b>	<b>174.409</b>	<b>176.089</b>
<b>Corporate entities:</b>		
Agricultural	60.627	11.932
Mining	-	178
Manufacture	257.973	223.019
Small industry	38.098	12.670
Building /construction	68.432	83.362
Energy	-	4.870
Commercial /Insurance	555.649	572.636
Transportation	149.024	200.296
Services	169.043	120.292
Other entities	598.220	579.468
<b>Total loans and receivables to corporate entities</b>	<b>1.897.066</b>	<b>1.808.723</b>
Finance lease receivables	66.287	72.707
<b>Gross loans and receivables</b>	<b>2.137.762</b>	<b>2.057.519</b>
Less: allowance for losses (impairment) on loans and advances to customers	(148.652)	(106.150)
<b>Net loans and receivables</b>	<b>1.989.110</b>	<b>1.951.369</b>

**15. Financial assets held for trading**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	9.550	14.922
Greek Government Treasury Bills	5.884	96.369
Corporate bonds	5.544	34.561
Mutual funds	723	799
Equity securities	5.495	3.704
<b>Total</b>	<b>27.196</b>	<b>150.355</b>

**16. Financial assets designated at fair value**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Corporate Bonds	82.079	37.769
Mutual fund	321	355
Equity securities	1.305	357
<b>Total</b>	<b>83.705</b>	<b>38.481</b>

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

**17. Held-to-maturity**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	368.330	553.365
<b>Total</b>	<b>368.330</b>	<b>553.365</b>

During the 2nd quarter of 2010, bonds with fair value of 431.990 thousand Euros were reclassified from the "Available for sales securities" portfolio to the "Held to maturity" portfolio. If these bonds had remained in the portfolio of "Available for sale", a revaluation loss of -7.401 thousand Euros from 1.4.2010 to 30.06.2011 would have been recognized in the Available for sales reserve. The negative valuation of these bonds from 1.1.2010 to the date of reclassification -27.899 thousand Euros is still displayed in the "Available for sales" reserve. The Group has the intention and ability to hold these bonds until maturity.

**18. Available-for-sale**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	141.670	97.081
Greek Government Treasury Bills	72.960	98.525
Corporate bonds	62.015	59.415
Equity securities	11.865	12.795
Other investments	3.050	2.922
<b>Total</b>	<b>291.560</b>	<b>270.738</b>

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

An amendment to IAS 39 and IFRS 7 has been adopted, under which the Group during the 3rd quarter of 2008 an amount of 22 million Euros representing the market value of equity securities listed in the Athens Exchange as of June 30<sup>th</sup> 2008, has been transferred from "Financial assets at fair value through profit or loss" to "Available-for-Sale Investment Securities" due to the extraordinary conditions prevailing in the financial markets; it is estimated that the market value of these equity securities does not represent the internal value of the underlying business entities. The Group intends to hold these securities and not to dispose them in the near future. The valuation of these securities, for the period 1.1.2011 to 30.06.2011, amounts to -57 thousand Euros and has been recognized directly in "Available-for-Sale Reserve". The accumulated revaluation losses for the aforementioned securities, for the period 1.7.2008 to 30.06.2011, amounting 8.6 million Euros. Also, during the period after the transfer, equity securities with fair value of 4.297 thousand Euros were sold. The Group made a further impairment of shares available for sale amount of 189 thousand Euros.

**19. Debt receivable**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	342.056	338.479
Corporate bonds	50.247	269.108
<b>Total</b>	<b>392.303</b>	<b>607.587</b>

During the 2nd quarter of 2010, bonds with fair value of 595.829 thousand Euros were reclassified from the "available for sale securities" portfolio to the "debt receivable". The management of the Bank has been taken this decision due to extraordinary conditions prevailing in the financial markets and particularly in the market of Greek government bonds, due to the deteriorating fiscal situation of the Greek economy. If these bonds had remained in the portfolio of available for sale, a revaluation loss of -141.347 thousand Euros from 1.4.2010 to 30.06.2011 would have been recognized in the available for sale reserve, while the negative valuation from 1.1.2010 until the date of reclassification amounted to -23.291 thousand Euros is still displayed in the "Available for sales" reserve. This reserve will be amortized through the income statement by using the effective interest rate method. Also, during the period after the reclassification, bonds with fair value of 225.190 thousand Euros were sold from a total value of 595.829 thousand Euros.

**20. Due to banks**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Amounts due to central banks	1.155.145	1.641.541
Deposits from other banks	165.935	182.929
Current accounts	6.837	10.702
Time deposits	325	3.036
Repurchase agreements (Repos)	36.675	142.532
<b>Total</b>	<b>1.364.917</b>	<b>1.980.740</b>

As at 30<sup>th</sup> June 2011, the amount due to ECB was 1.155 thous. Euros (2010:1.642 thous. Euros), while the value of collateral for financing from the ECB was 1.154 thous. Euros (2010: 2.096 thous. Euros).

**21. Due to customers**

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Individuals:</b>		
Time deposits	1.326.040	1.375.383
Savings accounts	69.318	66.241
Current accounts	9.876	15.111
Under caution	815	1.306
	<b>1.406.049</b>	<b>1.458.041</b>
<b>Corporate entities:</b>		
Current accounts	57.067	68.399
Time deposits:		
- Corporate entities	104.536	146.759
- Public organizations	137.550	167.751
- Other time deposits	23.174	31.202
<b>Total</b>	<b>322.327</b>	<b>414.111</b>
<b>Margin accounts</b>	<b>11.291</b>	<b>14.857</b>
<b>Pledged deposits</b>	<b>48.933</b>	<b>47.038</b>
<b>Blocked deposits</b>	<b>83</b>	<b>83</b>
<b>Total</b>	<b>1.788.683</b>	<b>1.934.130</b>

**22. Hybrid capital and other borrowed funds**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Debt securities in issue with a maturity beyond one year	60.417	-
<b>Total</b>	<b>60.417</b>	<b>-</b>

During the first quarter of current fiscal year, the Bank issued a subordinated bond with nominal value of 60 million Euros, covered in their entirety through a private placement. The securities are for ten years with date of issue the February 8, 2011 at the rate of euribor +9,75%. The Bank, as issuer has the right for early repayment after five years from the date of issue, upon the written approval of the Bank of Greece.

**23. Other reserves**

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Available-for-sale reserve:</b>		
Balance at beginning of period	(114.680)	(83.902)
Gain/(losses) from change in fair value	(10.056)	(61.926)
Deffered income tax	10	7.543
Recycling of the accumulated fair value adjustment of disposed afs securities	6.084	7.941
Amortization by using the effective interest rate method	3.530	13.430
Impairment though the income statement	(189)	2.234
<b>Total available-for-sale reserve</b>	<b>(115.301)</b>	<b>(114.680)</b>
<b>Statutory reserves:</b>		
Balance at beginning of period	2.647	2.647
<b>Total statutory reserves</b>	<b>2.647</b>	<b>2.647</b>
<b>Total</b>	<b>(112.654)</b>	<b>(112.033)</b>

**24. Contingent liabilities and commitments**
**24.1 Legal proceedings**

There are some claims and legal actions against the Group in the ordinary course of business. Except of an allowance of 109 thousands of Euros no other provision in relation to these claims has been recognized, after the consultation with legal counsel, the final sentence judgment and their settlement are not expected to have a material impact on the financial statements of the Group.

**24.2 Letters of guarantee/irrevocable letters of credit**

The off balance sheet items which represent the Group's commitment to extend credit to its customers are analyzed as follows:

	<b>30.06.2011</b>	<b>31.12.2010</b>
Letters of guarantee	68.752	71.497
Irrevocable letters of credit	28	87
<b>Total</b>	<b>68.780</b>	<b>71.584</b>

**24.3 Pledged assets**

	<b>30.6.2011</b>
State bonds favor E.T.E.S.E.P	1.500
Commitments to the BoG:	
Greek Government Treasury Bills	81.003
Government bonds	876.321
Foreign Public Debt	1.025
Treasury Bills of Foreign Public	3.000
Corporate bonds	193.254
Loans to customers for receiving guarantees (Law 3723/2008)	549.674
<b>Total</b>	<b>1.705.777</b>

**25. Related party transactions**

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

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

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Assets</b>		
Loans	3.670	11.719
Other receivables	40	22
<b>Total</b>	<b>3.710</b>	<b>11.741</b>

<b>Liabilities</b>		
Deposits	13.189	40.793
Hybrid capital and other borrowed funds	1.016	-
Other liabilities	8	8
<b>Total</b>	<b>14.213</b>	<b>40.801</b>
	<b>1.1.-30.06.2011</b>	<b>1.1.-30.06.2010</b>
<b>Income</b>		
Interest and similar income	130	2.053
Other income	271	7.065
<b>Total</b>	<b>401</b>	<b>9.118</b>
<b>Expenses</b>		
Salaries and other remuneration	1.255	1.299
Interest expense and similar charges	478	1.215
Debt securities in issue	43	-
Other operating expenses	42	58
<b>Total</b>	<b>1.818</b>	<b>2.572</b>

## 26. Post balance sheet events

The new Medium Term Support Plan of July 21, set out by the European Union for the support of the Greek economy, includes, among other things the voluntary exchange of Greek bonds held on June 30, 2011,, maturing until the end of 2020, with new bonds that will be issued for this purpose and will have a duration of up to 30 years. The above bond exchange program is the Private Sector Involvement (PSI) and addresses address the private sector and aims to attract at least 90% of eligible bonds, while the implementation will take place in accordance to the basic initial conditions that were announced the same day by the International Institute of Finance (IIF). Many financial institutions around the world have already expressed their support to this program. On August 26, 2011, the Minister of Finance, sent an Inquiry letter to Greek bonds investors, through the respective Ministers of Finance, concerning the implementation of the Agreement of July 21 for ensuring the viability of public debt with private sector involvement, attaching a description of the Bond Exchange Program. According to the letter of the Minister of Finance, the final decision for the participation to PSI should be based on the final terms of the offer (offer memorandum), that is expected to take place in early October 2011.

Taking into account the Bank's exposure to Greek public debt securities that are included in this programme, the nominal value of which at 30.6.2011 amounted to 691 million Euros, the Management decided not to participate in the Bond Exchange Program (PSI). The Bank's Management estimates that there will be sufficient coverage of this scheme through the PSI . As a result and in a view of the decision not to participate to the program, there are no indications of impairment of the Greek government bonds that are held by the Bank. In the event that the Bank participated in the PSI, the Management estimates that the impairment loss arising from the bonds that are involved in the scheme, would amount to approximately € 80 mil., before taxes.

At the end of July the Bank received the Report of the Bank of Greece with the Findings of the audit conducted by the Directorate of Banking Supervision, concerning the extent of its compliance to the Anti-Money Laundering – AML/CFT – Framework. The Bank has expressed its views on the findings of this audit, within the deadline set forth by the Bank of Greece. In the event that the Bank has violated the Anti-Money Laundering – AML/CFT – Framework, in the cases described in the findings of the respective audit, the Bank will be subject to the forfeitures implied by the legal and institutional framework. The Bank is not aware of any decision by the Bank of Greece concerning forfeitures and it is estimated that any potential forfeitures will have no significant impact on the financial statements.

The Committee for Credit and Insurance Matters of the Bank of Greece, decided (reference number 15/1/19.8.2011), to appoint a commissioner to the Bank, in accordance to article 63, paragraph 2, combined with the provisions of article 8, elements iv and vi of L. 3601/2007.

On August 19, together with the restructuring of the Bank's Board of Directors, the response of the four largest banks of the country (National Bank, Eurobank, Alpha, Piraeus Bank) was announced, to PROTON Bank's proposal for taking part in the initiatives that are necessary for the beginning of a new period for the Bank, with an integrated business plan that will be looking into their participation to the planned convertible bond issue of an amount up to € 50 mil.

Apart from the above, no important events took place during the period between the end of the accounting period and the date of publication of the present information that influence the course of the Bank or the present financial information.

Athens, 8<sup>th</sup> September 2011

The Vice - Chairman

The Managing Director

The Chief Financial Officer

Georgios milonas

George Taniskidis

Polychronis Karachalios

**V. Banks Condensed Interim Financial Information for the period ending June 30<sup>th</sup>, 2011**
**CONDENSED INTERIM INCOME STATEMENT**

(in thousands of euros)	Note	1.1- 30.6.2011	1.1- 30.6.2010	1.4- 30.6.2011	1.4- 30.6.2010
Interest and similar income		97.157	64.797	50.603	34.943
Interest expense and similar charges		<u>(62.690)</u>	<u>(33.235)</u>	<u>(32.715)</u>	<u>(18.553)</u>
<b>Net interest income</b>	6	<b>34.467</b>	<b>31.562</b>	<b>17.888</b>	<b>16.390</b>
Fee and commission income		4.929	25.483	2.219	19.299
Fee and commission expense		<u>(1.891)</u>	<u>(1.267)</u>	<u>(951)</u>	<u>(687)</u>
<b>Net fee and commission income</b>	7	<b>3.038</b>	<b>24.216</b>	<b>1.268</b>	<b>18.612</b>
<b>Dividend income</b>		<b>128</b>	<b>707</b>	<b>128</b>	<b>707</b>
<b>Net trading income</b>	8	<b>825</b>	<b>(6.092)</b>	<b>145</b>	<b>(2.743)</b>
<b>Net income from financial instruments designated at fair value</b>		<b>695</b>	<b>-</b>	<b>695</b>	<b>-</b>
<b>Gains less losses from investment securities</b>	9	<b>(4.170)</b>	<b>478</b>	<b>(2.815)</b>	<b>310</b>
<b>Other operating income</b>		<u><b>375</b></u>	<u><b>651</b></u>	<u><b>18</b></u>	<u><b>574</b></u>
<b>Operating income</b>		<b>35.358</b>	<b>51.522</b>	<b>17.327</b>	<b>33.850</b>
Personnel expenses		(13.113)	(11.828)	(7.291)	(6.051)
Other administrative expenses		(12.413)	(12.222)	(6.000)	(7.805)
Depreciation and amortization expenses		(2.961)	(3.491)	(1.235)	(1.703)
Loans impairment charges and other provisions	10	<u>(43.045)</u>	<u>(21.729)</u>	<u>(39.813)</u>	<u>(20.159)</u>
<b>Total operating expenses</b>		<b>(71.532)</b>	<b>(49.270)</b>	<b>(54.339)</b>	<b>(35.718)</b>
<b>Profit/(loss) before tax</b>		<b>(36.174)</b>	<b>2.252</b>	<b>(37.012)</b>	<b>(1.868)</b>
Income tax expense	11	<u>6.188</u>	<u>(840)</u>	<u>6.247</u>	<u>(549)</u>
<b>Profit/(loss) after tax</b>		<b>(29.986)</b>	<b>1.412</b>	<b>(30.765)</b>	<b>(2.417)</b>
<b>Basic Earnings per share (in € per share)</b>	12	<b>(0,4842)</b>	<b>0,0228</b>	<b>(0,4968)</b>	<b>(0,0390)</b>

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

(in thousands of euros)	Note	1.1- 30.6.2011	1.1- 30.6.2010	1.4- 30.6.2011	1.4- 30.6.2010
<b>Profit/(loss) for the period</b>		<b>(29.986)</b>	<b>1.412</b>	<b>(30.765)</b>	<b>(2.417)</b>
Fair value gains on available -for-sale financial assets, net of tax		<u>(621)</u>	<u>(18.803)</u>	<u>(4.086)</u>	<u>(953)</u>
<b>Other comprehensive income for the period, net of tax</b>	13	<b>(621)</b>	<b>(18.803)</b>	<b>(4.086)</b>	<b>(953)</b>
<b>Total comprehensive income for the period, after tax</b>		<b>(30.607)</b>	<b>(17.391)</b>	<b>(34.851)</b>	<b>(3.370)</b>

The notes on pages 32 to 44 are an integral part of these condensed interim financial information as at 30<sup>th</sup> June 2011.

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

(in thousands of euros)

	Note	30.06.2011	31.12.2010
<b>ASSETS</b>			
Cash and balances with the Central Bank		51.424	82.867
Loans and advances to banks		94.006	386.017
Loans and advances to customers	14	1.989.110	1.951.369
Derivative financial instruments		13.709	15.987
Financial assets held for trading	15	27.196	150.350
Financial assets designated at fair value	16	80.039	35.791
Investment securities:			
-Held-to-maturity	17	368.330	553.365
-Available-for-sale	18	291.560	270.738
Debt receivable	19	392.303	607.587
Investments in subsidiaries and associates		13.428	13.428
Intangible assets		74.627	76.562
Property, plant and equipment		23.119	24.016
Deferred tax assets		47.495	38.792
Other assets		62.711	54.122
<b>Total assets</b>		<b>3.529.057</b>	<b>4.260.991</b>
<b>LIABILITIES</b>			
Due to banks	20	1.364.917	1.980.740
Due to customers	21	1.793.785	1.940.350
Financial Liabilities at fair value		-	90
Derivative financial instruments held for trading		21.541	18.619
Hedging derivatives		3.624	7.301
Debt securities in issue		18.631	17.965
Hybrid capital and other borrowed funds	22	60.417	-
Retirement benefit obligations		1.989	1.783
Current income tax liabilities		5.511	3.779
Other liabilities		9.434	10.531
<b>Total liabilities</b>		<b>3.279.849</b>	<b>3.981.158</b>
<b>EQUITY</b>			
Share capital		361.450	361.450
Share premium		84.686	84.704
Less: Treasury shares		(7.668)	(7.668)
Other reserves	23	(112.860)	(112.239)
Retained earnings		(76.400)	(46.414)
<b>Total equity</b>		<b>249.208</b>	<b>279.833</b>
<b>Total equity and liabilities</b>		<b>3.529.057</b>	<b>4.260.991</b>

 The notes on pages 32 to 44 are an integral part of these condensed interim financial information as at 30<sup>th</sup> June 2011.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

(in thousands of euros)	Share capital	Treasury shares	Share premium	Revaluation reserve	Statutory reserve	Retained earnings/ (losses)	Total
<b>Balance as at 1<sup>st</sup> January 2010</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.739</b>	<b>(82.937)</b>	<b>2.442</b>	<b>(36.655)</b>	<b>321.371</b>
<b><u>Changes during the period 1.1 - 30.6.2010</u></b>							
Total comprehensive income after tax	-	-	-	(18.803)	-	1.412	(17.391)
Cost in share capital increase	-	-	(18)	-	-	-	(18)
<b>Balance as at 30<sup>th</sup> June 2010</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.721</b>	<b>(101.740)</b>	<b>2.442</b>	<b>(35.243)</b>	<b>303.962</b>
<b><u>Changes during the period 1.7 - 31.12.2010</u></b>							
Total comprehensive income after tax	-	-	-	(12.941)	-	(11.171)	(24.112)
Cost in share capital increase	-	-	(17)	-	-	-	(17)
<b>Balance as at 31<sup>st</sup> December 2010</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.704</b>	<b>(114.681)</b>	<b>2.442</b>	<b>(46.414)</b>	<b>279.833</b>
<b><u>Balance as at 1<sup>st</sup> January 2011</u></b>							
<b>Balance as at 1<sup>st</sup> January 2011</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.704</b>	<b>(114.681)</b>	<b>2.442</b>	<b>(46.414)</b>	<b>279.833</b>
<b><u>Changes during the period 1.1 - 30.6.2011</u></b>							
Total comprehensive income after tax	-	-	-	(621)	-	(29.986)	(30.607)
Cost in share capital increase	-	-	(18)	-	-	-	(18)
<b>Balance as at 30<sup>th</sup> June 2011</b>	<b>361.450</b>	<b>(7.668)</b>	<b>84.686</b>	<b>(115.302)</b>	<b>2.442</b>	<b>(76.400)</b>	<b>249.208</b>

The notes on pages 32 to 44 are an integral part of these condensed interim financial information as at 30<sup>th</sup> June 2011.

**CONDENSED INTERIM CASH FLOW STATEMENT**

(in thousands of euros)	1.1-30.6.2011	1.1-30.6.2010
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	(36.175)	2.252
Adjustments for:		
Add: impairment losses on loans, financial and non-financial assets	43.045	21.729
Add: depreciation expense	2.961	3.491
Add: provisions for retirement benefits	206	156
Add: interest from financing activities	3.035	-
Gains (-)/ losses (+) from revaluation of financial assets at fair value through profit or loss	1.844	462
Gains (-)/ losses (+) from investment activities	11.145	(15.232)
<b>Cash flows before changes in operating assets and liabilities</b>	<b>26.061</b>	<b>12.858</b>
<b>Changes in operating assets and liabilities:</b>		
Net (increase)/decrease in cash and balances with the Central Bank	35.547	(39.721)
Net (increase)/decrease in loans and advances to banks	10.320	(13.898)
Net (increase)/decrease in Loans and advances to customers	(80.243)	(380.365)
Net (increase)/decrease in financial assets at fair value through profit or loss	79.164	(87.147)
Net (increase)/decrease in debt receivable	215.085	-
Net (increase)/decrease in other assets	(8.687)	(2.372)
Net increase /(decrease) in deposits from banks	(615.823)	933.272
Net increase /(decrease) in due to customers	(146.565)	79.535
Net increase /(decrease) in other liabilities	(1.115)	(5.870)
<b>Net cash flow from operating activities before tax payment</b>	<b>(486.256)</b>	<b>496.292</b>
Income taxes paid	(774)	(263)
<b>Net cash flow from operating activities</b>	<b>(487.030)</b>	<b>496.029</b>
<b>Cash flow from investing activities</b>		
(Purchase) / sale of property, plant and equipment and intangible assets	(298)	(1.141)
(Purchase)/ proceeds from the sale of held-to-maturity financial assets	179.904	(105.439)
(Purchase) / proceeds from the sale of available-for-sale financial assets	(27.585)	(293.078)
Dividends received	42	707
<b>Net cash used in investing activities</b>	<b>152.063</b>	<b>(398.951)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) from debt securities in issue	(421)	(434)
Bond issue	57.800	-
<b>Net cash from financing activities</b>	<b>57.379</b>	<b>(434)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(277.588)</b>	<b>96.644</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>361.984</b>	<b>193.953</b>
<b>Cash and cash equivalents at end of period</b>	<b>84.396</b>	<b>290.597</b>

The notes on pages 32 to 44 are an integral part of these condensed interim financial information as at 30<sup>th</sup> June 2011.

## 1 General information

PROTON BANK SA (hereafter 'the Bank'), is engaged in the provision of retail and corporate banking services, , investment banking services, private banking and asset management, brokerage services and insurance and other services.

The Bank's commerce business is found mainly in Greece. The Bank is established in Greece and has a network of 28 branches.

Web site: [www.proton.gr](http://www.proton.gr)

As of December 2005, the Bank's shares are listed on the Athens Stock Exchange.

The total number of common shares outstanding at 30<sup>th</sup> June 2011 was 61.923.339.

The shares of the Bank are intangible common shares and are included in the FTSE-80 Small cap index

Also, the Bank has issued 17.817.371 preferred shares without voting rights, nominal value € 4,49 to the Greek government, in accordance with the provisions of Law 3723/2008.

The number of personnel as of 30<sup>th</sup> June 2011 was 544.

The present condensed interim financial information were approved by the Board of Directors on 8<sup>th</sup> September 2011.

## 2 Basis of preparation of the condensed interim financial information

The accounting principles followed during the preparation of the present financial statements are set out below and have been consistently applied to all accounting periods presented.

The Bank's functional currency is the Euro and the amounts included in the financial statements are presented in thousands of Euros, unless otherwise stated in the respective notes.

### 2.1 Basic accounting principles

The principal accounting policies, computations, significant policies and estimations which have been adopted in the preparation of these condensed consolidated interim financial information are consistent with those of the annual consolidated financial statements of the Bank for the year ended 31<sup>st</sup> December 2010.

Furthermore, normal purchases or sales of financial assets are recognised and derecognised using trade date accounting.

Contracts that require or allow net settlement of the change in the value of the contract are accounted for as derivatives in the period between the trade date and the settlement date.

Certain accounts of the previous year's financial statements have been adjusted in order to become comparable to the corresponding accounts of the current year.

Any differences presented among the amounts of the financial statements and the relevant amounts presented at notes, are due to roundings.

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

#### Standards and Interpretations effective for the current financial year

##### **IAS 24 (Revised) "Related Party Disclosures"**

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. This revision does not affect the Group's financial statements.

##### **IAS 32 (Amendment) "Financial Instruments: Presentation"**

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

##### **IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"**

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Bank.

##### **IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"**

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

#### Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

##### **IFRS 3 "Business Combinations"**

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

##### **IFRS 7 "Financial Instruments: Disclosures"**

The amendments include multiple clarifications related to the disclosure of financial instruments.

**IAS 1 "Presentation of Financial Statements"**

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

**IAS 27 "Consolidated and Separate Financial Statements"**

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

**IAS 34 "Interim Financial Reporting"**

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

**IFRIC 13 "Customer Loyalty Programmes"**

The amendment clarifies the meaning of the term 'fair value' in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

**IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)**

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU.

**IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)**

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU.

**IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012)**

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

**IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013)**

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. This amendment has not yet been endorsed by the EU.

**IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2013)**

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Bank is currently investigating the impact of IFRS 9 on its financial statements. The Bank cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Bank decide if IFRS 9 will be adopted prior to 1 January 2013.

**IFRS 13 "Fair Value Measurement" (Effective for annual periods beginning on or after 1 January 2013)**

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)**

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Bank is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

**IFRS 10 "Consolidated Financial Statements"**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

**IFRS 11 "Joint Arrangements"**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

**IFRS 12 "Disclosure of Interests in Other Entities"**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

**IAS 27 (Amendment) "Separate Financial Statements"**

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

**IAS 28 (Amendment) "Investments in Associates and Joint Ventures"**

IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

**2.2 Comparative information**

For the preparation of the condensed interim statement of financial position and the condensed interim financial statement, comparative accounting data of 31<sup>st</sup> December 2010 and 30<sup>th</sup> June 2010, respectively, have been employed.

**3 Financial risk management**

In this section presented information about the risks that the Group is exposed and are described the methods that are used by the Management in order to control them. The most significant financial risks to which the Group is exposed are credit risk, liquidity risk and market risk. In Market risk are included the foreign exchange risk, the interest rate risk and the risk of changes in stock prices.

In the interim financial information are not included all financial risk management information and disclosures required during the preparation of the annual financial statements. Therefore, the present financial information should be read in conjunction with the Annual Financial Report of 31<sup>st</sup> December 2010.

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

The following table presents the Bank maximum credit risk exposure as of 30/06/2011 and 31/12/2010 to Bonds issued by Hellenic Republic.

	Maximum exposure	
	30.6.2011	31.12.2010
Available for sale	204.274	177.107
Debt receivables	336.036	334.858
Held to maturity	368.330	553.365
Held for trading	13.418	109.253
<b>Total</b>	<b>922.058</b>	<b>1.174.583</b>

**Bonds issued by Hellenic Republic**

The table below presents an analysis of the Bonds issued by Hellenic Republic by rating agency designation at 30<sup>th</sup> June 2011, based on S&P 's rating.

Rating	S&P Rating Agency				
	Available for sale	Debt receivables	Held to maturity	Held for trading	Total
CCC	204.274	342.055	368.330	13.418	<b>928.077</b>

**Market risk**

The Bank defines the market risk as the risk arising from changes in the value of the outstanding positions in financial instruments of the bank, resulting from fluctuations in the price changes of financial instruments

Market risk is analyzed in the following types:

- Interest rate risk, which relates the change in value of financial instruments as a result of changes in interest rates,
- Price risk, resulting from the change in value of financial instruments due to changes in prices (eg stock prices)
- Currency risk, by changing the value of financial instruments as a result of currency changes,
- Risk of volatility due to changes in value of financial instruments as a result of fluctuations in volatility.

The Bank applies a centralized approach to managing market risk and as a result, the definition of market risk covers the entire Bank.

The definition of market risk that is adopted by the Bank, includes the management of market risk factors to the whole portfolio of the Bank (trading and banking book) and therefore includes the interest rate risk in the banking portfolio.

**Value at Risk (VaR):** The Bank uses the historical methodology in its VaR calculations with a 99% confident interval and a 10 days holding period. This methodology calculates value at risk for each rate based on daily historical perturbations and determines VaR by each risk factor (interest, price, volatility). The 99<sup>th</sup> percentile VaR results from the subtraction of the worst 1% historical perturbations. The Bank constantly revises its internal VaR model and performs in constant intervals back testing in order to evaluate the VaR results to the actual daily P&L.

Alternatively on a daily basis sensitivity rates are calculated and scenario of crisis is effected to assess the economic losses of the overall portfolio of the bank in a very unusual economic change.

**Crisis scenario**

The measurement of the stress scenario is made by using the variation in risk parameters resulting from the worst observation of historical VaR price distribution. Therefore, the methodology uses historical data to simulate the historical scenarios, while in parallel the estimation of the damage is done by using extreme observations of the sample in order to simulate the EVT methodology. The time horizon that is used in the calculations is relevant to the overall historical data that is available to the bank and have extended from today until 02.05.2006.

In the following table, the minimum, maximum and average levels are presented for the period 1.1.2011-30.6.2011

VaR	1.1.2011 to 30.6.2011		
	Average	High	Low
	341,87	492,03	191,06

**Liquidity Risk**

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

Compared to year-end 2010, the Bank has reduced its reliance on the ECB by about 487 million Euros.

On February 2011, by virtue of its Board of Directors decision dated 26.1.2011, the Bank issued subordinated notes, of 60 million Euros, of ten year maturity. The issue was distributed by way by way of private placement. Through this issue, the Bank raised the amount of 59.4 million Euros.

The Bank tries to balance the need between financing and flexibility, by maintaining a portfolio with different maturities. Besides, the Bank measures and monitors, on a daily basis, the mandatory liquidity ratios, "Liquid Assets / Total Liabilities" and "Net Current Assets / Total Liabilities", as these prescribed by the Bank of Greece, whereas, on regular time intervals, the Banks works out scenarios of liquidity crisis and the ability of handling such crisis is thoroughly appreciated. The monitoring and controlling of the liquidity risk exposure represents a dynamic procedure in order the Bank's business and strategic goals to be fully fulfilled.

The Asset and Liability committee (ALCO) during their meeting monitors the relevant liquidity indicators and takes the appropriate measures to finance adequately the Bank activities.

The following table analyzes the Bonds issued by Hellenic Republic of the Bank by remaining maturity as at the reporting date.

	1-3 Months	3-12 Months	1-5 Years	Over 5 Years
Available for sale	48.910	50.561	32.159	72.643
Debt receivables	-	15.615	186.074	140.366
Held to maturity	-	-	368.330	-
Held for trading	5.884	1.401	4.035	2.099
<b>Total</b>	<b>54.794</b>	<b>67.577</b>	<b>590.598</b>	<b>215.108</b>

**Asset management and capital adequacy**

The total regulatory capital of the Bank at 30 June 2011 amounted to 336.853 thousand Euros, over 296.158 thousand Euros at 31 December 2010.

**4 Critical accounting estimates and judgments**

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

**4.1 Recognition of the identifiable intangible assets acquired from business combinations**

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

- Is separable, i.e. capable of being separated or divided from the Bank and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Bank or from other rights and obligations.

Thus, the Bank has identified intangible assets from a business combination as follows:

- Intangible assets from loan contractual agreements
- Intangible assets from deposits contractual agreements
- Intangible assets from contractual agreements in brokerage services.

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

**4.2 Impairment losses on loans and receivables**

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

**4.3 Fair value of derivative financial instruments**

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

**4.4 Impairment of available-for-sale financial assets**

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

**4.5 Impairment test of goodwill acquired in a business combination**

The Bank assesses annually whether goodwill has come from acquisitions has been impaired in accordance with the accounting policy stated in note 2 of the annual financial report 1.1-31.12.2010. The recoverable amounts of cash generating units is determined by calculating the value in use.

**4.6 Held-to-maturity investments**

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

**4.7 Income taxes**

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

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

**4.8 Private Sector Involvement (PSI)**

These interim financial information has been prepared under the decision of not participating in the Private Sector Involvement (PSI) as stated in Note 26 "Subsequent Events" .

**5 Segment analysis**

The Bank adopts a structure of two Business Units, which are engaged in business mainly in Greece. These business units are being managed separately since they require different strategic reporting.

**Commercial Banking:** This segment includes retail and commercial banking activities: i) retail banking, addressing households, small and medium enterprises, ii) corporate banking, addressing large corporate and shipping companies.

This Unit is being supported by the branch network and manages all depository products (savings, liquidity products/sight accounts, investment products/time deposits, repos, swaps, lending, mortgage-consumer-corporate credit, leasing, letter of guarantees, and credit cards.

**Investment Banking:** This segment includes the provision of brokerage services, underwriting, capital markets related advisory and intermediation services, investment banking products and services, and brokerage services. It also includes interbank activities, through the Treasury.

The Bank does not allocate to its business segments income tax expenses, or the expenses of certain administrative services. Furthermore, apart from depreciation, the aforementioned segments do not hold any significant non-cash items.

The amounts reported in the tables below, are also included in the management reports submitted to the Executive committee.

The Executive Committee is responsible for strategic planning, coordination and operations of the Bank and its subsidiaries. It sets goals, parameters and strategies regarding the course of action of the Bank. It also analyzes and proposes to the BoD. The Executive Committee consists of five Members.

The President of the Executive Committee supervises the work and attends meetings, as appropriate, in order to express his opinion and to contribute to the Executive Committee on issues that are related with the predetermined strategy, the efficiency and the resources of the Bank .

The segment analysis by business units is as follows:

**As at 30<sup>th</sup> June 2011**

(in thousands of euros)

	<b>Retail Banking</b>	<b>Investment Banking</b>	<b>Total</b>
Interest and similar income	66.993	30.164	97.157
Interest expense and similar charges	(43.903)	(18.787)	(62.690)
<b>Net interest income</b>	<b>23.090</b>	<b>11.377</b>	<b>34.467</b>
Fee and commission income	3.242	1.687	4.929
Fee and commission expense	(1.597)	(294)	(1.891)
<b>Net fee and commission income</b>	<b>1.645</b>	<b>1.393</b>	<b>3.038</b>
<b>Dividend income</b>	-	<b>128</b>	<b>128</b>
<b>Net trading income</b>	-	<b>825</b>	<b>825</b>
<b>Net income from financial instruments designated at fair value</b>	-	<b>695</b>	<b>695</b>
	-	<b>(4.170)</b>	<b>(4.170)</b>
<b>Other operating income</b>	<b>28</b>	<b>347</b>	<b>375</b>
<b>Operating income</b>	<b>24.763</b>	<b>10.595</b>	<b>35.358</b>
Administrative expenses	(18.184)	(7.342)	(25.526)
Depreciation expenses	(2.322)	(639)	(2.961)
Loans impairment charges and other provisions	(42.688)	(357)	(43.045)
<b>Profit/(loss) before tax</b>	<b>(38.431)</b>	<b>2.257</b>	<b>(36.174)</b>
Income tax expense			6.188
<b>Profit/(loss) after tax</b>			<b>(29.986)</b>
<b>Total assets</b>	<b>2.221.940</b>	<b>1.307.117</b>	<b>3.529.057</b>
<b>Total liabilities</b>	<b>1.787.362</b>	<b>1.492.487</b>	<b>3.279.849</b>

As at 30<sup>th</sup> June 2010

(in thousands of euros)

	Retail Banking	Investment Banking	Total
Interest and similar income	33.297	31.500	64.797
Interest expense and similar charges	(21.150)	(12.085)	(33.235)
<b>Net interest income</b>	<b>12.147</b>	<b>19.415</b>	<b>31.562</b>
Fee and commission income	14.416	11.067	25.483
Fee and commission expense	(729)	(538)	(1.267)
<b>Net fee and commission income</b>	<b>13.687</b>	<b>10.529</b>	<b>24.216</b>
<b>Dividend income</b>	-	<b>707</b>	<b>707</b>
<b>Net trading income</b>	-	<b>(6.092)</b>	<b>(6.092)</b>
	-	<b>478</b>	<b>478</b>
<b>Other operating income</b>	<b>29</b>	<b>622</b>	<b>651</b>
<b>Operating income</b>	<b>25.863</b>	<b>25.659</b>	<b>51.522</b>
Administrative expenses	(17.279)	(6.771)	(24.050)
Depreciation expenses	(2.857)	(634)	(3.491)
Loans impairment charges and other provisions	(20.229)	(1.500)	(21.729)
<b>Profit before tax</b>	<b>(14.502)</b>	<b>16.754</b>	<b>2.252</b>
Income tax expense			(840)
<b>Profit after tax</b>			<b>1.412</b>
<b>Total assets</b>	<b>1.681.028</b>	<b>2.237.606</b>	<b>3.918.634</b>
<b>Total liabilities</b>	<b>1.542.797</b>	<b>2.071.875</b>	<b>3.614.672</b>

In the Commercial Banking figures the followings are included i) interest and similar income from loans to customers and financial lease operations, ii) interest expense and similar charges from customer deposits.

In the Investment Banking figures the followings are included i) interest and similar income from interest-bearing portfolio, from claims from financial institutions and other interest income, ii) interest expense and similar charges from financial institutions and debt securities in issue.

In the Commercial Banking figures the followings are included i) fee and commission income from loans to customers, credit cards, and letter of guarantees, ii) fee and commission expense credit cards, funds transfer and letters of guarantees.

In the Investment Banking figures the followings are included i) fee and commission income from investment products, stock exchange activities, active portfolio management, foreign exchange services, dealing operations, ii) fee and commission expense from investment products, derivative securities, fiduciary services.

Other Operating Income comprises rental income and income from non-banking services.

<b>6</b>	<b>Net interest income</b>	<b>1.1-30.6.2011</b>	<b>1.1-30.6.2010</b>
	<b>Interest and similar income</b>		
	Loans and advances to customers	66.700	33.368
	Debt securities	28.941	29.187
	Loans and advances to banks	956	1.422
	Other interest and similar income	560	820
	<b>Total</b>	<b>97.157</b>	<b>64.797</b>
	<b>Interest expense and similar charges</b>		
	Due to customers	(44.381)	(21.986)
	Due to banks	(12.056)	(7.997)
	Contributions (Law N.128)	(3.206)	(2.848)
	Debt securities in issue	(3.046)	(403)
	Other interest and similar expense	(1)	(1)
	<b>Total</b>	<b>(62.690)</b>	<b>(33.235)</b>
	<b>Net interest income</b>	<b>34.467</b>	<b>31.562</b>
<b>7</b>	<b>Net fee and commission income</b>	<b>1.1-30.6.2011</b>	<b>1.1-30.6.2010</b>
	<b>Fee and commission income</b>		
	<b>Investment Banking:</b>		
	Investment activities	61	8.378
	Securities brokerage	1.311	1.796
	Asset management	131	626
	<b>Retail Banking:</b>		
	Loans and receivables	2.477	2.725
	Credit cards	174	306
	Bancassurance	-	10.896
	Letters of guarantee	478	383
	Imports-exports	112	106
	<b>Fund Management:</b>		
	Foreign currency transactions	163	173
	Remittance	22	94
	<b>Total</b>	<b>4.929</b>	<b>25.483</b>
	<b>Fee and commission expense</b>		
	<b>Investment Banking:</b>		
	Investment activities	(4)	(14)
	Securities brokerage	(468)	(696)
	<b>Retail Banking:</b>		
	Credit cards	(94)	(147)
	Remittance fees/ commissions from LGs	(1.305)	(384)
	<b>Fund Management:</b>		
	Fiduciary activities	(20)	(26)
	<b>Total</b>	<b>(1.891)</b>	<b>(1.267)</b>
	<b>Net fee and commission income</b>	<b>3.038</b>	<b>24.216</b>
<b>8</b>	<b>Net trading income</b>	<b>1.1-30.6.2011</b>	<b>1.1-30.6.2010</b>
	Transaction gains less losses	4.538	885
	Securities valuation	(1.807)	(525)
	Stock sales	(589)	(2.352)
	Derivative financial instruments	698	(3.546)
	Foreign exchange translation and transaction (gains less loss)	(2.015)	(554)
	<b>Total</b>	<b>825</b>	<b>(6.092)</b>

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The valuation of derivatives which are held for hedging was 3.377 thousand Euros.

<b>9 Profit less losses from investment securities</b>	<b>1.1-30.6.2011</b>	<b>1.1-30.6.2010</b>
Impairment loss from subsidiaries	320	478
Sales of securities carried at amortized cost	(4.490)	-
<b>Total</b>	<b>(4.170)</b>	<b>478</b>

<b>10 Loans impairment charges and other provisions</b>	<b>1.1-30.6.2011</b>	<b>1.1-30.6.2010</b>
<b>a) Impairment losses on loans and receivables</b>	<b>(42.504)</b>	<b>(20.171)</b>
<b>b) Other provisions</b>		
Available-for-sale equity investments	(189)	(1.221)
Impairment losses of Goodwill	(168)	(279)
Other assets	(184)	(58)
<b>Total</b>	<b>(541)</b>	<b>(1.558)</b>
<b>Total</b>	<b>(43.045)</b>	<b>(21.729)</b>

<b>11 Income tax expense</b>	<b>1.1-30.6.2011</b>	<b>1.1-30.6.2010</b>
Current tax	(2.362)	(943)
Deferred tax	8.711	241
Tax provisions	(161)	(138)
<b>Total</b>	<b>6.188</b>	<b>(840)</b>

The tax rate for Greek legal entities, in accordance with the articles of the article 109 paragraph 1 Law 2238/1994 runs to 20% for the period 2011.

The Bank has been audited until the year 2008.

For the un-audited period a relevant provision has been recognized in accordance with the IFRS, total amounts 826 thousand Euros.

The calculation of the deferred tax has been based on the tax rate that it is estimated to stand on the applicable tax law when the temporary tax or deductible differences will be reversed. Under the current circumstances, we consider that the deferred tax will be recovered, because it comes mostly from the valuation of receivables and from the increased accounting provisions in relation with the provision for tax purposes.

Due to the inconsistent method according to which tax liabilities are settled in Greece, the Bank remains contingently liable against any additional taxes or penalties imposed for un-audited periods.

The income tax expense charged in the income statement differs with the one that would be calculated by strictly applying the nominal tax rate over the taxable profits.

<b>12 Earnings per share</b>	<b>1.1-30.6.2011</b>	<b>1.1-30.6.2010</b>
<b>Net profit / (loss) attributable to the share holders of the bank</b>	<b>(29.986)</b>	<b>1.412</b>
Number of ordinary shares outstanding at the beginning of period	62.683.822	62.683.822
Less: Treasury shares	(760.483)	(760.483)
<b>Number of ordinary shares outstanding at the end of period</b>	<b>61.923.339</b>	<b>61.923.339</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>61.923.339</b>	<b>61.923.339</b>
<b>Basic and diluted earnings per share (expressed in € per share)</b>	<b>(0,4842)</b>	<b>0,0228</b>

The earnings per share for the previous period were adjusted in order to be comparative with the current period.

<b>13 Other comprehensive income analysis</b>	<b>1.1-30.06.2011</b>		
	<b>Before Tax</b>	<b>Tax</b>	<b>Net after Tax</b>
Net change in available for sale investment	(631)	10	(621)
	<b>1.1-30.06.2010</b>		
	<b>Before Tax</b>	<b>Tax</b>	<b>Net after Tax</b>
Net change in available for sale investment	(23.310)	4.507	(18.803)

<b>14 Loans and advances to customers</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Individuals:</b>		
Mortgages	38.456	38.518
Consumer/personal	105.741	106.929
Credit cards	30.212	30.642
<b>Total loans and receivables to individuals</b>	<b>174.409</b>	<b>176.089</b>
<b>Corporate entities:</b>		
Agricultural	60.627	11.932
Mining	-	178
Manufacture	257.973	223.019
Small industry	38.098	12.670
Building-construction	68.432	83.362
Energy	-	4.870
Commercial-insurance	555.649	572.636
Transportation-Telecommunication	149.024	200.296
Services	169.043	120.292
Other entities	598.220	579.468
<b>Total loans and receivables to corporate entities</b>	<b>1.897.066</b>	<b>1.808.723</b>
Finance lease receivables	66.287	72.707
<b>Gross loans and receivables</b>	<b>2.137.762</b>	<b>2.057.519</b>
Less: allowance for losses (impairment) on loans and advances to customers	(148.652)	(106.150)
<b>Net loans and receivables</b>	<b>1.989.110</b>	<b>1.951.369</b>

<b>15 Financial assets held for trading</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	9.550	14.922
Greek Government Treasury Bills	5.884	96.369
Corporate bonds	5.544	34.561
Mutual funds	723	799
Equity securities	5.495	3.699
<b>Total</b>	<b>27.196</b>	<b>150.350</b>

<b>16 Financial assets designated at fair value</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
Corporate bonds	80.039	35.791
<b>Total</b>	<b>80.039</b>	<b>35.791</b>

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

<b>17 Held-to-maturity</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	368.330	553.365
<b>Total</b>	<b>368.330</b>	<b>553.365</b>

During the 2nd quarter of 2010, bonds with fair value of 431.990 thousand Euros were reclassified from the "Available for sales securities" portfolio to the "Held to maturity" portfolio. If these bonds had remained in the portfolio of "Available for sale", a revaluation loss of -7.401 thousand Euros from 1.4.2010 to 30.06.2011 would have been recognized in the Available for sales reserve. The negative valuation of these bonds from 1.1.2010 to the date of reclassification -27.899 thousand Euros is still displayed in the "Available for sales" reserve. The Bank has the intention and ability to hold these bonds until maturity.

<b>18 Available-for-sale</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	141.670	97.082
Greek Government Treasury Bills	72.960	98.524
Corporate bonds	62.015	59.415
Equity securities	11.865	12.795
Other investments	3.050	2.922
<b>Total</b>	<b>291.560</b>	<b>270.738</b>

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

An amendment to IAS 39 and IFRS 7 has been adopted, under which the Bank during the 3rd quarter of 2008 an amount of 22 million Euros representing the market value of equity securities listed in the Athens Exchange as of June 30th 2008, has been transferred from "Financial assets at fair value through profit or loss" to "Available-for-Sale Investment Securities" due to the extraordinary conditions prevailing in the financial markets; it is estimated that the market value of these equity securities does not represent the internal value of the underlying business entities. The Bank intends to hold these securities and not to dispose them in the near future. The valuation of these securities, for the period 1.1.2011 to 30.06.2011, amounts to -57 thousand Euros and has been recognized directly in "Available-for-Sale Reserve". The accumulated revaluation losses for the aforementioned securities, for the period 1.7.2008 to 30.06.2011, amounting to 8,6 million Euros. Also, during the period after the transfer, equity securities with fair value of 4.297 thousand Euros were sold. The Bank made a further impairment of shares available for sale amount of 189 thousand Euros.

**19 Dept receivable**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Government bonds	342.056	338.479
Corporate bonds	50.247	269.108
<b>Total</b>	<b>392.303</b>	<b>607.587</b>

During the 2nd quarter of 2010, bonds with fair value of 595.829 thousand Euros were reclassified from the "available for sale securities" portfolio to the "debt receivable". The management of the Bank has been taken this decision due to extraordinary conditions prevailing in the financial markets and particularly in the market of Greek government bonds, due to the deteriorating fiscal situation of the Greek economy. If these bonds had remained in the portfolio of available for sale, a revaluation loss of -141.347 thousand Euros from 1.4.2010 to 30.06.2011 would have been recognized in the available for sale reserve, while the negative valuation from 1.1.2010 until the date of reclassification amounted to -23.291 thousand Euros is still displayed in the "Available for sales" reserve. This reserve will be amortized through the income statement by using the effective interest rate method. Also, during the period after the reclassification, bonds with fair value of 225.190 thousand Euros were sold from a total value of 595.829 thousand Euros.

**20 Due to banks**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Amounts due to central banks	1.155.145	1.641.541
Deposits from other banks	165.935	182.929
Current accounts	6.837	10.702
Time deposits	325	3.036
Repurchase agreements (repos)	36.675	142.532
<b>Total</b>	<b>1.364.917</b>	<b>1.980.740</b>

As at 30<sup>th</sup> June 2011, the amount due to ECB was 1.155 thous. Euros (2010:1.642 thous. Euros), while the value of collateral for financing from the ECB was 1.154 thous. Euros(2010: 2.096 thous. Euros).

**21 Due to customers**

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Individuals:</b>		
Time deposits	1.326.040	1.375.383
Savings accounts	69.318	66.241
Current accounts	9.876	15.111
Under caution	815	1.306
	<b>1.406.049</b>	<b>1.458.041</b>
<b>Corporate entities:</b>		
Current accounts	59.269	71.689
Time deposits:		
Corporate entities	107.435	149.688
Public organizations	137.550	167.751
Other time deposits	23.174	31.203
	<b>327.428</b>	<b>420.331</b>
Margin accounts	11.291	14.857
Pledged deposits	48.933	47.038
Blocked deposits	84	83
<b>Total</b>	<b>1.793.785</b>	<b>1.940.350</b>

**22 Hybrid capital and other borrowed funds**

	<b>30.06.2011</b>	<b>31.12.2010</b>
Hybrid capital and other borrowed funds	60.417	-
<b>Total</b>	<b>60.417</b>	<b>-</b>

During the first quarter of current fiscal year, the Bank issued a subordinated bond with nominal value of 60 million Euros, covered in their entirety through a private placement. The securities are for ten years with date of issue the February 8, 2011 at the rate of euribor +9,75%. The Bank, as issuer has the right for early repayment after five years from the date of issue, upon the written approval of the Bank of Greece.

**23 Other reserves**

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Available-for-sale reserve:</b>		
Balance at the beginning of period	(114.680)	(82.937)
Gain/(losses) from change in fair value	(10.057)	(63.923)
Deffered income tax	10	7.543
Recycling of the accumulated fair value adjustment of disposed afs securities amortization by using the effective interest rate method	6.084	7.941
Impairment though the income statement	3.530	13.430
	(189)	3.265
<b>Total available-for-sale reserve</b>	<b>(115.302)</b>	<b>(114.681)</b>
<b>Statutory reserves:</b>		
Balance at the beginning of period	2.442	2.442
<b>Total statutory reserves</b>	<b>2.442</b>	<b>2.442</b>
<b>Total reserves</b>	<b>(112.860)</b>	<b>(112.239)</b>

**24 Contingent liabilities and commitments**
**24.1 Legal proceedings**

There are some receivables and legal actions against the Bank in the ordinary course of business. Except of a allowances of 109 thousands of Euros no other provision in relation to these claims has been recognized, as the final court decisions are not expected to have a material impact on the financial information of the Bank.

**24.2 Letters of guarantee /Irrevocable letters of credit**

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

	<b>30.06.2011</b>	<b>31.12.2010</b>
Letters of guarantee	68.634	71.379
Irrevocable letters of credit	28	87
<b>Total</b>	<b>68.662</b>	<b>71.466</b>

**24.3 Pledged assets**

	<b>30.6.2011</b>
State bonds favor E.T.E.S.E.P	1.500
Commitments to the BoG:	
Greek Government Treasury Bills	81.003
Government bonds	876.321
Foreign Public Debt	1.025
Treasury Bills of Foreign Public	3.000
Corporate bonds	193.254
Loans to customers for receiving guarantees (Law 3723/2008)	1.154.603
	549.674
<b>Total</b>	<b>1.705.777</b>

**25 Related party transactions**

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

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

**a) Subsidiaries**

	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Assets</b>		
Other receivables	319	267
<b>Liabilities</b>		
Deposits	5.101	6.322
<b>Letters of guarantee</b>	<b>118</b>	<b>118</b>
	<b>1.1.-30.06.2011</b>	<b>1.1.-30.06.2010</b>
<b>Income</b>		
Other operating income	54	51
<b>Expenses</b>		
Other operating expenses	100	77

<b>b) Directors, key management personnel and companies in which the directors have direct or indirect financial interest</b>	<b>30.06.2011</b>	<b>31.12.2010</b>
<b>Assets</b>		
Loans	<b>2.725</b>	<b>10.692</b>
<b>Liabilities</b>		
Deposits	12.820	40.108
Hybrid capital and other borrowed funds	1.016	-
<b>Total</b>	<b>13.836</b>	<b>40.108</b>
	<b>1.1.-30.06.2011</b>	<b>1.1.-30.06.2010</b>
<b>Income</b>		
Interest and similar income	93	2.034
Commission income	-	7.065
<b>Total</b>	<b>93</b>	<b>9.099</b>
<b>Expenses</b>		
Salaries and other remuneration	1.122	940
Interest expense and similar charges	467	1.208
Debt securities in issue	43	-
Others expenses	32	32
<b>Total</b>	<b>1.664</b>	<b>2.180</b>

## 26 Post balance sheet events

The new Medium Term Support Plan of July 21, set out by the European Union for the support of the Greek economy, includes, among other things the voluntary exchange of Greek bonds held on June 30, 2011, maturing until the end of 2020, with new bonds that will be issued for this purpose and will have a duration of up to 30 years. The above bond exchange program is the Private Sector Involvement (PSI) and addresses address the private sector and aims to attract at least 90% of eligible bonds, while the implementation will take place in accordance to the basic initial conditions that were announced the same day by the International Institute of Finance (IIF). Many financial institutions around the world have already expressed their support to this program. On August 26, 2011, the Minister of Finance, sent an Inquiry letter to Greek bonds investors, through the respective Ministers of Finance, concerning the implementation of the Agreement of July 21 for ensuring the viability of public debt with private sector involvement, attaching a description of the Bond Exchange Program. According to the letter of the Minister of Finance, the final decision for the participation to PSI should be based on the final terms of the offer (offer memorandum), that is expected to take place in early October 2011.

Taking into account the Bank's exposure to Greek public debt securities that are included in this programme, the nominal value of which at 30.6.2011 amounted to 691 million Euros, the Management decided not to participate in the Bond Exchange Program (PSI). The Bank's Management estimates that there will be sufficient coverage of this scheme through the PSI. As a result and in a view of the decision not to participate to the program, there are no indications of impairment of the Greek government bonds that are held by the Bank. In the event that the Bank participated in the PSI, the Management estimates that the impairment loss arising from the bonds that are involved in the scheme, would amount to approximately € 80 mil., before taxes.

At the end of July the Bank received the Report of the Bank of Greece with the Findings of the audit conducted by the Directorate of Banking Supervision, concerning the extent of its compliance to the Anti-Money Laundering – AML/CFT – Framework. The Bank has expressed its views on the findings of this audit, within the deadline set forth by the Bank of Greece. In the event that the Bank has violated the Anti-Money Laundering – AML/CFT – Framework, in the cases described in the findings of the respective audit, the Bank will be subject to the forfeitures implied by the legal and institutional framework. The Bank is not aware of any decision by the Bank of Greece concerning forfeitures and it is estimated that any potential forfeitures will have no significant impact on the financial statements.

The Committee for Credit and Insurance Matters of the Bank of Greece, decided (reference number 15/1/19.8.2011), to appoint a commissioner to the Bank, in accordance to article 63, paragraph 2, combined with the provisions of article 8, elements iv and vi of L. 3601/2007.

On August 19, together with the restructuring of the Bank's Board of Directors, the response of the four largest banks of the country (National Bank, Eurobank, Alpha, Piraeus Bank) was announced, to PROTON Bank's proposal for taking part in the initiatives that are necessary for the beginning of a new period for the Bank, with an integrated business plan that will be looking into their participation to the planned convertible bond issue of an amount up to € 50 mil.

Apart from the above, no important events took place during the period between the end of the accounting period and the date of publication of the present information that influence the course of the Bank or the present financial information.

Athens, 8<sup>th</sup> September 2011

The Vice - Chairman

The Managing Director

The Chief Financial Officer

Georgios milonas

George Taniskidis

Polychronis Karachalios

VI. FINANCIAL STATEMENTS AND INFORMATION OF PROTON BANK AND THE GROUP FOR THE PERIOD 1.1 - 30.6.2011

<p align="center"><b>PROTON BANK S.A.</b>                      Companies registration number 4984/06/8/01/31  <b>FINANCIAL STATEMENTS AND INFORMATION FOR THE PERIOD</b>                      From 1 January to 30 June 2011                      (According to the Rule 4/597/28.04.2009 of the Capital Market Commission)</p>																																																																																																																																																																																																																																																																																																												
<p>The financial information listed below, which is derived from the interim financial statements, is aiming to provide an overview of the financial position and the financial results of Proton Bank S.A. and its Group. Consequently, readers are strongly advised to visit the website of the Bank (<a href="http://www.proton.gr">www.proton.gr</a>) where the interim financial statements prepared in accordance with International Financial Reporting Standards (I.F.R.S.) are available, before any investment decision or transaction with the Bank is entered into.</p>																																																																																																																																																																																																																																																																																																												
<p><b>COMPANY'S PROFILE</b>                      Supervising authority: Bank of Greece - Ministry of Regional Development and Competitiveness                      Web site: <a href="http://www.proton.gr">www.proton.gr</a>                      Date of approval by the Board of Directors of the Financial Statements for the year ended as at June 30th, 2011: September 8, 2011                      Certified Auditors: Konstantinos Michalatos                      Audit company: PRICEWATERHOUSECOOPERS S.A.                      Type of Auditor's Report: Unqualified opinion</p>					<p><b>THE MEMBERS OF THE BOARD OF DIRECTORS CONSIST OF:</b>                      Konstantinos Karalamas Chairman, Non-Executive Member                      George Milonas Vice-Chairman, Executive Member                      George Taniskidis Managing Director, Executive Member                      Alkaterini Berbi Non-Executive Member                      Dimitrios Rappas Non-Executive Member                      Dimitris Anestis Non-Executive Member                      Nikolaos Koutos Non-Executive Member                      Alexandros (Alan) Alexiadis Independent Non-Executive Member                      Konstantinos Ioannides Independent Non-Executive Member                      Evangelos Papaevangelou Non-Executive Member</p>																																																																																																																																																																																																																																																																																																							
<p><b>STATEMENT OF FINANCIAL POSITION</b>                      Amounts in thousand euros</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">GROUP</th> <th colspan="2">BANK</th> </tr> <tr> <th>30/06/2011</th> <th>31/12/2010</th> <th>30/06/2011</th> <th>31/12/2010</th> </tr> </thead> <tbody> <tr> <td><b>ASSETS</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash and balances with Central Banks</td> <td>51,483</td> <td>82,878</td> <td>51,424</td> <td>82,867</td> </tr> <tr> <td>Loans and advances to banks</td> <td>94,147</td> <td>386,044</td> <td>94,006</td> <td>386,617</td> </tr> <tr> <td>Loans and advances to customers</td> <td>1,989,110</td> <td>1,951,369</td> <td>1,989,110</td> <td>1,951,369</td> </tr> <tr> <td>Financial assets at fair value through profit or loss:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Derivative financial assets held for trading</td> <td>13,709</td> <td>15,987</td> <td>13,709</td> <td>15,987</td> </tr> 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<td>Deferred tax assets</td> <td>47,585</td> <td>38,834</td> <td>47,495</td> <td>38,792</td> </tr> <tr> <td>Current income tax liabilities</td> <td>67,774</td> <td>58,126</td> <td>67,712</td> <td>54,127</td> </tr> <tr> <td><b>TOTAL ASSETS</b></td> <td><b>3,525,409</b></td> <td><b>4,255,294</b></td> <td><b>3,529,057</b></td> <td><b>4,260,921</b></td> </tr> <tr> <td><b>LIABILITIES</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Due to banks</td> <td>1,364,917</td> <td>1,980,740</td> <td>1,364,917</td> <td>1,980,740</td> </tr> <tr> <td>Due to customers</td> <td>1,788,683</td> <td>1,834,130</td> <td>1,793,795</td> <td>1,940,350</td> </tr> <tr> <td>Financial liabilities at fair value</td> <td>90</td> <td>90</td> <td>90</td> <td>90</td> </tr> <tr> <td>Derivative financial liabilities held for trading</td> <td>21,541</td> <td>18,619</td> <td>21,541</td> <td>18,619</td> </tr> <tr> <td>Hedging derivatives</td> <td>3,624</td> <td>7,301</td> <td>3,624</td> <td>7,301</td> </tr> 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<td>(7,660)</td> <td>(7,660)</td> <td>(7,660)</td> <td>(7,660)</td> </tr> <tr> <td>Other reserves</td> <td>(112,654)</td> <td>(112,633)</td> <td>(112,660)</td> <td>(112,239)</td> </tr> <tr> <td>Retained earnings</td> <td>(80,672)</td> <td>(259,633)</td> <td>(78,400)</td> <td>(248,414)</td> </tr> <tr> <td><b>Total equity</b></td> <td><b>245,150</b></td> <td><b>275,818</b></td> <td><b>249,208</b></td> <td><b>279,851</b></td> </tr> <tr> <td>Non-controlling interests</td> <td>276</td> <td>99</td> <td>276</td> <td>99</td> </tr> <tr> <td><b>Total equity</b></td> <td><b>245,263</b></td> <td><b>275,917</b></td> <td><b>249,208</b></td> <td><b>279,853</b></td> </tr> <tr> <td><b>TOTAL EQUITY AND LIABILITIES</b></td> <td><b>3,525,409</b></td> <td><b>4,255,294</b></td> <td><b>3,529,057</b></td> <td><b>4,260,921</b></td> </tr> </tbody> </table>						GROUP		BANK		30/06/2011	31/12/2010	30/06/2011	31/12/2010	<b>ASSETS</b>					Cash and balances with Central Banks	51,483	82,878	51,424	82,867	Loans and advances to banks	94,147	386,044	94,006	386,617	Loans and advances to customers	1,989,110	1,951,369	1,989,110	1,951,369	Financial assets at fair value through profit or loss:					- Derivative financial assets held for trading	13,709	15,987	13,709	15,987	- Financial assets held for trading	27,296	159,255	27,296	159,255	Financial assets designated at fair value	83,705	38,481	80,039	35,791	Investment securities:					- Held-to-maturity	368,330	553,365	368,330	553,365	- Available-for-sale	291,560	270,738	291,560	270,738	Debt receivable	392,303	607,587	392,303	607,587	Investments in subsidiaries and associates	-	-	13,428	13,428	Intangible assets	75,436	77,370	74,627	76,562	Property, plant and equipment	23,121	24,019	23,119	24,016	Deferred tax assets	47,585	38,834	47,495	38,792	Current income tax liabilities	67,774	58,126	67,712	54,127	<b>TOTAL ASSETS</b>	<b>3,525,409</b>	<b>4,255,294</b>	<b>3,529,057</b>	<b>4,260,921</b>	<b>LIABILITIES</b>					Due to banks	1,364,917	1,980,740	1,364,917	1,980,740	Due to customers	1,788,683	1,834,130	1,793,795	1,940,350	Financial liabilities at fair value	90	90	90	90	Derivative financial liabilities held for trading	21,541	18,619	21,541	18,619	Hedging derivatives	3,624	7,301	3,624	7,301	Debt securities in issue	18,613	17,965	18,613	17,965	Intangible capital and other borrowed funds	60,417	-	60,417	-	Retirement benefit obligations	2,083	1,870	1,989	1,783	Current income tax liabilities	5,636	3,807	5,511	3,779	Other liabilities	14,234	14,855	9,434	10,531	<b>TOTAL LIABILITIES</b>	<b>3,260,146</b>	<b>3,979,377</b>	<b>3,279,849</b>	<b>3,981,158</b>	<b>EQUITY</b>					Share capital	361,450	361,450	361,450	361,450	Share premium	84,686	84,704	84,686	84,704	Reserves	(7,660)	(7,660)	(7,660)	(7,660)	Other reserves	(112,654)	(112,633)	(112,660)	(112,239)	Retained earnings	(80,672)	(259,633)	(78,400)	(248,414)	<b>Total equity</b>	<b>245,150</b>	<b>275,818</b>	<b>249,208</b>	<b>279,851</b>	Non-controlling interests	276	99	276	99	<b>Total equity</b>	<b>245,263</b>	<b>275,917</b>	<b>249,208</b>	<b>279,853</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,525,409</b>	<b>4,255,294</b>	<b>3,529,057</b>	<b>4,260,921</b>	<p><b>STATEMENT OF CASH FLOWS</b>                      Amounts in thousand euros</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">GROUP</th> <th colspan="2">BANK</th> </tr> <tr> <th>1/1-30/6/2011</th> <th>1/1-30/6/2010</th> <th>1/1-30/6/2011</th> <th>1/1-30/6/2010</th> </tr> </thead> <tbody> <tr> <td>Total inflows / (outflows) from operating activities (a)</td> <td>(46,021)</td> <td>496,214</td> <td>(46,021)</td> <td>496,214</td> </tr> <tr> <td>Total inflows / (outflows) from investing activities (b)</td> <td>152,048</td> <td>(399,612)</td> <td>152,048</td> <td>(399,612)</td> </tr> <tr> <td>Total inflows / (outflows) from financing activities (c)</td> <td>52,279</td> <td>(634)</td> <td>52,279</td> <td>(634)</td> </tr> <tr> <td><b>Net increase / (decrease) 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cash equivalents at the beginning of the period	362,121	361,984	362,121	361,984	<b>Cash and cash equivalents at the end of the period</b>	<b>84,545</b>	<b>260,895</b>	<b>84,545</b>	<b>260,897</b>																																											
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<b>ASSETS</b>																																																																																																																																																																																																																																																																																																												
Cash and balances with Central Banks	51,483	82,878	51,424	82,867																																																																																																																																																																																																																																																																																																								
Loans and advances to banks	94,147	386,044	94,006	386,617																																																																																																																																																																																																																																																																																																								
Loans and advances to customers	1,989,110	1,951,369	1,989,110	1,951,369																																																																																																																																																																																																																																																																																																								
Financial assets at fair value through profit or loss:																																																																																																																																																																																																																																																																																																												
- Derivative financial assets held for trading	13,709	15,987	13,709	15,987																																																																																																																																																																																																																																																																																																								
- Financial assets held for trading	27,296	159,255	27,296	159,255																																																																																																																																																																																																																																																																																																								
Financial assets designated at fair value	83,705	38,481	80,039	35,791																																																																																																																																																																																																																																																																																																								
Investment securities:																																																																																																																																																																																																																																																																																																												
- Held-to-maturity	368,330	553,365	368,330	553,365																																																																																																																																																																																																																																																																																																								
- Available-for-sale	291,560	270,738	291,560	270,738																																																																																																																																																																																																																																																																																																								
Debt receivable	392,303	607,587	392,303	607,587																																																																																																																																																																																																																																																																																																								
Investments in subsidiaries and associates	-	-	13,428	13,428																																																																																																																																																																																																																																																																																																								
Intangible assets	75,436	77,370	74,627	76,562																																																																																																																																																																																																																																																																																																								
Property, plant and equipment	23,121	24,019	23,119	24,016																																																																																																																																																																																																																																																																																																								
Deferred tax assets	47,585	38,834	47,495	38,792																																																																																																																																																																																																																																																																																																								
Current income tax liabilities	67,774	58,126	67,712	54,127																																																																																																																																																																																																																																																																																																								
<b>TOTAL ASSETS</b>	<b>3,525,409</b>	<b>4,255,294</b>	<b>3,529,057</b>	<b>4,260,921</b>																																																																																																																																																																																																																																																																																																								
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<p><b>STATEMENT OF COMPREHENSIVE INCOME</b>                      Amounts in thousand euros</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4">GROUP</th> <th colspan="4">BANK</th> </tr> <tr> <th>1/1-30/6/2011</th> <th>1/1-30/6/2010</th> <th>1/4-30/6/2011</th> <th>1/4-30/6/2010</th> <th>1/1-30/6/2011</th> <th>1/1-30/6/2010</th> <th>1/4-30/6/2011</th> <th>1/4-30/6/2010</th> </tr> </thead> <tbody> <tr> <td>Interest and similar income</td> <td>97,202</td> <td>64,835</td> <td>90,623</td> <td>74,959</td> <td>97,157</td> <td>64,797</td> <td>90,623</td> <td>74,943</td> </tr> <tr> <td>Interest expense and similar charges</td> <td>(62,291)</td> <td>(32,166)</td> <td>(62,660)</td> <td>(32,149)</td> <td>(62,660)</td> <td>(32,149)</td> <td>(62,660)</td> <td>(32,149)</td> </tr> <tr> <td><b>Net interest income</b></td> <td><b>34,611</b></td> <td><b>31,669</b></td> <td><b>27,959</b></td> <td><b>42,411</b></td> <td><b>34,467</b></td> <td><b>31,562</b></td> <td><b>27,888</b></td> <td><b>42,411</b></td> </tr> <tr> <td>Fee and commission income</td> <td>4,956</td> <td>25,512</td> <td>2,233</td> <td>19,316</td> <td>4,929</td> <td>25,483</td> <td>2,219</td> <td>19,299</td> </tr> <tr> <td>Fee and commission expense</td> <td>(1,607)</td> <td>(1,276)</td> <td>(1,590)</td> <td>(1,054)</td> <td>(1,601)</td> <td>(1,262)</td> <td>(1,591)</td> <td>(1,054)</td> </tr> <tr> <td><b>Net fee and commission income</b></td> <td><b>3,059</b></td> <td><b>24,236</b></td> <td><b>1,279</b></td> <td><b>18,612</b></td> <td><b>3,038</b></td> <td><b>24,216</b></td> <td><b>1,268</b></td> <td><b>18,612</b></td> </tr> <tr> <td>Dividend income</td> <td>42</td> <td>635</td> <td>42</td> <td>635</td> <td>128</td> <td>707</td> <td>128</td> <td>707</td> </tr> <tr> <td>Net trading income</td> <td>825</td> <td>(6,092)</td> <td>145</td> <td>(2,743)</td> <td>825</td> <td>(6,092)</td> <td>145</td> <td>(2,743)</td> </tr> <tr> <td>Net income from financial instruments designated at fair value</td> <td>732</td> <td>(230)</td> <td>455</td> <td>(208)</td> <td>695</td> <td>-</td> <td>695</td> <td>-</td> </tr> <tr> <td>Gains less losses from investment securities</td> <td>(4,170)</td> <td>465</td> <td>(2,815)</td> <td>311</td> <td>(4,170)</td> <td>478</td> <td>(2,815)</td> <td>310</td> </tr> <tr> <td><b>Other operating income</b></td> <td><b>1,424</b></td> <td><b>1,455</b></td> <td><b>494</b></td> <td><b>1,072</b></td> <td><b>375</b></td> <td><b>478</b></td> <td><b>48</b></td> <td><b>375</b></td> </tr> <tr> <td><b>Total operating income</b></td> <td><b>36,320</b></td> <td><b>52,128</b></td> <td><b>17,488</b></td> <td><b>34,136</b></td> <td><b>35,358</b></td> <td><b>51,522</b></td> <td><b>17,327</b></td> <td><b>33,850</b></td> </tr> <tr> <td>Personnel expenses</td> <td>(13,466)</td> <td>(12,233)</td> <td>(7,462)</td> <td>(6,247)</td> <td>(13,113)</td> <td>(11,828)</td> <td>(7,291)</td> <td>(6,051)</td> </tr> <tr> <td>Other administrative expenses</td> <td>(12,822)</td> <td>(12,222)</td> <td>(6,843)</td> <td>(8,170)</td> <td>(12,413)</td> <td>(12,222)</td> <td>(6,800)</td> <td>(7,805)</td> </tr> <tr> <td>Depreciation and amortization expenses</td> <td>(2,969)</td> <td>(3,503)</td> <td>(1,708)</td> <td>(1,708)</td> <td>(2,961)</td> <td>(3,491)</td> <td>(1,235)</td> <td>(1,703)</td> </tr> <tr> <td>Leases impairment charges and other provisions</td> <td>(49,045)</td> <td>(21,229)</td> <td>(39,813)</td> <td>(20,150)</td> <td>(49,045)</td> <td>(21,229)</td> <td>(39,813)</td> <td>(20,150)</td> </tr> <tr> <td><b>Total operating expenses</b></td> <td><b>(77,412)</b></td> <td><b>(60,227)</b></td> <td><b>(55,772)</b></td> <td><b>(36,290)</b></td> <td><b>(71,532)</b></td> <td><b>(49,270)</b></td> <td><b>(54,339)</b></td> <td><b>(35,718)</b></td> </tr> <tr> <td>Share of profit of associates</td> <td>-</td> <td>13</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Profit / (loss) before tax</b></td> <td><b>(36,092)</b></td> <td><b>1,854</b></td> <td><b>(37,279)</b></td> <td><b>(2,154)</b></td> <td><b>(36,174)</b></td> <td><b>2,252</b></td> <td><b>(37,012)</b></td> <td><b>(1,868)</b></td> </tr> <tr> <td>Income tax expense</td> <td>6,109</td> <td>(840)</td> <td>6,247</td> <td>(651)</td> <td>6,188</td> <td>(840)</td> <td>6,217</td> <td>(651)</td> </tr> <tr> <td><b>Profit / (loss) after tax</b></td> <td><b>(29,963)</b></td> <td><b>1,014</b></td> <td><b>(31,080)</b></td> <td><b>(2,697)</b></td> <td><b>(29,985)</b></td> <td><b>1,412</b></td> <td><b>(30,765)</b></td> <td><b>(2,417)</b></td> </tr> <tr> <td>Attributable to:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Equity holders of the Bank</td> <td>(30,454)</td> <td>984</td> <td>(31,030)</td> <td>(2,727)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Non-controlling interests</td> <td>71</td> <td>30</td> <td>30</td> <td>30</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Other comprehensive income for the period, net of tax</td> <td>(629)</td> <td>(18,816)</td> <td>(4,088)</td> <td>(605)</td> <td>(621)</td> <td>(18,801)</td> <td>(4,066)</td> <td>(601)</td> </tr> <tr> <td><b>Total comprehensive income for the period, after tax</b></td> <td><b>(30,992)</b></td> <td><b>(17,802)</b></td> <td><b>(35,096)</b></td> <td><b>(3,632)</b></td> <td><b>(30,607)</b></td> <td><b>(17,391)</b></td> <td><b>(34,861)</b></td> <td><b>(3,370)</b></td> </tr> <tr> <td>Attributable to:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Equity holders of the Bank</td> <td>(30,663)</td> <td>(17,831)</td> <td>(35,126)</td> <td>(3,688)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Non-controlling interests</td> <td>71</td> <td>29</td> <td>30</td> <td>29</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Earnings per share:</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Basic (€ per share)</td> <td><b>(0,4850)</b></td> <td><b>0,0159</b></td> <td><b>(0,5012)</b></td> <td><b>(0,0440)</b></td> <td><b>(0,4842)</b></td> <td><b>0,0228</b></td> <td><b>(0,4968)</b></td> <td><b>(0,0390)</b></td> </tr> </tbody> </table>						GROUP				BANK				1/1-30/6/2011	1/1-30/6/2010	1/4-30/6/2011	1/4-30/6/2010	1/1-30/6/2011	1/1-30/6/2010	1/4-30/6/2011	1/4-30/6/2010	Interest and similar income	97,202	64,835	90,623	74,959	97,157	64,797	90,623	74,943	Interest expense and similar charges	(62,291)	(32,166)	(62,660)	(32,149)	(62,660)	(32,149)	(62,660)	(32,149)	<b>Net interest income</b>	<b>34,611</b>	<b>31,669</b>	<b>27,959</b>	<b>42,411</b>	<b>34,467</b>	<b>31,562</b>	<b>27,888</b>	<b>42,411</b>	Fee and commission income	4,956	25,512	2,233	19,316	4,929	25,483	2,219	19,299	Fee and commission expense	(1,607)	(1,276)	(1,590)	(1,054)	(1,601)	(1,262)	(1,591)	(1,054)	<b>Net fee and commission income</b>	<b>3,059</b>	<b>24,236</b>	<b>1,279</b>	<b>18,612</b>	<b>3,038</b>	<b>24,216</b>	<b>1,268</b>	<b>18,612</b>	Dividend income	42	635	42	635	128	707	128	707	Net trading income	825	(6,092)	145	(2,743)	825	(6,092)	145	(2,743)	Net income from financial instruments designated at fair value	732	(230)	455	(208)	695	-	695	-	Gains less losses from investment securities	(4,170)	465	(2,815)	311	(4,170)	478	(2,815)	310	<b>Other operating income</b>	<b>1,424</b>	<b>1,455</b>	<b>494</b>	<b>1,072</b>	<b>375</b>	<b>478</b>	<b>48</b>	<b>375</b>	<b>Total operating income</b>	<b>36,320</b>	<b>52,128</b>	<b>17,488</b>	<b>34,136</b>	<b>35,358</b>	<b>51,522</b>	<b>17,327</b>	<b>33,850</b>	Personnel expenses	(13,466)	(12,233)	(7,462)	(6,247)	(13,113)	(11,828)	(7,291)	(6,051)	Other administrative expenses	(12,822)	(12,222)	(6,843)	(8,170)	(12,413)	(12,222)	(6,800)	(7,805)	Depreciation and amortization expenses	(2,969)	(3,503)	(1,708)	(1,708)	(2,961)	(3,491)	(1,235)	(1,703)	Leases impairment charges and other provisions	(49,045)	(21,229)	(39,813)	(20,150)	(49,045)	(21,229)	(39,813)	(20,150)	<b>Total operating expenses</b>	<b>(77,412)</b>	<b>(60,227)</b>	<b>(55,772)</b>	<b>(36,290)</b>	<b>(71,532)</b>	<b>(49,270)</b>	<b>(54,339)</b>	<b>(35,718)</b>	Share of profit of associates	-	13	-	-	-	-	-	-	<b>Profit / (loss) before tax</b>	<b>(36,092)</b>	<b>1,854</b>	<b>(37,279)</b>	<b>(2,154)</b>	<b>(36,174)</b>	<b>2,252</b>	<b>(37,012)</b>	<b>(1,868)</b>	Income tax expense	6,109	(840)	6,247	(651)	6,188	(840)	6,217	(651)	<b>Profit / (loss) after tax</b>	<b>(29,963)</b>	<b>1,014</b>	<b>(31,080)</b>	<b>(2,697)</b>	<b>(29,985)</b>	<b>1,412</b>	<b>(30,765)</b>	<b>(2,417)</b>	Attributable to:									Equity holders of the Bank	(30,454)	984	(31,030)	(2,727)	-	-	-	-	Non-controlling interests	71	30	30	30	-	-	-	-	Other comprehensive income for the period, net of tax	(629)	(18,816)	(4,088)	(605)	(621)	(18,801)	(4,066)	(601)	<b>Total comprehensive income for the period, after tax</b>	<b>(30,992)</b>	<b>(17,802)</b>	<b>(35,096)</b>	<b>(3,632)</b>	<b>(30,607)</b>	<b>(17,391)</b>	<b>(34,861)</b>	<b>(3,370)</b>	Attributable to:									Equity holders of the Bank	(30,663)	(17,831)	(35,126)	(3,688)	-	-	-	-	Non-controlling interests	71	29	30	29	-	-	-	-	<b>Earnings per share:</b>									Basic (€ per share)	<b>(0,4850)</b>	<b>0,0159</b>	<b>(0,5012)</b>	<b>(0,0440)</b>	<b>(0,4842)</b>	<b>0,0228</b>	<b>(0,4968)</b>	<b>(0,0390)</b>
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Interest expense and similar charges	(62,291)	(32,166)	(62,660)	(32,149)	(62,660)	(32,149)	(62,660)	(32,149)																																																																																																																																																																																																																																																																																																				
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Other administrative expenses	(12,822)	(12,222)	(6,843)	(8,170)	(12,413)	(12,222)	(6,800)	(7,805)																																																																																																																																																																																																																																																																																																				
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<b>Earnings per share:</b>																																																																																																																																																																																																																																																																																																												
Basic (€ per share)	<b>(0,4850)</b>	<b>0,0159</b>	<b>(0,5012)</b>	<b>(0,0440)</b>	<b>(0,4842)</b>	<b>0,0228</b>	<b>(0,4968)</b>	<b>(0,0390)</b>																																																																																																																																																																																																																																																																																																				
<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>The financial statements were prepared under the accounting principles (I.F.R.S.) and interpretations as adopted by the European Union.</li> <li>On 19.3.2011 the Board of Directors of Proton Bank converted into a body. The new composition is analysed above, in company's profile section.</li> <li>The number of employees at the end of year was: (30.6.2011) Group 562, Bank 544, (30.6.2010) Group 576, Bank 555.</li> <li>There are some litigation claims and other pending legal disputes against the Bank. In the ordinary course of the banking business. Apart from the provision for € 109 thousand, there have been made no other provisions for the aforementioned cases since it is expected that the final resolution will not have a significant effect on the financial position or operations of the Bank and the Group. Provisions for tax unexpired periods, as of 30.6.2011, amount to € 608 thousand both for the Bank and the Group. Impairment losses on loans and receivables, other than loans, as of 30.6.2011 amount to € 1,040 thousand for the Bank and the Group. Impairment losses on loans and receivables as of 30.6.2011 amount to € 148,652 thousand, both for the Bank and the Group.</li> <li>No real encumbrances exist against the fixed assets of the Bank and the companies included in the consolidation.</li> <li>The amounts which are reported in the statement of comprehensive income are included: i) referring to Group on 30.06.2011: Net change in available-for-sale financial assets € 421 thousand, foreign exchange translation € -8 thousand, on 30.06.2010: Net change in available-for-sale financial assets € -18,803 thousand, foreign exchange translation € -13 thousand, ii) referring to Bank on 30.06.2011: Net change in available-for-sale financial assets € 421 thousand, on 30.6.2010: Net change in available-for-sale financial assets € -18,803 thousand.</li> <li>On 30.06.2011, the Bank held 760,483 treasury shares, which correspond to 1,212% of its share capital which had total carrying amount of € 7,668 thousand.</li> <li>The transactions of the Group with its related parties, as defined by IAS 24, from the period 1.1.2011 to 30.6.2011, are as follows (amounts in thousands of €): a) salaries and expenses for members of BoD and key management personnel € 1,818, b) loan interest from members of BoD and key management personnel € 0,1, c) deposits to members of BoD and key management personnel € 14,213, d) deposits to members of BoD and key management personnel € 14,213.</li> <li>These amounts for the Bank are as follows: i) subsidiaries: a) income € 54, b) expenses € 100, c) assets € 918, d) liabilities € 5,101, e) letters of guarantee € 111 million and expenses for members of BoD and key management personnel € 1,818, f) salaries and expenses € 1,818, g) loan interest € 0,1, h) loans and receivables € 2,725, d) deposits € 13,808.</li> <li>By November 5, 2010 decision by the Board of Directors of First Global Brokers SA, which was approved by the Extraordinary General Meeting of Shareholders on 23 November 2010, decided the termination of the company which the Bank participates with 88.76%. The termination of the company, according to the plan is expected to be completed in April 2011. The assets of the company which on June 30, 2011 was 74 thousand euros, was not material for the size of the Group.</li> <li>The Board of Directors, taking into account the Bank's exposure on Greek Government debt securities which are included in the PSl program (Private sector involvement), the nominal value of which on 30.6.2011 amounted to 691 million euros, has decided not to participate in this program. If the Bank participated in this Program (PSI), then according to management estimates, the impairment loss that would arise for the bonds that included in the program is amounted to EUR 80 million euros before taxes.</li> <li>Any differences in the tables are due to rounding.</li> </ol>																																																																																																																																																																																																																																																																																																												
<p align="center">Athens, 8th September 2011</p> <table border="0"> <tr> <td><b>THE VICE - CHAIRMAN</b></td> <td><b>THE MANAGING DIRECTOR</b></td> <td><b>THE CHIEF FINANCIAL OFFICER</b></td> </tr> <tr> <td> GEORGIOS MILONAS</td> <td> GEORGE TANISKIDIS</td> <td> POLYCHRONIS KARACHALIOS</td> </tr> </table>					<b>THE VICE - CHAIRMAN</b>	<b>THE MANAGING DIRECTOR</b>	<b>THE CHIEF FINANCIAL OFFICER</b>	 GEORGIOS MILONAS	 GEORGE TANISKIDIS	 POLYCHRONIS KARACHALIOS																																																																																																																																																																																																																																																																																																		
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**VII. AVAILABILITY OF MID YEAR FINANCIAL REPORT**

The Interim I Financial Report which includes:

- The Statement by the Members of the Board of Directors
- The Board of Director's Report
- The Independent Auditors' Report
- The Semi Annual Financial Information of the Bank and the Group for June 30th, 2011
- The Financial statements and information of the Bank and the Group, is available on the website address: [www.proton.gr](http://www.proton.gr)