



Consolidated Financial Statements
31 December 2010

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

These financial statements have been approved by the Board of Directors of T Bank S.A.
on 30th March 2011 and are available at the following web page: www.tbank.com.gr

Consolidated Statement of Comprehensive Income.....	4
Consolidated Statement of Financial Position.....	5
Consolidated Statement of Changes in Equity	6
Consolidated Cash Flow Statement.....	7
1. General Information.....	8
2. Basis of preparation	8
2.1 Statement of compliance	8
2.2 Basis of measurement.....	9
2.3 Functional and presentation currency	9
2.4 Use of estimates and judgments.....	9
2.5 Reclassification of items.....	10
3. Significant accounting policies.....	10
3.1 Basis of consolidation	10
3.1.1 Subsidiaries.....	10
3.1.2 Associates	10
3.1.3 Special purpose entities	10
3.1.4 Intercompany transactions elimination	10
3.2 Foreign currency transactions.....	10
3.3 Interest income and expense	10
3.4 Fees and commission	10
3.5 Net trading income	11
3.6 Dividends.....	11
3.7 Leases.....	11
3.8 Income tax.....	11
3.9 Securitization	11
3.10 Financial assets and liabilities	11
3.11 Cash and cash equivalents	13
3.12 Trading assets.....	13
3.13 Loans and advances	13
3.14 Investment securities	13
3.15 Property and equipment	13
3.16 Investment property.....	14
3.17 Intangible assets.....	14
3.18 Deposits, debt securities issued and subordinated liabilities	14
3.19 Contracts to sale and repurchase, borrowings.....	14
3.20 Provisions	14
3.21 Employee benefits	14
3.22 Share capital.....	15
3.23 Financial guarantees.....	15
3.24 Basic and diluted earnings per share.....	15
3.25 Operating segment.....	15
3.26 New IFRS amendments and interpretations.....	15
4. Financial Risk Management	16
4.1 Introduction and overview	16
4.2 Credit risk.....	16
4.2.1 Loan impairment	17
4.2.2 Collateral	22
4.3 Market Risk	22
4.4 Liquidity risk.....	23
4.5 Currency risk.....	23
4.6 Interest rate risk	24
4.7 Operational Risk.....	24

4.8	Stress testing.....	24
4.9	Capital adequacy.....	25
5.	Fair values of financial assets and liabilities.....	26
6.	Operating segments.....	27
7.	Net interest income	28
8.	Fee and commission income.....	28
9.	Net trading income/(expense).....	28
10.	Other operating income	29
11.	Staff expenses	29
12.	Other expenses.....	29
13.	Income tax	30
14.	Basic and diluted earnings per share.....	31
15.	Cash and cash equivalents	31
16.	Loans and advances to Banks/ Due to Banks	31
17.	Loans and advances to customers	32
18.	Trading securities.....	33
19.	Available for sale securities.....	33
20.	Held-to-maturity securities	33
21.	Property and equipment.....	34
22.	Intangible assets.....	35
23.	Deferred tax asset.....	35
24.	Other assets.....	36
25.	Due to customers	37
26.	Debt securities in issue and other borrowed funds	37
27.	Provisions	37
28.	Other liabilities	38
29.	Employee benefits.....	39
30.	Share capital.....	39
31.	Reserves.....	40
32.	Related-party transactions.....	40
33.	Contingent liabilities and commitments	41
33.1	Litigation.....	41
33.2	Credit commitments	42
33.3	Operating leases	42
34.	Subsequent events.....	42

Consolidated Statement of Comprehensive Income

(Amounts in Euro thousand)

	Note	From 1 st January to 31.12.2010	31.12.2009
Interest and similar income		100,568	119,224
Interest expense and similar charges		(64,655)	(91,723)
Net interest income	7	35,913	27,501
Fee and commission income	8	11,611	17,855
Commission expense		(418)	(580)
Net fee and commission income		11,193	17,275
Net trading income	9	600	18,939
Other operating income	10	6,635	8,110
Total operating income		54,341	71,825
Staff expenses	11	(46,238)	(47,241)
Depreciation and amortization	21.22	(11,131)	(12,377)
Other operating expenses	12	(29,944)	(35,722)
Impairment losses on loans and advances	17	(39,488)	(48,040)
Provisions	27	676	(5,638)
Total operating expenses		(126,125)	(149,018)
Loss before income tax		(71,784)	(77,193)
Income tax	13	223	15,177
Loss for the period		(71,561)	(62,016)
P&L transfer of available for sale securities		103	8,629
Net change in fair value of available for sale securities		(3,387)	498
Other comprehensive income after tax		(3,284)	9,127
Total comprehensive income after tax		(74,845)	(52,889)
Loss for the period attributable to:			
Shareholders of the Bank		(71,322)	(61,859)
Minority interest		(239)	(157)
Loss for the period		(71,561)	(62,016)
Total comprehensive income attributable to:			
Shareholders of the Bank		(74,606)	(52,732)
Minority interest		(239)	(157)
Total comprehensive income		(74,845)	(52,889)
Basic and diluted earnings/(loss) per share (in Euro)	14	(0.5906)	(0.9680)

Athens, 30 March 2011

K.A.Papadopoulos
ID No.AH.582918
CHAIRMAN OF THE BOARD
OF DIRECTORS

G.P.Handjinicolaou
ID No.X.501829
VICE CHAIRMAN OF THE BOARD
OF DIRECTORS & CEO

A.K.Topaloglou
ID No.X.158663
OEE.Lic.Reg.No: 0012737/18-2-08
A' CI CHIEF FINANCIAL OFFICER

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

The attached notes on pages 8 to 42 form part of these financial statements.

Consolidated Statement of Financial Position

(Amounts in Euro thousand)

Assets	Note	31.12.2010	31.12.2009
Cash & cash equivalents	15	80,405	91,042
Loans and advances to banks	16	131,256	263,012
Loans and advances to customers (net of impairment)	17	1,808,659	1,871,434
Trading securities	18	3,599	3,894
Investment securities			
- Available-for-sale	19	318,400	37,076
- Held-to-maturity	20	229,106	10,655
Property and equipment	21	47,312	50,031
Intangible assets	22	6,600	7,313
Deferred tax asset	23	32,291	27,498
Other assets	24	74,828	66,067
Total assets		2,732,456	2,428,022
Liabilities		31.12.2010	31.12.2009
Due to banks	16	778,254	328,007
Due to customers	25	1,701,172	1,769,132
Debt securities in issue and other borrowed funds	26	132,631	173,562
Current tax liability		246	838
Provisions	27	2,388	3,749
Other liabilities	28	37,123	41,208
Employee benefits	29	3,958	4,122
Total liabilities		2,655,772	2,320,618
Equity			
Share capital	30	86,813	38,438
Share premium		15,047	17,053
Reserve from share capital reduction	31	135,176	135,176
Other reserves	31	3,738	7,022
Accumulated deficit		(204,665)	(131,054)
Equity attributable to Bank equity holders		36,109	66,635
Minority interest		929	1,168
Hybrid capital		39,646	39,601
Total equity		76,684	107,404
Total liabilities and Equity		2,732,456	2,428,022

The attached notes on pages 8 to 42 form part of these financial statements.

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Reserve from share capital reduction	Other reserves	Accumulated deficit	Attributable to Bank Shareholders	Minority Interest	Hybrid Capital	Total
Υπόλοιπο 1^η Ιανουαρίου 2009	173,614	17,053	-	(2,252)	(66,662)	121,753	1,325	39,562	162,640
Στοιχεία συνολικών εσόδων									
Ζημία περιόδου	-	-	-	-	(61,859)	(61,859)	(157)	-	(62,016)
Μεταφορά αποτελέσματος απομείωσης χρεογράφων διαθεσίμων προς πώληση	-	-	-	8,629	-	8,629	-	-	8,629
Καθαρή μεταβολή της εύλογης αξίας του διαθεσίμου προς πώληση χαρτοφυλακίου	-	-	-	498	-	498	-	-	498
Συγκεντρωτικά συνολικά έσοδα μετά από φόρους	-	-	-	9,127	(61,859)	(52,732)	(157)	-	(52,889)
Κινήσεις με τους Μετόχους									
Σχηματισμός/Διανομή αποθεματικών θυγατρικών	-	-	-	147	(147)	-	-	-	-
Μερίσματα σε κατόχους υβριδικών τίτλων	-	-	-	-	(2,402)	(2,402)	-	39	(2,363)
Αποθεματικό μείωσης ονομαστικής αξίας	(135,176)	-	135,176	-	-	-	-	-	-
Λοιπές κινήσεις	-	-	-	-	16	16	-	-	16
Συνολικές κινήσεις με τους Μετόχους	(135,176)	-	135,176	147	(2,533)	(2,386)	-	39	(2,347)
Υπόλοιπο την 31^η Δεκεμβρίου 2009	38,438	17,053	135,176	7,022	(131,054)	66,635	1,168	39,601	107,404
Υπόλοιπο 1^η Ιανουαρίου 2010	38,438	17,053	135,176	7,022	(131,054)	66,635	1,168	39,601	107,404
Στοιχεία συνολικών εσόδων									
Ζημία περιόδου	-	-	-	-	(71,322)	(71,322)	(239)	-	(71,561)
Μεταφορά αποτελέσματος χρεογράφων διαθεσίμων προς πώληση	-	-	-	103	-	103	-	-	103
Καθαρή μεταβολή της εύλογης αξίας του διαθεσίμου προς πώληση χαρτοφυλακίου	-	-	-	(3,387)	-	(3,387)	-	-	(3,387)
Συγκεντρωτικά συνολικά έσοδα μετά από φόρους	-	-	-	(3,284)	(71,322)	(74,606)	(239)	-	(74,845)
Κινήσεις με τους Μετόχους									
Καθαρή αύξηση μετοχικού κεφαλαίου	48,375	(2,006)	-	-	-	46,369	-	-	46,369
Μερίσματα σε κατόχους υβριδικών τίτλων	-	-	-	-	(2,035)	(2,035)	-	45	(1,990)
Λοιπές κινήσεις	-	-	-	-	(254)	(254)	-	-	(254)
Συνολικές κινήσεις με τους Μετόχους	48,375	(2,006)	-	0	(2,289)	44,080	-	45	44,125
Υπόλοιπο την 31^η Δεκεμβρίου 2010	86,813	15,047	135,176	3,738	(204,665)	36,109	929	39,646	76,684

The attached notes on pages 8 to 42 form part of these financial statements.

Consolidated Cash Flow Statement

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Cash flows from operating activities		
Loss before income tax	(71,784)	(77,193)
Adjustments for non-cash items		
Depreciation and amortisation	11,131	12,377
Impairment losses on loans and advances	39,488	48,040
Other provisions	(676)	5,638
Defined benefit obligation	1,215	325
Other non-cash items	193	9,810
(Gains)/losses from valuation of trading and available for sale securities	(621)	(902)
(Gains)/losses on the sale of property and equipment	150	(95)
	(20,904)	(2,000)
Changes in operations		
Net (increase)/decrease in available for sale securities	(282,526)	(21,500)
Net (increase)/decrease in trading securities	294	(3,894)
Net (increase)/decrease in loans and advances to customers	23,589	217,350
Net (increase)/decrease in other assets	(12,483)	(16,516)
Net increase/(decrease) in due to banks	450,247	151,824
Net increase/(decrease) in due to customers	(67,960)	(216,996)
Net inflow from long term liabilities	12,980	32,275
Net outflow from long term liabilities	(54,132)	(90,621)
Purchase of subordinated loans	-	(27,638)
Net increase/(decrease) in other liabilities	(8,012)	11,613
Net cash inflow/(outflow) from operating activities	41,093	33,897
Cash flows from investing activities		
(Purchases)/Disposals of investments	(218,452)	(7,103)
Proceeds from sales of property and equipment	304	472
Purchases of property, equipment	(6,111)	(8,016)
Purchases of intangible assets	(2,042)	(3,302)
Dividends received	26	62
Net cash inflow/(outflow) from investing activities	(226,275)	(17,887)
Cash flows from financing activities		
Dividends paid to hybrid securities holders	(2,035)	(2,402)
Net share capital increase	46,369	-
Net cash inflow/(outflow) from financing activities	44,334	(2,402)
Net increase/(decrease) in cash and cash equivalents	(140,848)	13,608
Cash and cash equivalents as at 1st January	354,054	340,201
Foreign exchange differences on cash and cash equivalents	(1,545)	245
Cash and cash equivalents as at 31st December	211,661	354,054
Cash and cash equivalents consist of:		
Cash and balances with Central Bank	80,405	91,042
Loans and advances to banks	131,256	263,012
	211,661	354,054

The attached notes on pages 8 to 42 form part of these financial statements.

1. General Information

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

On 7th May 2010, the Annual General Shareholder's Meeting decided to change the Bank's corporate name and identity to **"T BANK"** (the "Bank").

T BANK maintains a Head Office in the Municipality of Athens, at 22 Omirou St., 106 72 Athens, and is registered in the Société Anonyme Registry under no. 26699/06/B/92/12. The Bank was established for a term of ninety-nine (99) years from the date it was registered in the Société Anonyme Registry.

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

- Accepting, with or without interest, all types of deposits or other returnable funds denominated in euros and foreign currency.
- Issuing loans and credit of all types, providing guarantees and acquiring or transferring claims, as well as intermediating in the financing of business enterprises or in business collaborations.
- Assuming debt, credit or guarantees and issuing debt securities in order to draw funds.
- Providing bill payment, fund transfer and export trade financing facilities.

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

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

2. Basis of preparation

2.1 Statement of compliance

This consolidated financial statements has been prepared in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board (IASB) and adopted by the European Union. The standards

adopted by the European Union may differ from IFRS as issued by the IASB at any time or there are changes and new standards not adopted by the European Union.

The Group's financial statements is available via the internet at www.tbank.com.gr.

The consolidated financial statements were approved by the Board of Directors on 30 March 2011.

2.2 Basis of measurement

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

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

Financial Statements have been prepared on going concern basis. The capital adequacy ratio, as it is analysed in Note 4.9, rise up to 5% for the Bank and 4.5% for the Group, which is lower than the acceptable minimum limit imposed by the regulatory framework. The reason why the ratio fell under the minimum limit during the year lies on the unprecedented Greek's economy recession, the impairment on loans and advances to customers and the poor investment choices. The management has accumulated all the information needed and has tested the possibilities available to satisfy the demand of the Greek regulatory authority, relating to the improvement of its capital adequacy, in order to move on to the actions planned for the future. The management has informed the main shareholder Hellenic Postbank SA (TT) for the measures that should be taken.

The Management intends to take all necessary measures that will enable its operation unhamperedly. In order to achieve these goals, the Management has examined the following measures:

1. Share Capital increase in order to cover the acceptable minimum limits imposed by the regulatory framework after taking into consideration the estimated results of 2011.
2. The merge of the Bank with the main shareholder (TT).
3. Increase of the percentage of the participation of the main shareholder (TT) in Bank's share capital resulting to the satisfaction of the requirements of capital adequacy.
4. The liquidity sources though the stability programs.

Regardless the measures to be taken, the Management will continue on with the structure of the portfolio and the decrease of operational expenses.

The reason why the Management hasn't proceeded on the adoption of the above measures is because each option has to be approved by the General Assembly of the shareholders of the Bank, included the General Assembly of the main shareholder (TT) and then to be authorized by the Bank of Greece. Respective procedure is already on progress.

Our choice of preparing Financial Statements on a going concern basis is due to the fact that the main shareholder, which is represented as well to the Board of Directors, intends to do whatever it takes so as the Bank continues its operation unhamperedly and satisfy all requirements of regulatory authorities, regarding its capital adequacy. We point out that the Bank disposes satisfactory liquidity sources to fulfill its operational needs, based on current circumstances.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

2.5 Reclassification of items

Certain balances concerning prior year figures for 2009 have been reclassified in order to be comparable to current periods consolidated financial statements.

The reclassification in the "Statement of Comprehensive Income" for the period ended 31st December 2009 relates to the transfer of total amount € 5,238 thousand from the line "Interest expense and similar charges" to "Interest income".

The reclassification in the "Statement of Financial Position" for the year ended 31st December 2009 relates to the transfer of amount € 449 thousand from the line "Loans and advances to banks" to "Cash & cash equivalents" and transfer of amount € 13 thousand from the line "Loans and advances to banks" to "Other assets".

The above amounts have been included in the cash flow statement reclassification for the year 2009.

3. Significant accounting policies

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

3.1 Basis of consolidation

3.1.1 Subsidiaries

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

3.1.2 Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of total recognized gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in the associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred a legal or constructive obligation to make payments on behalf of an associate.

3.1.3 Special purpose entities

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

3.1.4 Intercompany transactions elimination

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

3.2 Foreign currency transactions

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

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

3.3 Interest income and expense

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

3.4 Fees and commission

Fees and commission income and expenses that are not integral to the measurement of the effective interest rate are

recorded in profit or loss account based on the period that respective services were produced.

3.5 Net trading income

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

3.6 Dividends

Dividend income is recognized when the Group establishes the right to receive irrespective income.

3.7 Leases

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

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

Other leases are operating leases.

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

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

The Group as a lessor, according to the information held on December 31st, 2010 does not retain any leasing that could be characterized as financial.

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

3.8 Income tax

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying

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

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

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

3.9 Securitization

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

3.10 Financial assets and liabilities

(a) Recognition

The Group recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities recognized on the settlement date. Memo Accounts used at the trade date, while the interval between the trade date and date of settlement of financial instruments measured at fair value.

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

(b) Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers

the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

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

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

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

(c) Offsetting

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

(d) Amortised cost measurement

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

(e) Fair value measurement

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

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

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

(f) Identification and measurement of impairment

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

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

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

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

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

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

3.11 Cash and cash equivalents

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

3.12 Trading assets

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

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

3.13 Loans and advances

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

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

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

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

3.14 Investment securities

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

(i) Available-for-sale investments

Available-for-sale investments are non-derivative investments that are intended to be held for an indefinite period of time and may be sold in response to liquidity needs of the Group. Unlisted

equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

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

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

(ii) Held-to-maturity investments

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

3.15 Property and equipment

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

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

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

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

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

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

between the fair value of the asset less sell costs and value in use.

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

3.16 Investment property

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

3.17 Intangible assets

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

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

3.18 Deposits, debt securities issued and subordinated liabilities

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

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

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

3.19 Contracts to sale and repurchase, borrowings

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

3.20 Provisions

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

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

3.21 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

(c) Termination benefits

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

(d) Short-term benefits

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

3.22 Share capital

(a) Share issue costs

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

(b) Dividends on ordinary shares

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

(c) Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Where such shares are subsequently sold or re-issued, any consideration received is included in shareholders' equity. At 31.12.2010 the Bank held no treasury shares.

(d) Hybrid titles

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

being recognized as a component of issue capital within equity.

3.23 Financial guarantees

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

3.24 Basic and diluted earnings per share

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

3.25 Operating segment

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

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

The disclosed information is used for the evaluation of each segment made by management, as well as the allocation of economic resources. It is more likely that the information will be different from the criteria used for the preparation of the Statement of Financial Position and Comprehensive Income. In this case, explanations must be provided for the preparation of operating segment reporting as well as for the reconciliation of financial reporting items.

3.26 New IFRS amendments and interpretations

A number of new standards, amendments to standards and interpretations are effective from 1st of January 2010 and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Group, except for:

International Financial Reporting Standard 9: Financial Instruments

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

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

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

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

The Group is currently in the process of evaluating the potential effect of this standard.

4. Financial Risk Management

4.1 Introduction and overview

The Group monitors the following risks:

- Credit

- Liquidity
- Market

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of equity.

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

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

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

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

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

4.2 Credit risk

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

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

Reliable credit risk measurement, contributes in maximizing the Group's profitability, by monitoring the level of expected and unexpected financial loss. By using historical data and informational systems, the Group develops, evaluates and implements mathematical models, in order to score loan applications. Prompt risk detection criteria, are defined, for loan portfolios, and if considered necessary, correctional actions are proposed.

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

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

In addition, the Risk Management Department monitors concentration risk arising from the Bank's loan portfolio, by computing the Herfindahl-Hirschman Index.

We finally note that the total outstanding claims against the Bank's customers whose contracts have been terminated and are subject to settlement, amounted to € 8,5 million as at 31 December 2010. Moreover, the corresponding amount of claims against the Bank's customers whose contracts have not been terminated and are regulated under the Law 3816/2010 amounted to € 3,1 million.

4.2.1 Loan impairment

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

a) Individually impaired

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

recoverable amount based on the effective rate of the loan and the type of loan collateral.

b) Collectively impaired

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

c) Over 30 days past due

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

d) Less than or up to 30 days past due

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

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

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

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

(Amounts in Euro thousand)

	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Individually impaired						
Grade 7	71,967	64,480	-	-	-	-
Grade 8	40,918	16,000	-	-	-	-
Grade 9	45,140	25,115	-	-	-	-
Grade 10	33,808	29,340	-	-	-	-
Gross amount	191,833	134,935	-	-	-	-
Impairment loss	(75,110)	(57,464)	-	-	-	-
Carrying amount	116,723	77,471	-	-	-	-
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Collectively impaired						
Grade 7	10,871	9,004	-	-	-	-
Grade 8	8,202	3,597	-	-	-	-
Grade 9	3,555	2,156	-	-	-	-
Grade 10	11,951	16,601	-	-	-	-
Gross amount	34,579	31,358	-	-	-	-
Impairment loss	(24,009)	(23,873)	-	-	-	-
Carrying amount	10,570	7,485	-	-	-	-
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
More than 30 days past due						
Grade 2	75,058	77,668	-	-	-	-
Grade 3	59,737	65,610	-	-	-	-
Grade 4	66,265	44,034	-	-	-	-
Grade 5	1,363	49,542	-	-	-	-
Grade 6	16,774	15,316	-	-	-	-
Grade 7	46,616	2,225	-	-	-	-
Grade 8	381	-	-	-	-	-
Grade 9	3,674	-	-	-	-	-
Grade 10	46,751	-	-	-	-	-
Gross amount	316,619	254,395	-	-	-	-
Impairment loss	(13,772)	(4,986)	-	-	-	-
Carrying amount	302,847	249,409	-	-	-	-
Over 30 days past due comprises:						
31-90 days	109,195	100,820	-	-	-	-
91-180 days	92,949	89,269	-	-	-	-
180 days +	100,703	59,320	-	-	-	-
Carrying amount	302,847	249,409	-	-	-	-
	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Less than or equal to 30 days past due						
Grade 1	817,045	677,710	131,256	263,012	547,507	47,731
Grade 2	311,482	318,152	-	-	-	-
Grade 3	35,505	284,830	-	-	-	-
Grade 4	228,984	77,672	-	-	-	-
Grade 5	1,642	106,417	-	-	-	-
Grade 6	1,363	89,660	-	-	-	-
Gross amount	1,396,021	1,554,441	131,256	263,012	547,507	47,731
Impairment loss	(17,502)	(17,372)	-	-	-	-
Carrying amount	1,378,519	1,537,069	131,256	263,012	547,507	47,731
Total carrying amount	1,808,659	1,871,434	131,256	263,012	547,507	47,731

Set out below is an analysis of the gross and net of allowance for impairment amounts of 31 December 2010 and 31 December 2009 gross (before impairment) and net (after impairment) by risk grade.

(Amounts in Euro thousand)

31 st December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Individually impaired						
Grade 7	71,967	66,962	-	-	-	-
Grade 8	40,918	30,251	-	-	-	-
Grade 9	45,140	15,421	-	-	-	-
Grade 10	33,808	4,089	-	-	-	-
Total	191,833	116,723	-	-	-	-

31 st December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Collectively impaired						
Grade 7	10,871	4,108	-	-	-	-
Grade 8	8,202	2,302	-	-	-	-
Grade 9	3,555	1,978	-	-	-	-
Grade 10	11,951	2,182	-	-	-	-
Total	34,579	10,570	-	-	-	-

31 st December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Over 30 days past due						
Grade 2	75,058	74,963	-	-	-	-
Grade 3	59,737	59,629	-	-	-	-
Grade 4	66,265	63,206	-	-	-	-
Grade 5	1,363	970	-	-	-	-
Grade 6	16,774	16,332	-	-	-	-
Grade 7	46,616	43,640	-	-	-	-
Grade 8	381	381	-	-	-	-
Grade 9	3,674	3,186	-	-	-	-
Grade 10	46,751	40,540	-	-	-	-
Total	316,619	302,847	-	-	-	-
Over 30 days past due comprises:						
31-90 days	110,026	109,195	-	-	-	-
91-180 days	94,339	92,949	-	-	-	-
180 days +	112,254	100,703	-	-	-	-
Total	316,619	302,847	-	-	-	-

31 st December 2010	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Less than or equal to 30 days past due						
Grade 1	817,045	811,816	131,256	131,256	547,507	547,507
Grade 2	311,482	308,980	-	-	-	-
Grade 3	35,505	29,903	-	-	-	-
Grade 4	228,984	227,820	-	-	-	-
Grade 5	1,642	-	-	-	-	-
Grade 6	1,363	-	-	-	-	-
Total	1,396,021	1,378,519	131,256	131,256	547,507	547,507

Grand total	1,939,052	1,808,659	131,256	131,256	547,507	547,507
--------------------	------------------	------------------	----------------	----------------	----------------	----------------

(Amounts in Euro thousand)

31 st December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Individually impaired						
Grade 7	64,480	59,065	-	-	-	-
Grade 8	16,000	12,141	-	-	-	-
Grade 9	25,115	5,662	-	-	-	-
Grade 10	29,340	603	-	-	-	-
Total	134,935	77,471	-	-	-	-

31 st December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Collectively impaired						
Grade 7	9,004	4,347	-	-	-	-
Grade 8	3,597	719	-	-	-	-
Grade 9	2,156	-	-	-	-	-
Grade 10	16,601	2,419	-	-	-	-
Total	31,358	7,485	-	-	-	-

31 st December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Over 30 days past due						
Grade 2	77,668	77,558	-	-	-	-
Grade 3	65,610	65,385	-	-	-	-
Grade 4	44,034	42,248	-	-	-	-
Grade 5	49,542	47,121	-	-	-	-
Grade 6	15,316	14,936	-	-	-	-
Grade 7	2,225	2,161	-	-	-	-
Total	254,395	249,409	-	-	-	-
Over 30 days past due comprises:						
31-90 days	101,538	100,820	-	-	-	-
91-180 days	90,841	89,269	-	-	-	-
180 days +	62,016	59,320	-	-	-	-
Total	254,395	249,409	-	-	-	-

31 st December 2009	Loans and advances to customers		Loans and advances to credit institutions		Investment securities	
	Gross	Net	Gross	Net	Gross	Net
Less than or equal to 30 days past due						
Grade 1	677,710	673,523	263,012	263,012	47,731	47,731
Grade 2	318,152	315,515	-	-	-	-
Grade 3	284,830	278,838	-	-	-	-
Grade 4	77,672	76,379	-	-	-	-
Grade 5	106,417	104,646	-	-	-	-
Grade 6	89,660	88,168	-	-	-	-
Total	1,554,441	1,537,069	263,012	263,012	47,731	47,731

Grand total	1,975,129	1,871,434	263,012	263,012	47,731	47,731
--------------------	------------------	------------------	----------------	----------------	---------------	---------------

4.2.2 Collateral

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

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

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Retail customers:		
Mortgages	499,233	506,031
Securitized mortgage loans	425,026	491,712
Credit cards	54,452	56,904
Debit customer balances	244	587
Consumer loans	85,071	85,066
Subtotal	1,064,026	1,140,300
Corporate clients:		
Corporate bonds	106,865	125,998
Corporate loans	561,809	536,230
Shipping loans	60,191	42,770
Finance leases	92,711	94,542
Debit corporates balances	1,082	878
Local authorities & other organizations	35,462	14,582
Subtotal	858,120	815,000
Amounts due relating to brokerage transactions	16,906	19,829
Loans and advances	1,939,052	1,975,129
Impairment loss	(130,393)	(103,695)
Loans and advances after provisions	1,808,659	1,871,434
Collaterals		
Retail clients:	1,804,865	1,857,217
Corporate clients:	1,496,056	1,556,096
Total collateral amount	3,300,921	3,413,313

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

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Cheques	106,553	115,151
Property	560,891	617,105
Others	828,612	823,840
Total	1,496,056	1,556,096

4.3 Market Risk

Market risk is the risk arising from changes in market parameters such as changes in interest rates, equity prices and foreign exchange rates. For market risk, the Bank, elaborates, develops and carries out risk methods that are based on Value-at-Risk (VaR) models. VaR measures, the worst expected loss, over a given horizon, under normal market conditions, at a given confidence level. As this model is not used for losses arising from extreme events the Bank

applies stress tests on its securities portfolio. Specifically, the Group uses extreme value theory for concluding on changes in Group's securities portfolio when extreme events occur.

The Risk Management Department in order to calculate Value-at-Risk uses the Variance-Covariance method, with a time horizon of 10 days as the portfolio holding period, 99% confidence level and historical data of one year.

As at 31 December 2010, VaR for the securities' portfolio was € 4,552 thousand and € 28 thousand for the Group's foreign exchange position.

For the calculation of the VaR Group's security portfolio contains stocks, mutual funds and bonds available for sale that

With respect to 31 December 2009, VaR was equal to € 677 thousands for the securities' portfolio, and € 52 thousands for the Group's foreign exchange position. The Group, as at 31 December 2009, held a long position of € 1.8 million, against several currencies.

are in the trading portfolio. Group as at 31 December 2010, held a long position of € 642 thousand, against several currencies.

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Investment risk		
Securities' value	319,082	37,723
VaR	4,552	677
Currency risk		
Foreign exchange position	642	1,784
VaR	28	52

*Including available for sale securities and trading securities.

In addition, through the information technology systems available to the Bank, the Risk Management Department monitors on a daily basis throughout the Stock Exchange session, the positions of the Treasury Department and the compliance of those positions with the limits established for them by ALCO.

4.4 Liquidity risk

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

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

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

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

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

The Net Liquid Assets index was as follows:

	2010	2009
At 31st December	13.56%	22.30%
Average for the period	16.70%	26.18%
Maximum for the period	18.36%	30.97%
Minimum for the period	13.56%	21.35%

The following table provides an analysis of the Group's assets and liabilities into relevant maturity groups based on the remaining periods to repayment of: Demand and saving deposits are appropriated in accordance with BoG Act 2614/09.

(Amounts in Euro thousand)

At 31st December 2010	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Assets							
Cash & cash equivalents	80,405	-	-	-	-	-	80,405
Loans and advances to banks	125,959	5,297	-	-	-	-	131,256
Loans and advances to customers (net of impairment)	391,718	2,918	1,262	3,354	286,524	1,122,883	1,808,659
Trading securities	-	1,922	-	-	1,677	-	3,599
Available for sale investment securities	287,519	-	6,029	-	5,390	19,462	318,400
Held to maturity investment securities	-	-	-	-	226,990	2,116	229,106
Total assets	885,601	10,137	7,291	3,354	520,581	1,144,461	2,571,425
Liabilities							
Due to banks	62,658	5,596	-	79,000	631,000	-	778,254
Due to customers	553,700	574,270	178,858	65,827	328,517	-	1,701,172
Debt securities in issue and other borrowed funds	-	-	-	-	51,106	81,525	132,631
Total liabilities	616,358	579,866	178,858	144,827	1,010,623	81,525	2,612,057
At 31st December 2009	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Total assets	792,381	5,957	5,669	5,025	519,425	948,656	2,277,113
Total liabilities	1,065,389	457,900	67,968	107,406	410,476	161,562	2,270,701

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

During 2009 and until the completion of the Bank's Share Capital increase the Bank witnessed a withdrawal of sight deposits amounting to € 360,034 thousand ,as a result of the uncertainty of the Greek Bank System and the reputation risk from the concellation of the Insurance Companies, which were last year the main shareholders of the Bank .T Bank was able to " replace" the lost deposits showing inflows of deposits from the second semester in 2010 and up to 25th February 2011 of € 252 million.

The Bank's liquidity was traditionally relied on customers' term deposits. But, the uncertainty in both global and Greek market discourage the Bank to promote term deposits with duration over a year as it did in the past.

European Central Bank (ECB) became one of the principal provides of liquidity to the Bank and it has drawn down the amount of € 710,000 thousand. The Bank has a "cushion" of € 30,778 thousand.

The ability to renewal customers term deposits as far as the further lending from ECB mainly depends on the progress of the Greek economy. The Bank as well the rest financial institutions of Greece are on process in elaborating plans in order to de independent from ECB funding. In our case, the Group has the support of the main shareholder who finances sufficiently the Bank, at least for one more year.

4.5 Currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its financial position and cash flows. The Board of Directors set limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign currency exchange risk at 31 December 2010. Included in the table are the Group's assets and liabilities at carrying amounts, classified by currency.

(Amounts in Euro thousand)

At 31 st December 2010	EUR	USD	Other	Total
Assets				
Cash & cash equivalents	79,969	276	160	80,405
Loans and advances to banks	107,691	17,243	6,322	131,256
Loans and advances to customers (net of impairment)	1,757,892	45,260	5,507	1,808,659
Trading securities	3,599	-	-	3,599
Available for sale investments	316,304	-	2,096	318,400
Held to maturity investments	229,106	-	-	229,106
Total assets	2,494,561	62,779	14,085	2,571,425
Liabilities				
Due to banks	765,174	7,484	5,596	778,254
Due to customers	1,626,822	66,154	8,196	1,701,172
Debt securities in issue & other borrowed funds	132,631	-	-	132,631
Total liabilities	2,524,627	73,638	13,792	2,612,057

At 31 st December 2009	EUR	USD	Other	Total
Total assets	2,181,043	80,024	16,046	2,277,113
Total liabilities	2,167,513	87,699	15,489	2,270,701

4.6 Interest rate risk

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

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

A parallel upward shift in the yield curves of 1% is expected to reduce the Group's profits in one year by an amount of € 7.1 million. On the other hand a parallel downward shift in the yield curves of 1% is expected to reduce the Group's loss in one year by an amount of € 7.1 million.

The above scenario of shifting the interest rate curve up or down by 1% was chosen as the most representative, based on the nature and structure of the Group's portfolio.

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

(Amounts in Euro thousand)

At 31 st December 2010	Effective Interest rate	Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
Assets								
Cash & cash equivalents	0.6%	-	59,782	-	-	-	20,623	80,405
Loans and advances to banks	1.0%	124,057	7,199	-	-	-	-	131,256
Loans and advances to customers (net of impairment)	5.2%	1,039,832	18,100	21,672	13,857	289,908	425,290	1,808,659
Trading securities	2.2%	-	1,922	-	-	-	1,677	3,599
Available-for-sale securities	2.1%	-	290,023	11,736	-	-	16,641	318,400
Held-to-maturity securities	3.0%	-	38,301	190,805	-	-	-	229,106
Total assets		1,163,889	415,327	224,213	13,857	289,908	464,231	2,571,425
Liabilities								
Due to banks	0.8%	-	778,254	-	-	-	-	778,254
Due to customers	3.2%	-	1,533,645	158,653	5,792	-	3,082	1,701,172
Debt securities in issue and other borrowed funds	2.7%	-	131,484	-	-	-	1,147	132,631
Total liabilities		-	2,443,383	158,653	5,792	-	4,229	2,612,057
At 31st December 2009								
		Floating	1-3 months	3-12 months	1 to 2 years	Over 2 years	Non-interest	Total
Total assets		864,245	407,770	206,496	41,886	128,720	627,996	2,277,113
Total liabilities		12,000	1,975,921	170,374	844	-	111,562	2,270,701

4.7 Operational Risk

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

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

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

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

4.8 Stress testing

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

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

4.9 Capital adequacy

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

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

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

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Upper Tier I	30,269	61,135
Lower Tier I	40,174	40,110
Deductions	(30,731)	(24,247)
Total Tier I	39,712	76,998
Upper Tier II	30,501	21,183
Lower Tier II	50,578	50,354
Deductions	(41,367)	(13,388)
Total Tier II	39,712	58,149
Regulatory capital	79,424	135,147
Risk-weighted assets		
Credit Risk	1,452,175	1,474,563
Market risk	23,025	24,975
Operational Risk	124,475	104,063
Securitized Exposures	164,100	181,663
Total risk-weighted assets	1,763,775	1,785,264
Indices (in %)		
Tier 1 CAD	2.25%	4.31%
Total CAD	4.50%	7.57%

In compliance with the Decree of the Governor of Bank of Greece 2592/20.08.2007, the Bank publishes at its website http://www.tbank.com.gr/tbank/index.php?option=com_content&view=article&id=233&Itemid=182 on an annual basis various information of regulatory and supervisory nature with regard to its capital adequacy, risk exposure and risk management. The information is at consolidated level on year end balances (Pillar 3 in Group Level).

As at 31st December 2010 total capital adequacy is below the minimum limit as required by the regulatory authority. Bank's management has communicated to Bank of Greece the action to be taken in order to increase capital adequacy above the limit. More information referred to in note 2.2..

5. Fair values of financial assets and liabilities

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

their fair value.

(Amounts in Euro thousand)

	Carrying amount		Fair value	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Financial assets				
Loans and advances to banks	131,256	263,012	131,256	263,012
Loans and advances to customers (net of impairment)	1,808,659	1,871,434	1,908,227	1,994,364
Investment securities held to maturity	229,106	10,655	213,763	10,666
Financial liabilities				
Due to banks	778,254	328,007	778,254	328,007
Due to customers	1,701,172	1,769,132	1,714,334	1,723,916
Debt securities in issue & other borrowed funds	132,631	173,562	132,631	173,562

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

Interest rates used for discounting cash flows were derived by the respective yield curves currency and obligations to customers.

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

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

(Amounts in Euro thousand)

31.12.2010	First Level	Second level	Third level	Total
Available for sale investment securities	315,952	-	2,448	318,400
Financial assets through profit and loss	3,599	-	-	3,599
31.12.2009	First Level	Second level	Third level	Total
Available for sale investment securities	34,934	-	2,142	37,076
Financial assets through profit and loss	3,894	-	-	3,894

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

6. Operating segments

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

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

(Amounts in Euro thousand)

31.12.2010	Corporate Banking	Shipping	Asset management & stock brokerage	Leasing	Notes issuers	Credit card	Retail Banking	Treasury	Other	Total
Interest income	4,947	1,358	669	5,012	4	5,496	68,713	14,369		100,568
Interest expense	(28)	(35)	(2)	(68)	(1,673)		(56,862)	(5,987)		(64,655)
Commissions, net trading income/(expense) & other earnings	412	424	1,815	4,246		1,086	7,155	3,290		18,428
Inter-segment revenue	(1,077)	(239)	(111)	(760)	371	(434)	543	1,707		-
Operating income	4,254	1,508	2,371	8,430	(1,298)	6,148	19,549	13,379	-	54,341
Profit/(loss) before tax	686	1,029	(957)	260	(1,405)	(2,121)	(83,008)	12,706	1,026	(71,784)
Income tax										223
Profit/(loss) after tax										(71,561)
Total assets	139,124	59,652	11,105	95,675	3,034	50,968	1,668,435	654,148	50,315	2,732,456
Total liabilities	5,644	15,613	3,489	1,631	50,357	4,699	1,786,073	778,231	10,035	2,655,772
Tangible & intangible	2	1	105	1,447		65	6,533			8,153
Depreciation	48	13	322	3,681		457	6,570	40		11,131
Impairment losses on loans & advances	3,024	125	(1,652)	718		3,619	33,654			39,488

(Amounts in Euro thousand)

31.12.2009	Corporate Banking	Shipping	Asset management & stock brokerage	Leasing	Notes issuers	Credit card	Retail Banking	Treasury	Other	Total
Interest income	5,232	1,129	356	6,030	14	4,358	99,360	2,745	-	119,224
Interest expense	21	(26)	(6)	(1,017)	(2,617)	-	(86,064)	(2,014)	-	(91,723)
Commissions, net trading income/(expense) & other earnings	656	147	3,701	6,894	27,636	1,923	12,029	(8,724)	62	44,324
Inter-segment revenue	(662)	(145)	(74)	(443)	214	(258)	767	601	-	-
Operating income	5,247	1,105	3,977	11,464	25,247	6,023	26,092	(7,392)	62	71,825
Profit/(loss) before tax	(1,411)	262	(8,419)	(885)	25,141	(3,991)	(79,007)	(8,242)	(641)	(77,193)
Income tax										15,177
Profit/(loss) after tax										(62,016)
Total assets	140,215	41,853	12,394	118,818	2,882	55,302	1,697,771	277,030	81,757	2,428,022
Total liabilities	4,462	10,803	5,621	18,352	50,218	4	1,872,865	324,006	34,287	2,320,618
Tangible & intangible	1	-	139	5,264	-	487	5,391	35	-	11,317
Depreciation	30	32	279	5,230	-	319	6,445	42	-	12,377
Impairment losses on loans & advances	5,491	182	6,610	2,892	-	5,525	27,340	-	-	48,040

7. Net interest income*(Amounts in Euro thousand)*

	From 1 st January to 31.12.2010	31.12.2009
Interest income		
Loans and advances to customers	85,557	115,195
Available for sale securities	6,825	448
Investment securities	6,984	360
Money market	1,160	3,189
Trading securities	42	32
Total	100,568	119,224
Interest expense		
Deposits from banks and customers	(61,056)	(84,647)
Subordinated liabilities	(3,599)	(7,076)
Total	(64,655)	(91,723)
Net interest income	35,913	27,501

8. Fee and commission income*(Amounts in Euro thousand)*

	From 1 st January to 31.12.2010	31.12.2009
Loans and letters of guarantees	5,288	8,522
Management and custodian fees	1,438	2,807
Brokerage transactions	1,075	2,243
Credit cards	2,086	1,936
Transfers and similar	512	804
Imports-exports	349	457
Commission on customers derivatives	123	177
Other	740	909
Total	11,611	17,855

9. Net trading income/(expense)

	From 1 st January to 31.12.2010	31.12.2009
Profit from disposal of bond loans	-	27,638
Trading portfolio	(97)	3,448
Foreign exchange	671	923
Available for Sale	26	(13,001)
Derivatives	-	(69)
Total	600	18,939

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

10. Other operating income

(Amounts in Euro thousand)

	From 1 st January to	
	31.12.2010	31.12.2009
Leasing commissions	5,393	6,590
Leases	25	165
Profit from disposal of PPE	73	117
Dividend income	26	62
Safekeeping commissions	106	35
Other	1,012	1,141
Total	6,635	8,110

11. Staff expenses

(Amounts in Euro thousand)

	From 1 st January to	
	31.12.2010	31.12.2009
Salaries	35,177	37,214
Wages	2,063	2,155
Social security obligations	7,783	7,466
Contribution to defined benefit plans	1,215	325
Indemnification	-	81
Total	46,238	47,241

The average number of employees for the Group was 1,040 for 31 December 2010 (31.12.2009: 1,054).

12. Other expenses

(Amounts in Euro thousand)

	From 1 st January to	
	31.12.2010	31.12.2009
Rentals and other property expenses	9,014	9,360
Third party fees	3,588	5,191
Subscription fees	3,470	3,880
Other taxes	2,897	2,346
Marketing expenses	202	1,583
Telecommunication and postal charges	1,928	2,025
Credit card expenses	1,948	1,847
Maintenance expenses	994	1,273
Traveling & accommodation expenses	827	947
Consumables	676	728
Insurance premium	721	596
Other	3,679	5,946
Total	29,944	35,722

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

(Amounts in Euro thousand)

	2010	2009
For the statutory audit of the annual financial statements	258	281
For other audit services	6	113

13. Income tax

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Current year	(250)	(1,180)
Prior year taxes	(4,257)	(356)
Deferred tax	4,729	16,713
Total	222	15,177
Deffered tax (from temporary changes)	5,667	18,938
Effect of application of lower tax rates	(938)	(2,221)
	4,729	16,717

Reconciliation of effective tax rate

	31.12.2010	31.12.2009
Loss before income tax	(71,784)	(77,193)
Income tax using corporate tax rate	24% 17,228	25% 19,299
Non-deductible expenses	7% (5,101)	1% (1,111)
Tax exempt income	1% 505	1% (789)
Effect of permanent differences	4% (2,967)	8% 6,160
Prior year taxes	0% (4,257)	0% (355)
Effect of application of lower tax rates	1% (938)	3% (2,221)
Tax losses for which no deferred tax assets has been computed	6% (4,247)	8% (5,806)
Total	0% 223	20% 15,177

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

T Bank SA	2008 - 2010
T Leasing SA	2006 – 2010
T Insurance Brokerage SA	2010
T Funds SA	2008 – 2010
T Credit SA	2007 – 2010
T Stegastika SA	2010

The previous years income tax item (€ 4,258 th.) regard the write-off of tax asset arising from interest income of bonds loans subject to with-holding tax at source. In case of profit the with-holding tax is offset with the company's income tax, whereas in case of loss there is no return of the respective tax. The Bank had recourse to the law against the specific law provisions for the years 2007, 2008, 2009. The with-holding tax amounted to (4,103 th) for the years 2007, 2008, 2009 and 2010. The rest amount € 155 thousand is related with extraordinary contribution submitted in the previous years profit of enterprises according to the Law 3845/10.

Permanent differences mainly relate to expenses not recognized for tax purposes.

14. Basic and diluted earnings per share

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

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Loss of the period	(71,561)	(62,016)
Weighted average number of shares during the period (in thousand)	121,173	64,064
Basic and diluted earnings/(loss) per share (in Euro)	(0.5906)	(0.9680)

15. Cash and cash equivalents

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Reserves with Central Bank	59,857	70,042
Cash	20,245	20,551
Items in course of collection	303	449
Total	80,405	91,042

16. Loans and advances to Banks/ Due to Banks

Loans and advances to Banks are analyzed as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Current accounts	124,056	143,095
Money market placements- Deposits	7,200	119,917
Total	131,256	263,012

Due to Banks are analyzed as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Due to European Central Bank (E.C.B)	631,000	240,000
Due to Greek State	79,000	79,000
Due to other Banks	68,254	9,007
Total	778,254	328,007

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

	31.12.2010	31.12.2009
Retail customers:		
Mortgages	499,233	506,031
Securitized mortgage loans	425,026	491,712
Credit cards	54,452	56,904
Debit customer balances	244	587
Consumer loans	85,071	85,066
Subtotal	1,064,026	1,140,300
Corporate customers:		
Corporate bonds	106,865	125,998
Corporate loans	561,809	536,230
Shipping loans	60,191	42,770
Finance leases	92,711	94,542
Debit corporates balances	1,082	878
Local authorities & other organizations	35,462	14,582
Subtotal	858,120	815,000
Amounts due relating to brokerage transactions	16,906	19,829
Loans and advances	1,939,052	1,975,129
Impairment loss	(130,393)	(103,695)
Loans and advances after provisions	1,808,659	1,871,434

Financial leases are analyzed by maturity as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Up to one year	32,008	16,761
One to five years	40,927	52,690
Over five years	36,603	38,184
	109,538	107,635
Less: Deferred income	(16,827)	(13,093)
Total	92,711	94,542

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

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Up to one year	28,686	13,716
One to five years	33,041	47,300
Over five years	30,984	33,526
Total	92,711	94,542

	31.12.2010	31.12.2009
Allowance for impairment		
Balance at 1 st January	103,695	55,884
Impairment loss for the period	39,488	48,040
Write-offs	(12,790)	(229)
Total	130,393	103,695

18. Trading securities*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Corporate bonds	1,922	1,971
Mutual fund units	1,677	1,923
Total	3,599	3,894

In accordance with the recent amendments to IAS 39, the Group reclassified in July 2008 shares listed in the Athens Stock Exchange and bonds out of the "Trading Securities" portfolio to the "Available for Sale Securities" portfolio with market value at 30.06.2008 amounting to € 6,703 thousand. This reclassification was made due to the volatility on the financial markets in year 2008. The revaluation of these shares and bonds for the period from 1.1.10 to 31.12.10, resulted to a loss of €419 thousand, which has been recognized in the Available for Sale securities reserve, whereas if the Group had not reclassified the above shares and bonds, the aforementioned amount would have had an impact on Income statement.

19. Available for sale securities*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Treasury bills	287,519	5,218
Corporate bonds	14,239	16,467
Mutual fund units	13,755	12,542
Listed equity securities	439	707
Non-listed equity securities	2,448	2,142
Total	318,400	37,076

In August 2010 the Group transferred a Greek Government bond from the "Available for sale portfolio, to" Held to maturity portfolio". The loss assessment of the bond until the date of transfer € 463 thousand still appears in the reserve of available for sale securities and is amortized against bond income gradually till bond maturity(20 March 2012).

20. Held-to-maturity securities*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
GGB maturity 19/05/2010	-	3,139
GGB maturity 20/03/2012	28,849	-
GGB maturity 18/05/2012	21,170	-
GGB maturity 20/08/2012	22,810	-
GGB maturity 20/05/2013	22,369	-
GGB maturity 20/08/2013	35,415	-
GGB maturity 11/01/2014	9,452	-
GGB maturity 20/05/2014	19,836	-
GGB maturity 20/08/2014	57,987	5,351
GGB maturity 20/08/2015	9,102	-
GGB maturity 19/07/2019	2,116	2,165
Total	229,106	10,655

The Group during reporting period has made significant investments in medium-terms securities issued by the Greek Government, taking advantage of low financing costs and high yields. The classification of the respective securities, to the Held to maturity portfolio, has been made by decision of the Investment Committee.

21. Property and equipment*(Amounts in Euro thousand)*

Cost	Property and Buildings	Leasehold improvements	Furniture and equipment	Total
Balance at 1 st January 2009	6,975	27,596	60,968	95,540
Acquisitions	311	1,971	5,734	8,016
Disposals	-	-	(23)	(23)
Other movements/write-offs	-	-	(1,258)	(1,258)
Balance as at 31st December 2009	7,286	29,567	65,421	102,275
Balance at 1 st January 2010	7,286	29,567	65,421	102,275
Acquisitions	68	2,387	3,656	6,111
Disposals	-	-	(1,178)	(1,178)
Other movements/write-offs	-	(185)	(966)	(1,151)
Balance as at 31st December 2010	7,354	31,769	66,933	106,057
Depreciations				
Balance at 1 st January 2009	1,021	15,601	28,666	45,288
Charge for the year	129	2,117	5,672	7,918
Other movements/write-offs	-	-	(963)	(963)
Balance as at 31st December 2009	1,150	17,718	33,375	52,243
Balance at 1 st January 2010	1,150	17,718	33,375	52,243
Charge for the year	127	2,319	5,930	8,376
Other movements/write-offs	-	(1)	(1,874)	(1,875)
Balance as at 31st December 2010	1,277	20,036	37,431	58,744
Carrying amounts				
Balance at 1 st January 2009	5,954	11,995	32,302	50,251
Balance as at 31st December 2009	6,136	11,849	32,046	50,031
Balance at 1 st January 2010	6,136	11,849	32,046	50,031
Balance as at 31st December 2010	6,077	11,733	29,502	47,312

The deletions of assets related to destruction or donation of equipment not used.

22. Intangible assets

(Amounts in Euro thousand)

Cost	Purchased software
Balance at 1 st January 2009	19,393
Acquisitions	3,302
Balance as at 31st December 2009	22,695
Balance at 1 st January 2010	22,695
Acquisitions	2,042
Balance as at 31st December 2010	24,737
Amortization	
Balance at 1 st January 2009	10,923
Charge for the year	4,459
Balance as at 31st December 2009	15,382
Balance at 1 st January 2010	15,382
Charge for the year	2,755
Balance as at 31st December 2010	18,137
Carrying amounts	
Balance at 1 st January 2009	8,470
Balance as at 31st December 2009	7,313
Balance at 1 st January 2010	7,313
Balance as at 31st December 2010	6,600

23. Deferred tax asset

Deferred tax assets and liabilities are attributable to the following:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Deferred tax assets		
Impairment for customer loans	11,164	6,395
Employee benefits	796	822
Commission income	478	536
Provisions	231	420
Tax loss	23,367	23,367
Other	751	645
Total	36,787	32,185
Deferred tax liabilities		
Finance lease	(264)	(222)
Property and equipment	(3,427)	(3,560)
Loans	(805)	(905)
Total	(4,496)	(4,687)
Net deferred tax asset	32,291	27,498

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

31.12.2010	Opening balance	Recognized in income	Recognized in equity	Closing balance
Customer loans impairment	6,395	4,769	-	11,164
Employee benefits	822	(26)	-	796
Commission income	536	(58)	-	478
Finance lease	(222)	(42)	-	(264)
Property and equipment	(3,560)	133	-	(3,427)
Tax loss	23,367	-	-	23,367
Loans	(905)	100	-	(805)
Provisions	420	(189)	-	231
Other	645	44	62	751
Total	27,498	4,731	62	32,291

(Amounts in Euro thousand)

31.12.2009	Opening balance	Recognized in income	Closing balance
Customer loans impairment	860	5,535	6,395
Employee benefits	767	55	822
Commission income	595	(59)	536
Finance lease	(499)	277	(222)
Property and equipment	(3,753)	193	(3,560)
Commission expense	(176)	176	0
Tax loss	12,616	10,751	23,367
Loans	(1,006)	101	(905)
Provisions	1,211	(791)	420
Other	170	475	645
Total	10,785	16,713	27,498

The Group estimates the attaining of adequate tax profits within the following 5 years in order to justify the offset of tax losses. Deferred tax asset regarding the tax of losses of 2008 that may be offset until 2013 amounts to € 12,616 thousand, while the respective deferred tax asset concerning the tax of losses of 2009 that may be offset until 2014 amounts to € 10,751 thousand. The Group Companies T Leasing SA and T International AEDAK S.A during 2009 recovered the deferred tax asset that has been established during 2008. Group did not calculate deferred tax on tax loss this year. The amount of deferred debt was not accounted for is € 4,247 thousand.

24. Other assets*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Receivables from Greek State and other public organizations	19,209	18,427
Guarantees and participations to other funds	13,086	11,697
Deposit Guarantee Fund	24,114	15,667
Property acquired through auctions	4,901	5,033
Housing loans expenses	8,717	9,529
Advances	558	695
Accrued income	350	325
Other receivables	3,893	4,694
Total	74,828	66,067

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

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

"Receivables from Greek State and other public organizations" consist of payments for capital tax amounting to € 900 thousand. The amount of 900 thousand has recovered in February 2011.

25. Due to customers*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Term deposits	1,330,134	1,287,665
On demand and current accounts	257,687	325,949
Savings accounts	113,351	155,518
Total	1,701,172	1,769,132

From the amount of "Term deposits" the deposits which are expected to mature within the following 12 months amount to € 1,3 million.

26. Debt securities in issue and other borrowed funds*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Securitized loans	81,524	110,728
Subordinated loans	50,000	50,000
Other Bonds	-	12,000
Accrued expense	1,107	886
Direct expenses	-	(52)
Total	132,631	173,562

Subordinated loans are analyzed as follows:

Aspis Finance plc. issued in February 2005 an amount of € 50,000 thousand with recall date February 2010. Interest rate is 3 month Euribor plus 2.65% spread.

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

27. Provisions

Provisions' movement is as follows:

(Amounts in Euro thousand)

31.12.2010	Opening balance	Provision for the year	Unused provisions	Usage of provisions	Closing balance
Restructuring plan	542	-	-	(174)	368
Contingent indemnification of labour legal disputes	1,000	-	(658)	-	342
Litigation claims	357	40	(13)	(85)	299
Income tax for open tax years	27	2	(25)	-	4
Provision for medical expenses	230	-	-	(53)	177
Impairment on off-balance sheet items	1,593	-	(395)	-	1,198
Total	3,749	42	(1,091)	(312)	2,388

(Amounts in Euro thousand)

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

The provisions of the period amounting to € (1,049) thousand are recorded in the "Provisions" in the profit and loss account which also includes provisions of impairment of other claims amounting to € 373 thousand which are shown as a deduction in assets of the Group.

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

	31.12.2010	31.12.2009
Bank drafts & cheques payable	3,580	10,421
Payment DIAS	725	3,503
Tax obligations	1,901	2,814
State and Social Insurance liabilities	1,628	1,933
Accrued interest expense	356	696
Other liabilities	17,263	11,700
Other accrued expenses	11,670	10,141
Total	37,123	41,208

The "Other accrued expenses" are analyzed as follows: an amount of € 7,998 thousand concerning accrued fees and social security obligations, an amount of € 3,519 thousand regarding commission income from housing loans to be amortized and an amount of € 153 thousand concerning other expenses.

29. Employee benefits

Employee benefits consist of:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Defined benefit obligations	3.908	4.072
Vacation not taken	50	50
Total	3.958	4.122
Defined benefit obligations		
Present value of unfunded obligations	4.308	3.850
Unrecognised actuarial gains and losses	(400)	222
Recognized liability for defined benefit obligations	3.908	4.072
Movement in the liability for defined benefit obligations		
Net defined benefit obligations at 1 st January	4.072	3.835
Expense recognized in profit or loss	1.215	325
Benefits paid	(1.379)	(88)
Total	3.908	4.072
Expense recognized in profit or loss		
Current service costs	395	290
Interest on obligation	155	171
Amortization of actuarial loss	665	(136)
Total	1.215	325
Actuarial assumptions		
Discount rate	5,25%	5,07%
Future salary increases	3,5%	3,5%

30. Share capital

The extraordinary General Assembly of the Shareholders held on 23rd July 2009 decided the increase of the share capital with the amount of € 76,877 thousand by issuing 128,128,108 new common, shares with nominal value of € 0.60 each.

Finally, as it was verified from the Board of Directors minute held on 15th April 2010, the Bank's share capital increased in cash by Euro 48,374,403.60 through the offer of 80,624,006 new common registered shares, at a nominal value of Euro 0.60 each.

Following the above, the Bank's share capital amounting to Euro 86,812,836 divided in 144,688,060 common shares with nominal value of € 0.60 each.

The total charge for the Share Capital increase amounting to € 2,006 thousand and is recognized in "Share premium reserve".

TT Hellenic Postbank, after the completion of Share capital increase, possesses 32.90% which refers to 47,602,370 shares with voting rights.

As at 31 December 2010, the capital adequacy ratio is less than 10% and the Tier 1 ratio is less than 6.5%.

The Management of the Bank has received the assurance of its major shareholder " TT Hellenic Postbank " that it has the intention to support the Bank's capital adequacy in order to continue its operations without any complications.

The Management of the Bank in collaboration with the main shareholder is looking for all the necessary measures to be taken in order to increase the ratio above the limit.

31. Reserves*(Amounts in Euro thousand)*

	31.12.2010	31.12.2009
Statutory reserve	1,030	1,030
Untaxed reserves	2,265	2,265
Available for sale reserve	(5,921)	(2,637)
Reserve from share capital reduction	135,176	135,176
Other reserves	6,364	6,364
Total	138,914	142,198

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

Untaxed reserves: In accordance with Greek tax law certain types of income and profits are not taxed if retained and recorded to a specific reserve account. In the event that the reserves are distributed they will be taxed at the rate applicable on the date of distribution. In case tax free reserves are distributed a tax of € 544 thousand will be paid.

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

Other reserves: It includes other reserves.

32. Related-party transactions

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

Banking transactions with related parties were on 31st December 2010 are as follows :

(Amounts in Euro thousand)

(a) Senior management and Board of Directors	31.12.2010	31.12.2009
Loans and advances to customers	456	1,393
Due to customers	1,015	765
Other liabilities	51	128
	31.12.2010	31.12.2009
Income		
Net interest income /expense	(5)	(58)
Net commission income/ expense	0	1
Expense		
Staff costs	1,409	2,244
Other operating expenses	192	392
	31.12.2010	31.12.2009
(b) Other related parties		
Loans and advances to customers	2,219	21,793
Loans and advances to banks	1,903	
Other assets	34,477	568
Due to customers	37,939	47,485
Due to banks	62,484	
Other liabilities	59	71
	31.12.2010	31.12.2009
Income		
Net interest income	(1,570)	906
Net commission income	16	775
Expense		
Other operating expenses	31	3,113
Loans impairment charge for the period	128	-

The significant change in "Loans and advances to customers" (Senior management and BoD) is due to the resignation of General Managers during the period. The relevant amount as at 31st December 2009 included loans granted to the General Managers who resigned in 2010 amounting to € 900 thousand.

The compensation paid to Senior management resigned in 2010 amounts to € 571 thousand. The claims of the bank from loans and letters of guarantee granted to Aspis Pronoia S.A., Aspis Pronoia gen. security life S.A., and Commercial Value amounts to € 2,461 thousand. Cumulative impairment provisions amounts to € 2,068 thousand.

In "Balance with other related parties" includes the December 31, 2010 and the TT Hellenic Postbank.

(Amounts in thousand of Euro)

Company name	Loans	Deposits	Interest income	Interest expense	Other income	Other expenses	CCS	Stock brokerage	Placements	Borrowings	Other assets	Other liabilities
Board of Directors & Senior management	456	1,015	14	19	0	1,601	-	-	-	-	-	51
TT HELLENIC POSTBANK SA	-	-	21	893	-	-	-	-	1,903	62,484	34,471	20
ASPIS PRONOIA S.A.	1,469	5,146	242	109	1	184	242	-	-	-	0	27
ASPIS PRONOIA FUNDS	-	136	-	3	-	-	-	-	-	-	-	-
ASPIS PRONOIA GEN. SECURITY LIFE S.A.	162	4,308	14	144	0	(1)	0	-	-	-	6	10
COMMERCIAL VALUE S.A.	588	28,349	5	703	15	(24)	0	-	-	-	-	2
Other related parties	2,219	37,939	282	1,852	16	159	242	0	1,903	62,484	34,477	59
Total	2,675	38,954	296	1,871	16	1,760	242	0	1,903	62,484	34,477	110

*Advances from current accounts

33. Contingent liabilities and commitments

33.1 Litigation

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. Specifically, the Group is exposed to law suits that have been claimed or might be claimed against which may affect the Statement of Comprehensive Income, the Statement of Financial Position and its capital adequacy.

The Group is still subjected to extrajudicial claims and lawsuits versus Aspis Capital SA, Aspis Pronoia AEGA, Aspis Group SA as well as towards the Bank regarding bond loans disposed by Aspis Capital SA, Aspis Group SA and Aspis Pronoia AEGA for which the Bank operates as Administrator. The management of the Bank declares that there was no mediation from its side in disposing these products and operates exclusively as administrator of payments without to guarantee the fulfillment of payments or other liabilities from the respective issuers. The results of the litigation claims depend on the valuation of predictive evidence presented in court. However, Bank's lawyers estimate that the possibilities of prosperity are restricted.

Moreover, the Group up to year 2008 through contracts signed from Aspis Insurance Brokerage SA has promoted via the Bank's net, the insurance investment product typed UNIT-LINKED of Commercial Value named as ASPIS VALUE. There are still pending claims towards Commercial Value AAE. Because of the revocation of the license of Commercial Value, it is estimated that if the customers of ASPIS VALUE remain unsatisfied from Commercial Value and they don't receive any public or other guarantee, will sue the Bank (there are remaining claims, about 10, and against the Bank). The prosperity of these claims will depend on the evaluation of predictive evidence presented in court but the possibilities are limited.

In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the financial condition of the Group. For this reason provisions amounting to € 299 thousand have been formed. The Group has also formed a provision of € 342 million for contingent labour legal disputes (Note 27).

33.2 Credit commitments

Pledged securities for liquidity purposes (nominal value)

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Trading securities	2.000	-
Available-for- sale investment securities	300.000	-
Held-to-maturity investment securities	256.000	8.300
Loans and advances to customers	169.022	168.015
Total	727.022	176.315

As at 31st December 2010 the Group's contingent liabilities arising from letters of guarantee and letters of credit issued are as follows:

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Letters of guarantee	107.152	133.802
Letters of credit	1.016	1.213

The Group participates in the Company of innovator business participations NBGI Private Equity and has contractual obligation to pay the amount of GBP 5,000 thousand. The Group has paid until today an amount of GBP 1,884 thousand or € 2,189 thousand. The value of the specific participation which has been classified in "Available for sale securities" arises to the amount of € 2,096 thousand, according to the latest available evaluation of 31 December 2010.

33.3 Operating leases

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

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

(Amounts in Euro thousand)

	31.12.2010	31.12.2009
Less than one year	5,659	6,145
Between one and five years	14,168	16,222
More than five years	11,656	12,719

34. Subsequent events

Non applicable.



Independent Auditor's Report

(Translated from the original in Greek)

To the Shareholders of
T BANK S.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of T BANK S.A. (the "Bank") which comprise the consolidated Statement of Financial Position as of 31 December 2010 and the consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated financial position of T BANK S.A. as of 31 December 2010 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 2.2 of the consolidated financial statements which refers to the options that the management of the Bank has, in collaboration with the major shareholder, in order to improve its capital adequacy ratio so that may not cast significant doubt on the Bank's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

- (a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraphs 3d of article 43a and 3e of article 107 of C.L. 2190/1920.
- (b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920.

Athens, 30 March 2011

KPMG Certified Auditors A.E.

KPMG Certified Auditors A.E
3, Stratigou Tombra Str
153 42 Aghia Paraskevi
Greece
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071