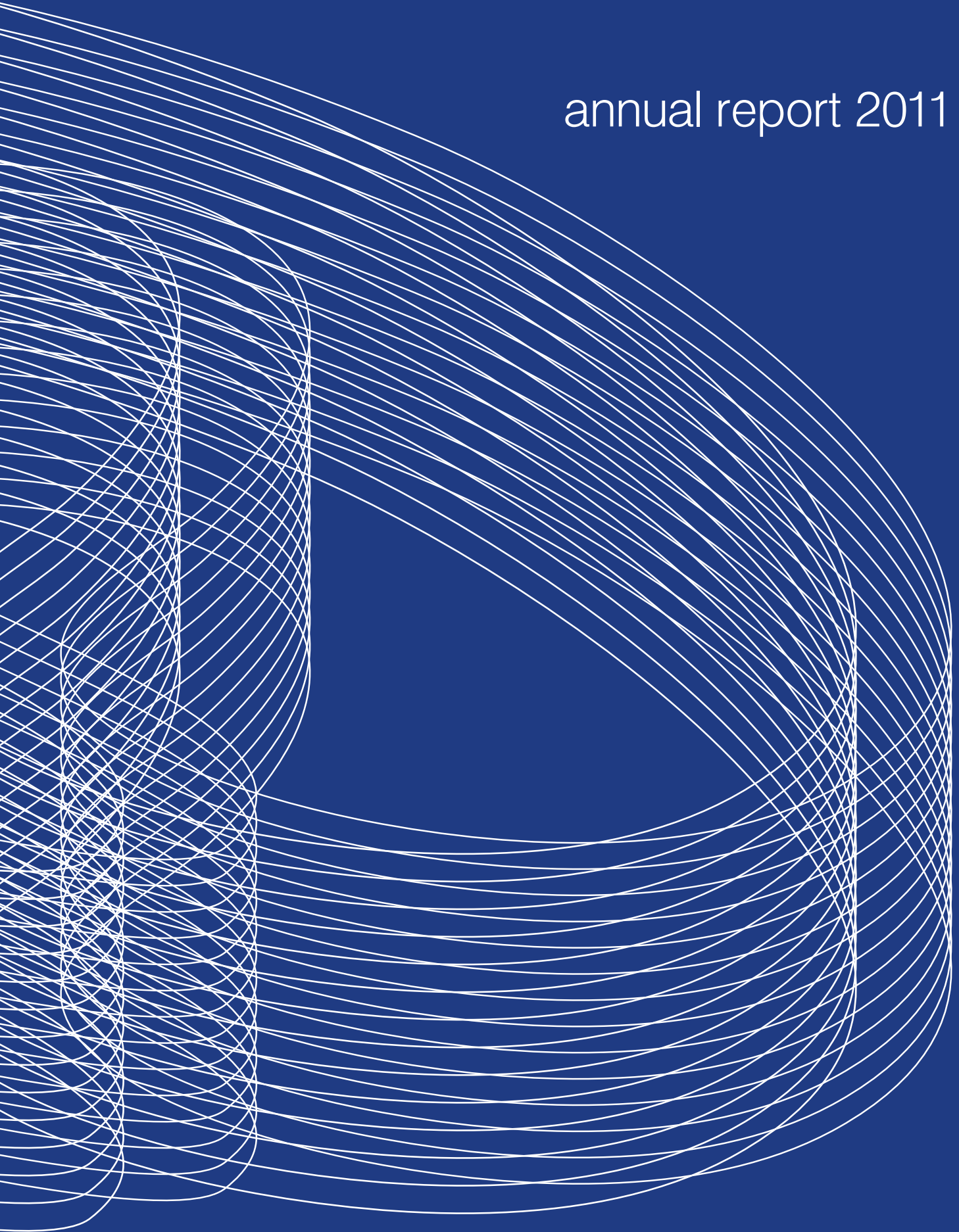


# annual report 2011







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## **The Board of Directors of Attica Bank**

### **CHAIRMAN OF THE BOARD & EXECUTIVE DIRECTOR**

*(Executive Member)*

IOANNIS GAMVRILIS

Chairman of the TSMEDE Fund, Vice Chairman of the ETAA Fund, Civil Engineer

### **EXECUTIVE MEMBERS**

#### **VICE CHAIRMAN OF THE BOARD**

ARGYRIOS ZAFIROPOULOS

Chairman of the ETAA Fund, Mathematician specialising in Applied Computing

IOANNIS IOANNIDIS

General Manager of Attica Bank, Economist

### **NON-EXECUTIVE MEMBERS**

ALEXANDROS ANTONOPOULOS

Chairman of the Board of the Deposits and Loans Fund, Mathematician

KONSTANTINOS GOUVALAS

Architect

EFTHYMIA DELI

Asst. General Manager Finance & Operations / Hellenic Postbank

ATHANASIOS PRESVELOS

Agronomist - Surveyor

ATHANASIOS STATHOPOULOS

Chairman of the Board of the Attica Bank Employees Association

ATHANASIOS TZAKOPOULOS

Former Chairman of the Central Macedonia Regional Department of the Technical Chamber of Greece, Surveyor

### **INDEPENDENT NON-EXECUTIVE MEMBERS**

GEORGIOS PALEODIMOS

Economist

GEORGIOS TSOUKALAS

Surveyor

### **NON-EXECUTIVE ADDITIONAL MEMBER**

GEORGIOS HORTAREAS

Asst. Professor, Dept. of Economic Sciences, National & Capodistrian University of Athens. Representative of the Greek State in accordance with the provisions of Law 3723/2008

## **Background. The Bank's Profile**

Attica Bank is a dynamic financial institution with a network that currently numbers 80 branches in all major cities in Greece.

The Bank was founded in 1925. Its original duration was 100 years, expiring on 4 February 2025. In line with a decision made at the Extraordinary General Meeting of the Bank's shareholders held on 20 November 2008, the Bank's duration was extended by 50 years, that is, until 4 February 2075.

The Bank started operating as a commercial bank essentially in 1964 when it was acquired by the Emporiki Bank Group of companies and was listed on the Athens Stock Exchange. In June, 1997, Emporiki Bank transferred part of the shares it owned via the Stock Exchange to the Engineers & Public Constructors Pension Fund (TSMEDE) and to the Deposits and Loans Fund, keeping about 17% of all shares, which were transferred to the Hellenic Postbank in September 2002.

The Bank's main shareholders are:

- The ETAA Fund<sup>1</sup>- TSMEDE Fund, with a 42.87% holding in the Bank
- The Hellenic Postbank, with a 22.43% holding in the Bank
- The Deposits and Loans Fund, with a 19.28% holding in the Bank

Attica Bank provides financing mainly to small and medium-sized businesses and private individuals. The Bank also offers a wide range of deposit, investment and insurance products, mutual funds and stock market transaction services.

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1. Unified Insurance Fund for the Independently Employed

PRODUCTS AND SERVICES		
Businesses	Retail Banking	Services
Deposit accounts (Sight, Time, Foreign Currency)	Deposit accounts (Savings, Current, Time, Repos, Foreign Currency)	Standing orders
Loans (Working Capital, Long-term Loans)	Loans (Housing, Consumer, Open)	Capital Transfers
Corporate bonds	Credit & Debit Cards (Visa, Electron, MasterCard Attica Gift Card Visa)	Imports / Exports (Administration of documents, Letters of Credit)
Letters of Credit		
Leasing, Factoring		
Bancassurance	Investment Products (Mutual Funds, Guaranteed Capital Products)	e-banking
Venture Capital		Payroll - Pension Payment Services
EU Programmes	Bancassurance	

As a Bank which attaches priority to ensuring full, quality coverage of its customers' needs, Attica Bank is constantly expanding the channels via which its products and services are offered.

Over the years to come the Bank's primary aims are to expand its operations to areas displaying growth potential while at the same time ensuring sufficient capital adequacy, properly managing its loan portfolio, ensuring satisfactory liquidity and placing emphasis on additional revenue sources.



# 1 | Letter from the Chairman of the Board & Executive Director to Shareholders



Dear Shareholders,

2011 was a year during which both the Greek and international economy continued to be severely tested by recession; uncertainty and lack of trust were key factors shaping the economic environment.

2011 was a year of negative, painful changes for Greece, and also a year during which the country was given a chance to move forward with a large part of its debt having been written off.

Operating under particularly adverse economic conditions, the Greek Government took a series of fiscal consolidation measures that resulted in the country's fiscal deficit dropping from 10.4% in 2010 to 9.1% in 2011. However, it became clear during the course of the year that the long-term viability of Greek debt could not be secured. For that reason, during 2011 holders of Greek Treasury bonds were invited to take part in two schemes to reduce the value of those bonds (the PSI and PSI+), whose objective was to give the country's economy the chance to recover long-term based on firmer foundations.

All Greek banks participated in those schemes, and their involvement had a dramatic impact on their results and capital base. In addition, the results from the review of the quality of Greek bank loan portfolios carried out by Blackrock in 2011 made recapitalisation of the banks during 2012 more pressing than ever.

Furthermore, in 2011 the Greek banks found themselves face-to-face with a major outflow of deposits which was primarily addressed by the Bank of Greece utilising the Emergency Liquidity Assistance (ELA) mechanism.

It is self-evident that these developments point to the restructuring of the banking system in order for it to take on the role it must play in the recovery effort, freed from the burdens of the past. Of course, the recapitalisation procedure for the Greek banking system that is being planned will significantly change the banking landscape both due to efforts being made to reduce the size of the sector, and due to the fact that the Financial Stability Fund will have a holding in the share capital of Greek banks.

In these critical times for Greece and the domestic banking sector, Attica Bank continues to follow the prudent, consistent stance it has taken from the onset of the crisis, demonstrating that it is resilient, weathering the prevailing conditions, and that it is focused on its primary goal of helping develop and revive the Greek economy.

As one might expect, the results for 2011 have been primarily affected by the Bank's involvement in the PSI scheme which was completed in March 2012. However, the Bank once again proved that robustness and resilience are not just dependent on an organisation's size, but are affected by management taking the right decisions, by achieving the objectives set and by implementing the strategy being followed.

In addition, the following points need to be stressed about the financials and results for 2011:

- The capital adequacy ratios were particularly satisfactory. The core tier 1 ratio (if one takes into account the total deferred tax assets corresponding to the losses from the impairment of the Greek Treasury bonds) was over 9%.
- Provisions were kept high during the year. It should be noted that the provisions formed during 2011 to cover credit risk were up 134% compared to 2010.
- The high provisions/NPLs ratio.

At the same time, during 2011 the Bank managed to maintain and improve its social role, and to build on the trust-based relationships it has developed with its customers, whether they are businesses, individuals or households. Attica Bank demonstrated that it is a socially responsible bank and that it operates fully aware of its social mission.

It is expected that the Greek economy will continue to be in recession in 2012. The process of re-shaping the Greek economy is expected to be difficult and to take time. The 'winners' in this process will be those who can adapt to the circumstances while safeguarding themselves in good time against any difficulties which arise.

Developments to date have shown that Attica Bank has everything it takes to place it among tomorrow's 'winners' and which will help it take a special role in the endeavours being made to ensure that the economy returns to growth.

It is clear that the future of the Greek banking system is bound up with the development of the Greek economy overall and with developments in the global economy.

In this emerging environment, given the developments which are taking place in the banking sector (recapitalisation and expected mergers in the banking sector), the Bank must continue and step up its efforts of recent times to safeguard an independent future for itself and to achieve its objectives.

Seeking to assist its customers and with the support of its main shareholder (the ETAA-TSMEDE Fund) and other shareholders, Attica Bank's priorities are now to successfully address the consequences of the economic crisis and to make an effective contribution to the recovery of the Greek economy.

The aim for the Bank is to operate in the future as an agent for growth by bolstering those sectors of the economy where development is possible, such as:

- Export-oriented businesses
- Tourism
- Agriculture
- Energy
- Infrastructure construction firms, etc.

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At the same time, the Bank must maintain a long-term development focus: a focus which has Attica Bank as a robust, independent bank that is an agent for stability in the Greek banking system.

The main weapons in this endeavour are the Bank's know-how, its specialisation, and the unwavering support and trust the Bank's shareholders, customers and staff have in Attica Bank.

Armed with vision and a plan of action, and relying on its abilities and prospects, Attica Bank is preparing itself to play the role that suits it as the banking system turns a new page.

**Ioannis Gamvrilis**  
**Chairman of the Board**  
**and Executive Director**



## 2 | The Greek and International Economy in 2011 and Prospects for 2012

## International Economy

Information included in this chapter refers to March 2012, unless otherwise indicated.

In 2011 the global economy's annual growth rate was 3.8%. That growth rate was affected, among other things, by the major earthquake that hit Japan in the spring of 2011 and by political developments in the Middle East and Africa. The IMF's recent forecast (January 2012) for global economic growth in 2012 is 3.3%. That is a downward revision of 0.7% compared to the previous forecast made in September 2011. Uncertainty over economic developments has grown and there are now higher risks which could bring about a further slow-down in growth.

One key factor in the IMF revising its forecasts was the worsening of the debt crisis in the Euro Area in the last quarter of 2011, which has further hampered the already fragile balance of the banking sector worldwide, that has translated into limited liquidity and a slow-down in the rate of corporate financing being released, irrespective of whether we are talking about developed or developing countries.

There was also a significant decline in the growth rate of global trade, which shrank from 12.7% in 2010 to 6.9% in 2011, while forecasts for 2012 see further shrinkage to just 3.8%.

The US economy performed below expectations in 2011 with a growth rate of just 1.8% (compared to 3% in 2010). Domestic demand is expected to offset the negative impacts of the Euro Area's debt crisis on the US to a certain extent, and the forecast for the rate of growth in 2012 remains firm at 1.8%.

Unless there are surprises in store, 2012 is expected to be the fourth year in a row with the US deficit in excess of one trillion dollars. The US deficit stood at USD 1.3 trillion in 2011 and was around the same figure in 2010 (2009: USD 1.4 trillion).

Despite the fact that attention is focused on the Euro Area's debt crisis, it remains a fact that little progress has been made in terms of fiscal consolidation in the US. However, as long as the problem remains unaddressed, further upsets in the bond and currency markets are a possibility.

Developing economies are also expected to see a slow-down in their rate of growth in 2012 as a result of the slow-down being felt by developed economies, and due to weak domestic demand.

Asia's developing countries (China, India and ASEAN-5) have comparatively high growth rates. Those countries are expected to report an average growth rate of 7.9% in 2011 compared to 9.5% in 2010. China has been growing fastest, with a growth rate of 9.2% in 2011 compared to 10.4% in 2010.

The key factor in these developments in developing economies continues to be their ability to effectively respond to abrupt negative changes in production either due to external or internal factors. Those countries' growth over recent years has led to an increase in real estate and securities prices but also to increased uncertainty in the financial sector. A 'sudden drop' in production, property prices or capital markets would have severe repercussions on the development potential of such countries.

Japan's economy shrank by 0.9% due to the impact of the major earthquake that struck in the country last year. The IMF estimates that Japan's economy will recover in 2012 and the growth rate is expected to be 1.7%. A major factor affecting developments in the Japanese economy is the change in energy prices following the Fukushima accident, with the country now depending more on fuel imports.

In 2011 Russia continued to grow steadily, and its growth rate for 2011 was estimated at 4.1% based on oil exports (average 2011 price USD 109 per barrel compared to USD 78 in 2010). It is estimated that the growth rate for 2012 will continue to be satisfactory, at around 3.3%.

Growth rates 2010-2013 (%)				
	2010	2011	2012*	2013*
Global economy	5.2	3.8	3.3	3.9
Developed economies	3.2	1.6	1.2	1.9
Developing economies	7.3	6.2	5.4	5.9
USA	3.0	1.8	1.8	2.2
EU	1.9	1.6	-0.5	0.8
Japan	4.4	-0.9	1.7	1.6
China	10.4	9.2	8.2	8.8
India	9.9	7.4	7.0	7.3
*Forecasts. Source: IMF January 2012				

## EURO AREA

The crisis which broke out in the Euro Area in 2010 due to the Greek debt crisis intensified in 2011 and has assumed dimensions which have now significantly affected economic developments on a global scale. Concerns about the outcome of austerity programmes which are being implemented in Greece, Portugal, Spain, and Italy -as of the end of 2011-, have led to historically high differences in the yield on bonds from those countries compared to the Euro Area's benchmark bonds.

During 2012 the Euro Area economy is expected to shrink by 0.5% as a result of austerity policies, bond market developments and the shrinkage of the banking sector due to losses suffered as a result of implementing fiscal consolidation policies and from participation in the Greek State's bond swap scheme known as the PSI+. The banking sector was hard hit in 2011 in terms of liquidity, which at the end of the year led the ECB to introduce a three-year refinancing operations scheme.

It should be recalled that in April and June 2011 the ECB had successively increased its basic rate by 0.25% each time, bringing the interest rate to 1.50%. Following that, in an endeavour to stimulate the economy and move it out of a protracted recession, and to keep inflationary pressures under control, it reduced the prime rate to an historical low of 1% in December.

The prolonged debt crisis has been translated into a crisis of confidence which is impacting negatively on both investment and consumption levels. Economic activity in the Euro Area is expected to recover although at a very slow pace in 2013, but unemployment levels are not expected to be significantly reduced. At the end of 2011 unemployment stood at 10.4% (a 14-year high) with the total number of unemployed people at almost 16 million.

A key factor in future developments is the extent to which the political leadership of Europe will be able to curtail the intensifying uncertainty felt by money and capital markets and to improve investment prospects. That endeavour will require coordinated fiscal and financial policy at European-wide level, and also structural changes to correct inequalities and disparities within the Euro Area countries.

The banking system will play a critical role in the recovery of the Euro Area's economy. It will need to recover from the unfavourable developments in the bond market. The European Support Mechanism (ESM) and the European Financial Stability Fund (EFSF) are moves which are in the right direction, although there are still margins to further strengthen them.

The agreement reached at the European Council on 26 October 2011 to increase the Core Tier 1 ratio to 9% by the end of June 2012 at the latest is expected to bolster the Euro Area's banking system's resilience over the medium-term. From that perspective it is essential for national supervisory authorities to ensure that implementation of bank recapitalisation plans will not lead to developments that place the financing of economic activity in the Euro Area at risk.

During 2011 many Euro Area countries (irrespective of whether they were under surveillance or not) found it necessary to make major reforms that will help stimulate competitiveness, increase the flexibility of their economies and improve their development potential long-term. If fiscal consolidation and structural reforms can be achieved hand-in-hand, trust can be bolstered, and the prospects for development and the creation of jobs long-term can be improved.

## **GREECE** **Macroeconomic** **developments.** **Prospects**

In 2011 economic developments in Greece continued to be a key factor in economic developments at global level.

In 2011 the deficit dropped to 10.6% of GDP in the second year of implementation of the fiscal consolidation programme. However the worsening recession, the delay in implementing measures contained in the Memorandum of Economic and Fiscal Policy and the unfavourable external environment all contributed to a significant lag in the Greek economy's performance indicators compared to the targets that had been set in the initial fiscal consolidation programme.

The table below sets out the forecast for key indicators in the Greek economy set by the European Commission over the course of 2011 which reflect the delay in achieving the targets that had been set by the Government, which began to become quite apparent from the middle of last year.

	2 <sup>nd</sup> report Dec. 2010	3 <sup>rd</sup> report Feb. 2011	4 <sup>th</sup> report Jul. 2011	5 <sup>th</sup> report Oct. 2011
<b>Rate of growth %</b>				
2011	-3.0	-3.0	-3.8	-5.5
2012	1.1	1.1	0.6	-2.8
2013	2.1	2.1	2.1	0.7
2014	2.1	2.1	2.3	2.4
2015	-	-	2.7	2.9
<b>Unemployment rate %</b>				
2011	14.6	14.6	14.5	15.7
2012	14.8	14.8	15.0	17.5
2013	14.3	14.2	14.5	17.5
2014	13.9	13.5	14.0	16.9
2015	-	-	13.6	16.3
<b>Harmonised inflation %</b>				
2011	2.2	2.4	2.9	3.0
2012	0.5	0.5	1.0	0.7
2013	0.7	0.7	1.0	0.8
2014	1.0	1.0	1.1	1.0
2015	-	-	1.1	1.1
<b>General government deficit as a % of GDP</b>				
2011	-7.4	-8.3	-7.6	-9.0
2012	-7.5	-8.1	-6.5	-7.0
2013	-7.8	-8.6	-4.8	-5.3
2014	-7.8	-8.6	-2.6	-2.9
2015	-	-	-	-
<b>Debt as a % of GDP</b>				
2011	152.6	153.8	156.7	162.7
2012	156.9	159.4	161.3	181.3
2013	157.3	158.9	160.1	181.2
2014	154.9	156.2	153.0	173.3
2015	-	-	-	-
<i>*The cells in coloured indicate a worsening in the situation compared to the previous report. Source: European Commission.</i>				

In fact the rate of change in actual GDP in 2011 was worse than initially forecasted, given that the average annual drop in GDP was 6.9% while GDP is expected to continue dropping further to – 4.7% in 2012, due to the continued fiscal consolidation and the even deeper recession.

Due to the worsening prospects for the Greek economy, it was considered necessary to write off part of Greece's debt twice in 2011 (the PSI and PSI+, which was completed in 2012).

Completion of the PSI+ in March 2012 lead to a 53.5% drop in the nominal value of Greece's debt resulting in a debt to GDP ratio of 120.5% in 2020.

Completion of the PSI was also accompanied by a new bailout package for Greece of € 130 billion which includes a series of binding terms that require a strict fiscal policy to be implemented.

That policy seeks to generate a primary surplus in 2013 which will reach 4.5% of GDP in 2014, so that public debt can gradually begin to reduce. In addition, structural changes in the public sector and privatisations will contribute to both a drop in the fiscal deficit and give economic growth a boost.

The government's fiscal strategy for 2012 is based on the following key points:

- Implementation of the Medium-Term Fiscal Strategy Framework 2012-2015
- Continued implementation of necessary structural and legislative reforms
- An improved taxation and social security system
- Accelerated privatisation and the scheme to utilise the state's real estate properties
- Further restructuring of public sector organisations by merging or abolishing them.

The table below presents an overview of the forecasts for how the Greek economy will perform over the next three years.

MACROECONOMIC INDICATORS				
% Change	2011	2012	2013	2014
GDP	-6.9	-4.7	0.0	2.5
Domestic Demand	-10.0	-7.2	-1.4	1.5
Unemployment	15.9	17.9	17.8	16.7
Cost of Labour	-1.0	-7.8	-1.3	-1.9
Harmonised CPI	3.1	-0.5	-0.3	0.1
Balance of current transactions	-10.3	-6.9	-5.3	-4.6
General government deficit	-9.3	-7.3	-4.6	-2.1
General government debt	165.3	161.4	165.4	162.1
<i>Source: European Commission, Oct. 2011.</i>				

It is estimated that the Greek economy will -under certain conditions- return to a positive growth rate in the second half of 2013. Domestic demand which dropped by 10% in 2011 is expected to continue to decline until 2014. The only means of stimulating development therefore are exports of goods and services, which rose by 2.5% in 2011. Activities in sectors such as shipping and tourism and effective utilisation of resources which are channelled to Greece via programmes to support entrepreneurship, are key to the economy recovering in the years to come.

Conditions in the labour market are expected to remain particularly difficult over the next few years. Average unemployment in 2012 is expected to stand at 17.9% while at certain times of the year it is expected that the rate of unemployment will rise above 20%. The reforms expected to be implemented in the labour market will make a positive contribution to new jobs being created. However, the drop in the rate of unemployment will be a gradual affair.

Vital conditions for achieving both short-term fiscal consolidation targets and the long-term goal of redefining the nature of the Greek economy are that the commitments the country has undertaken are consistently complied with, that administrative efficiency improves, that a climate of trust is built up, which is vital for any economic activity to be carried on.

## Developments in the Greek banking system. Prospects

The Greek credit system continues to be under pressure due to the worsening recession and the country's protracted debt crisis.

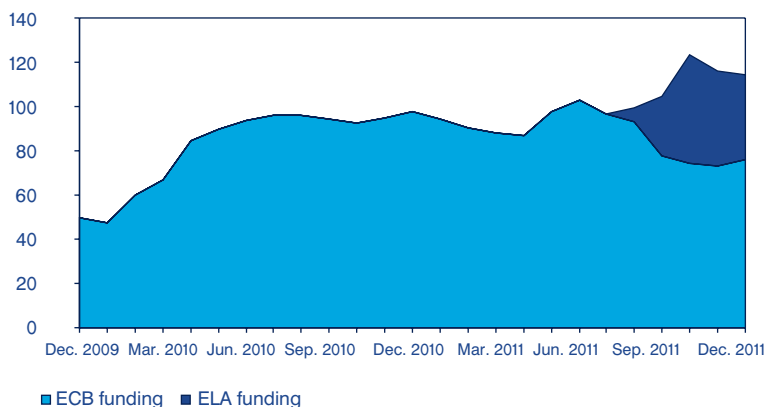
During 2011 Greek banks found themselves up against:

- **A significant rise in NPLs, with the provisions for such loans also highly inflated.** It is estimated that the NPL ratio was 16% in 2011 and is expected to exceed 20% in 2012.

Loans in arrears	Total loans	Home loans	Consumer loans	Business loans
Dec. 2010	10.5%	10.3%	20.0%	8.8%
Mar. 2011	11.5%	10.7%	22.1%	9.8%
Jun. 2011	12.8%	11.9%	24.0%	11.2%
Dec. 2011 *	16.0%	15.0%	26.2%	15.0%
* Estimate				

- **Intense pressures on their liquidity** which led to Emergency Liquidity Assistance (ELA) being provided in the summer of 2011. The decline in deposits held by banks which first emerged in 2009 intensified in 2011 with the deposit balance dropping by € 35.3 billion over the course of the year. Since the end of 2009 the total amount of deposits has dropped by € 63.1 billion (-26.6%). As a result, the Greek banks' dependence on the ECB and ELA rose significantly over the course of the year, with the situation improving slightly from October 2011 onwards.

### ECB and ELA funding in the Greek Banking System



- **The cost associated with the PSI and the BlackRock diagnostic exercise.** As a result of the BlackRock diagnostic exercise conducted in 2011 involving the loan portfolios of Greek banks, the completion of the PSI and the relevant studies prepared by the Bank of Greece, the Greek banking system overall needs to be recapitalised during 2012, to raise the funds needed to cover the excessive losses reported in 2011, primarily because of the PSI, and to keep its capital adequacy ratios at satisfactory levels over the next three years.

The change in the capital adequacy ratios of banks is a sign of how much of a capital injection they will need. At the end of September 2011 the capital adequacy ratio and the core tier 1 ratio for banks were 11.7% and 10.7% respectively, and for banking groups were 10.1% and 9.2% respectively. The core tier 1 ratio was lower, at 8.9% and 8.2% for banks and banking groups respectively.

Those ratios reflect the impacts of operating losses endured by the banking

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system and the consequences of implementing the first round of the PSI (in June 2011) only. Taking into account that completion of the PSI+ in March 2012 cost banks around € 26 billion, it is clear that the scale of recapitalisation to restore bank equity ratios to the minimum level of 9% set by the Bank of Greece is exceptionally high.

To meet capital requirements, emphasis will be placed on attracting private sector investors. To the extent necessary, additional funds will come from the Financial Stability Fund (FSF).

Given the recapitalisation and the greater degree of FSF involvement in banks, it is estimated that 2012 will be a milestone in shaping the landscape of the Greek banking system, with new conditions emerging and a banking sector emerging which will be free of burdens, allowing it to make a substantive contribution to development.



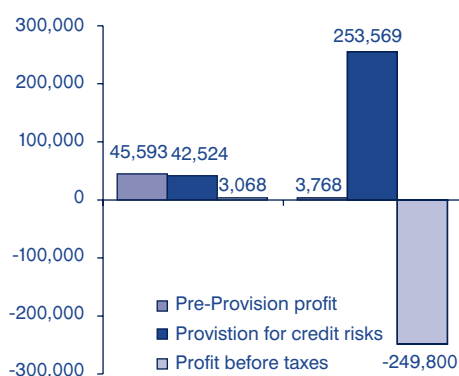
# 3 | Summary Financials for 2011

## KEY FINANCIAL FIGURES AND RESULTS FY2011 results

The Bank's earnings before tax for FY2011 were losses of € -254.5 million compared to profits of € 2.0 million in the 2010 period, due to the impact of the provision for impairment of Greek treasury bonds made as a result of the Bank's participation in the Greek treasury bond swap scheme (the PSI) and higher provisions that were made for bad debt.

Losses for the Group stood at € 249.8 million compared to profits of € 3.1 million the previous year. Earnings net of tax stood at approximately the same levels given that part of deferred tax assets related to PSI impairments will be recognised in the future.

### Group earnings before provisions, 2010-2011 (in € '000)



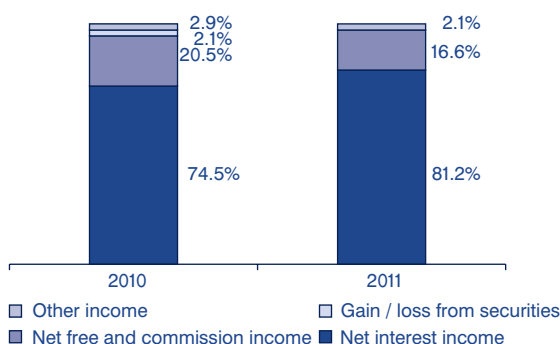
## Operating Income, Operating Expenses

Total revenues for the Group from its operational activities came to € 119.7 million, a 22.5% decrease on a year-on-year basis.

Net interest income stood at € 97.2 million in 2011, a 15.5% reduction from 2010.

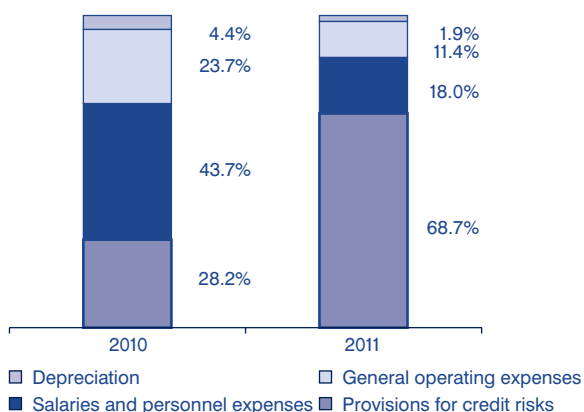
Net commission income for the Group came to € 19.9 million, displaying a 37.2% decrease from the previous year.

### Revenue breakdown, 2010- 2011



Group operating expenses (including PSI-related provisions and loan loss provisions) stood at € 369 million in 2011 compared to € 150.9 million in 2010.

## Operating expenses breakdown 2010-2011



Particular note should be made of the satisfactory levels of personnel costs and general overheads (excluding provisions for operating risks) compared to the previous year. However, payroll costs in general are dropping, a fact already reflected in the results for 2012 so far.

In particular, administrative expenses (personnel costs, other administrative costs, depreciation) for the Group stood at € 115.4 million, up by 6.5% compared to 2010.

In addition, personnel expenses for the Group amounted to € 66.3 million, displaying a marginal 0.5% increase on a year-on-year basis.

## Bank key financials

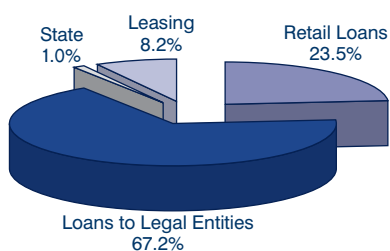
The Group's total assets as of 31/12/2011, amounted to € 4.2 billion, a 12.2% decrease compared to 2010.

## Loans

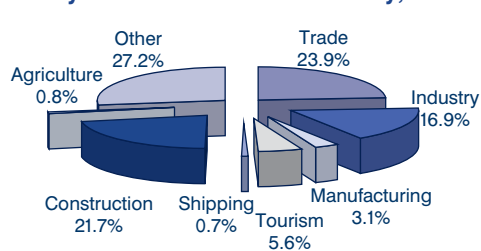
Loans before provisions in 2011 amounted to € 3.73 billion, down some 4.3% compared to 2010.

The non-performing loans ratio (loans in arrears for more than 180 days compared to all loans) was, as of 31/12/2011, 12.8% compared to 8.5% for the previous year.

### Loan Portfolio Breakdown, 2011



### Loans to Businesses by sector of economic activity, 2011



Provisions for credit risk stood at € 253.6 million. That amount included the sum of € 142 million relating to the provision for impairment of Greek Government bonds. The provisions for loan losses in 2011 stood at around € 100 million, compared to € 42.5 million in 2010, up some 134%. Accumulated provisions were € 256.8 million, up 40.9% compared to 2010.

During 2011, loans considered uncollectible amounting to € 24.9 million were written off. Provisions accounted for 53% of NPLs (> 180 days). Taking into consideration the collateral for these loans, the non-performing loan coverage ratio considerably exceeded 100%.

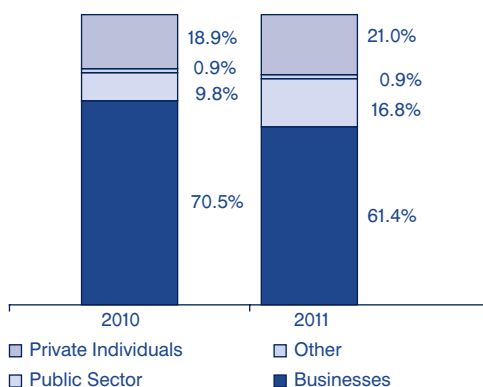
The coverage ratio for loans that are more than 90 days in arrears (IFRS-7) by accumulated provisions was 45% on 31/12/2011, reflecting a policy of high provisions that has been implemented consistently over recent years.

Taking into consideration the negative situation and the unfavourable climate which has developed, the Group continued to implement its unwavering policy on provisions to actively manage the risks it is exposed to. The provisions to average loans ratio stood at 263 basis points for all of 2011.

## Deposits levels – Liquidity

Deposits at Group level came to € 3.09 billion, a 6.9% decrease compared to 2010. The Bank has a very strong depositor base. As can be seen in the diagram on the right, 61.4% of all deposits were from private individuals and 21.0% of total deposits consisted of business deposits.

### Deposits Breakdown 2010-2011

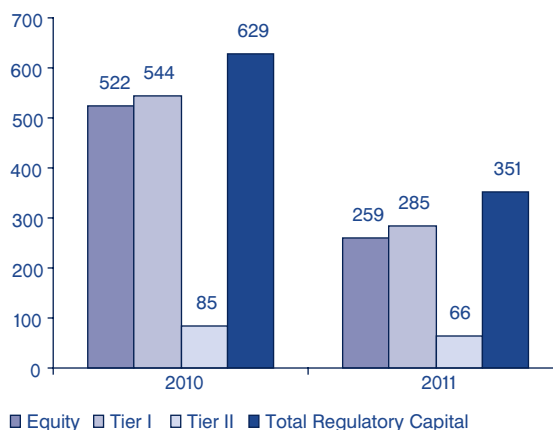


In addition to relying on its deposits, in 2011 the Bank also made use of financing provided by the European Central Bank, which amounted to € 625 million on 31/12/2011. Note that on that same date the Bank had not made use of financing provided by the Bank of Greece via the Emergency Liquidity Assistance (ELA) mechanism.

## Equity - Capital Adequacy

The Group's equity totalled € 259.1 million for 2011 compared to € 522.3 million for the previous year. The Group's total regulatory capital amounted to € 351.0 million. The Group's equity and regulatory capital breakdown is presented in the following diagram.

**Group Equity and Regulatory Capital Breakdown  
2010-2011**  
(in million of €)



The Attica Bank Group has strong capital adequacy. At the end of 2011, following Attica Bank's involvement in the voluntary Greek Government bond swap scheme (the PSI), the capital adequacy ratio stood at 10.7% while the core tier I ratio was 8.7%

## FINANCIAL INDICATORS FOR THE BANK AND ITS GROUP

The following table includes some selected financial indicators and ratios regarding financial structure, performance, and management policy, based on the financial statements for the year ended on 31/12/2011 for both the Bank and the Group. The relevant ratios for 2010 are also shown.

	BANK		GROUP	
	2011	2010	2011	2010
<b>BALANCE SHEET STRUCTURE</b>				
Due to Customers / Loans and Advances to customers (before provisions)	83.28%	85.59%	82.93%	85.23%
Due to Customers / Total Assets	74.19%	69.68%	73.99%	69.54%
Receivables from customers (after provisions) / Total Assets	82.95%	77.60%	83.07%	77.77%
Equity / Total Assets	6.07%	10.89%	6.21%	10.95%
Equity / Dues to customers	8.18%	15.63%	8.39%	15.75%
<b>PERFORMANCE RATIOS</b>				
	2011	2010	2011	2010
Pre-tax net profits / Average Equity (ROaE)	-65.70%	0.37%	-64.06%	0.56%
Pre-tax net profits / Average Total Assets (ROaA)	-5.67%	0.04%	-5.58%	0.06%

MANAGEMENT POLICY RATIOS				
	2011	2010	2011	2010
Total overheads before provisions and amortisation / Total assets	2.51%	2.07%	2.60%	2.13%
Total overheads before provisions and amortisation / Total operating income	94.90%	65.89%	90.67%	65.89%
Total overheads before provisions and amortisation / Average assets	2.37%	2.03%	2.45%	2.09%
Gross operating profit excluding interest / Average Assets	0.32%	0.73%	0.51%	0.81%
Impairment Provisions / Loans in arrears for more than 90 days	45.0%	50.1%	45.0%	50.1%
Impairment Provisions / Loans in arrears for more than 180 days	53.0%	54.4%	53.0%	54.4%
Core Tier I capital ratio	8.6%	16.4%	8.7%	16.4%
Capital adequacy ratio	10.6%	19.0%	10.7%	19.0%



# 4 | Attica Bank's Activities Prospects

## 4.1. Attica Bank's products in 2011

**attica λογαριασμός μισθοδοσίας**  
για μισθωτούς ασφαλισμένους στο ΕΤΑΑ - ΤΣΜΕΔΕ,  
για συνταξιούχους ασφαλισμένους στο ΕΤΑΑ - ΤΣΜΕΔΕ  
και εργαζόμενους στο ΤΕΕ - ΤΣΜΕΔΕ

**5,35%**

**Σχεδιάζουμε το καλύτερο επιτόκιο**  
για να έχετε ασφάλεια και απόδοση σε κάθε σας ευρώ.

- Δωρεάν εξόφληση λογαριασμών ΔΕΗ, ΟΤΕ, ΕΥΔΑΠ, ΕΥΑΘ μέσω πάγκων αντολών
- Δωρεάν υπηρεσίες e-banking (ηλεκτρονικών εμβασμάτων)
- Δωρεάν πιστωτικής κάρτας attica card MASTERCARD χωρίς ετήσια έσοδα διαχείρισης

\* Για μέσο ετήσιο υπόλοιπο έως €5.000.  
Για υπόλοιπα πάνω από τα €5.000, αυτό θα αντιστοιχεί με 1,60%.  
Ο τόκος των καταθέσεων υπόκειται σε φορολογία 10%.  
Οι παραπάνω παροχές ισχύουν από δωρεάν η μισθοδοτική ημέρα.

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Μαζί, πιο ισχυροί.

attica Καταθέσεις

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Προθεσμιτικός λογαριασμός  
με συνολική ετήσια απόδοση

**4,60%\***

Μηνιαία απόδοση των τόκων  
Μετά την ολοκλήρωση του 12μήνου,  
δίνονται **δωρό** οι τόκοι **4 επιπλέον μηνών**

\* Η ετήσια συνολική απόδοση στο επιτόκιο των 4 έβδομων μηνών είναι το απόδομα στη 10η και 12μηνη κατάθεση.  
Οι καταθέσεις υπόκεινται σε φορολογία 10%.

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Μαζί, πιο ισχυροί.

In 2011, despite the exceptionally difficult environment for the country overall and the Greek banking system, Attica Bank continued its endeavours to meet its customers' needs.

2011 was a year with major capital outflows from the banking system due (a) to the country's difficult fiscal situation and (b) to the drop in household and business income, which led to savings been used to meet current needs.

Against that background, in order to bolster the Bank's liquidity, Attica Bank continued to expand its product portfolio by offering solutions aimed at specific customer groups. Two new types of payroll savings accounts were created, for public sector employees and pensioners and for employees / pensioners of the ETAA-TSMEDE Fund.

At the same time the time deposits portfolio was expanded, which now encompasses ordinary time deposits as well as the **Attica Plus**, **Attica Prothesmia**, **Monthly Profit**, **Early Profit** accounts and others, thereby catering for the increased needs of the Bank's customer base.

As far as loan products are concerned, given the reduced liquidity, weak demand and lower levels of private consumption, the main concern was to constantly monitor and improve the quality of the Bank's loan portfolio.

In the home loan sector, our primary focus was on loans for fitting photovoltaic systems on the roofs and terraces of houses, thereby ensuring a fixed, guarantee income stream for Greek households. The **Attica Oikoenergeia** loan was specifically developed for this purpose.

In the consumer credit sector, our leading product was '**Attica Symferon**' which was designed to meet the personal needs of customers. We also continued to offer products to help customers settle past planning violations.

In the retail credit sector in general, the Bank once again supported existing customers by restructuring the debt of all those customers in difficulty, thereby helping find ways to repay their debt without problems.

Particular care was paid to persons insured with the ETAA Fund, with attention being placed on supporting young engineers by offering two floating rate amortising loans:

- **Attica Young Engineers Support Loan**, designed to meet the needs of young engineers starting out in their professional career, and
- **Attica Young Engineers Support Professional Loan**, designed to meet the needs of young engineers looking to purchase professional equipment.

Moreover, persons insured with the ETAA-TSMEDE Fund, and in particular certified Energy Inspectors, were offered the **Attica Energy Inspectors Loan**. This loan was specially designed to meet short-term and longer-term needs such as office equipment, the purchase of special measuring devices, the purchase of software, etc.

During 2011 Attica Bank also started working on a new debit card, the **Attica VISA Debit Card**, which can be used as a cash withdrawal card while incorporating EMV Chip and PIN technology. When the card is used as a debit card at merchants, all the cardholder has to do is key in the PIN (PIN Bypass) for the chip on the card without having to sign, thereby offering added security.

## 4.2. Corporate banking

Attica Bank has become firmly established in the market as a flexible bank specialised in corporate banking. Just some of its comparative advantages are its know-how, expertise, staff and reliable customer relations.

The main volume of the bank's work comes from corporate banking operations. Total loans to businesses (corporate loans and finance leases) at the end of 2011 stood at € 2.81 billion, which represents 75.4 % of Attica Bank's overall loans.

Taking into account the location of their registered offices and the geographical allocation of the Bank's branches nationwide, 48% of all corporate banking

customers are located in the Attica region. The geographical allocation of corporate banking customers is as follows:

Attica	47.73%
Central Macedonia	21.06%
Eastern Macedonia	5.93%
Crete	5.50%
Thessaly	4.67%
Central Greece	3.75%
Western Greece	3.43%
Peloponnese	2.18%
Epirus	2.16%
Ionian Islands	1.21%
Western Macedonia	0.76%
Southern Aegean Islands	0.72%
Northern Aegean Islands	0.22%
Outside of Greece	0.69%

In 2011 particular emphasis was placed on addressing the direct repercussions of the recession by ensuring that the Bank maintained its social face, indicating that it was and remains a force for stability in the banking system.

Having realised the decisive role the banking system can play in the recovery of the economy, Attica Bank focuses its efforts on supporting businesses that operate in sectors with encouraging prospects that have an export-oriented focus.

## Financing for medium to large enterprises

Attica Bank's lending policy in 2011 was based on three main points:

- Supporting existing customers by refinancing existing loans and/or entering into loan settlement arrangements.
- New loans to businesses that needed resources for investment purposes.
- Providing funds for all forms of renewable energy sources.

The strategies followed in-house were in line with the practices required by the legislative and regulatory framework, and were accompanied by the adoption of stricter lending criteria and the obtainment of better collateral.

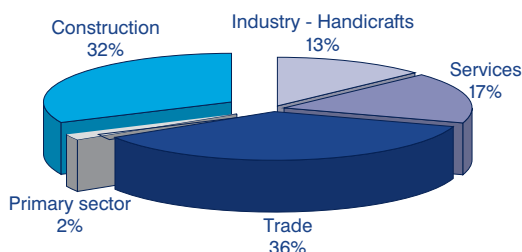
## SME financing

Attica Bank is particularly active in the SME sector, with loans to that sector accounting for 40-45% of loans overall.

In its endeavour to make the provision of real support to the Greek economy a reality, in 2011 the Bank approved the vast majority (93%) of loan requests submitted by SMEs. During the year, despite the difficult economic environment, SMEs received € 300 million in financing from the Bank, 8% of which related to new partnerships.

The diagram below shows the way loans to SMEs in 2011 were allocated. The sectoral allocation is dynamic, changing depending on market conditions from time to time and the Bank's strategy which is focused on supporting businesses operating in sectors of the economy that have strong prospects for growth and an intense export orientation.

## Loans to SMEs presented by sector of activity, 2011



### 4.3. Managing European Community Programmes

In 2011 Attica Bank continued to participate in the programmes coordinated by the National Fund for Entrepreneurship and Development (ETEAN) (formerly the Small and Very Small Enterprise Guarantee Fund / TEMPME Fund) guaranteeing low-interest loans to meet business' needs to purchase raw materials, merchandise and services.

In 2011, despite the difficult economic circumstances, in its special role as Intermediate Body, Attica Bank supported SMEs implement modernisation investments as part of the NSRF 2007-2013.

As part of the first action of support SMEs in the processing, tourism, trade and services sectors, which included 297 projects, 68 investments with a total budget of € 9 million and public subsidy of € 5.4 million were successfully completed, whereas 40 businesses relinquished their right to participate in the favourable aid scheme.

It should be noted that an additional sum of € 1.5 million was paid to beneficiaries as a down payment for investments to be implemented, whose expected completion date lies within 2012.

### 4.4. Home loans

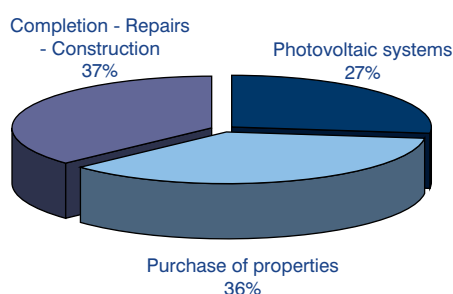
Given the state of the Greek economy, the home loan sector of the Greek banking system went into decline in 2011 (down some 3%), while the drop in demand was 70% compared to the already reduced level of demand in 2010.

Despite that major drop in demand, Attica Bank continued to implement a policy of scoring all new applications based on a reliable system it has developed, and taking into account the circumstances also adopted a scheme for restructuring debts in its existing portfolio under favourable terms, based on social criteria.

As part of the Bank policy of developing products targeted to specific customer groups, it developed products designed to meet specific needs such as the Attica Oikoenergeia loan, and others.

The diagram below shows the allocation of home loans approved in 2011 per type of loan.

**Home loans approved in 2011 by type of loan**

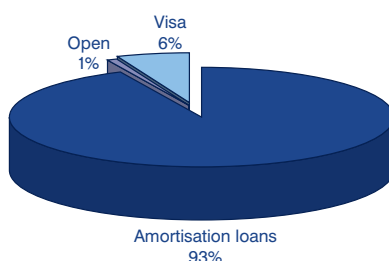


### 4.5. Consumer Credit

In the consumer credit sector, in 2011 the Bank implemented policies designed to manage and support its existing customers, primarily by addressing requests for loan settlement schemes by developing the appropriate products. Responding to the rise in NPLs which started in the previous year the Bank managed consumer loans in a flexible, prudent manner, based on social criteria.

The number of new loans granted was limited, primarily due to reduced demand, although other reasons were also at play. The diagram in the following page shows the allocation of consumer loans approved in 2011 per type of loan.

**Consumer loans approved in 2011 by type of loan**



## 4.6. Bancassurance

Given the difficult economic conditions, 2011 saw a drop in the number of new insurance contracts and the cancellation of existing ones. However, the fact that insurance coverage is still needed in various sectors provides opportunities for the development and marketing of new products.

The general sense of insecurity felt by the public concerning insurance companies has given the Bank a major advantage. Thanks to the trust it has built up with its customers, the Bank can promote insurance products via its branch network of with the support of its Bancassurance Department.

One of the Bank's aims is to ensure the best possible level of customer service and combining low cost and flexibility. This has resulted in products with features that satisfy this objective and are competitively priced compared to other bancassurance providers.

The bancassurance products available via the Bank's network come in two categories, specialised products (such as professional civil liability, electronic equipment insurance, all risk insurance for construction works, travel insurance, etc.) and non-specialised products (such as car civil liability insurance, home insurance, hospital and out-of-hospital medical care, yacht insurance, life and disability insurance, personal accident insurance, pension and investment plans, etc.).

In addition to selling all the above products, in 2011 the Bank continued to successfully offer insurance for photovoltaic systems (photovoltaic stations and household facilities).

Apart from group insurance policies aimed at customers with housing and consumer loans, a significant increase in sales came from specialised business insurance policies as well as life insurance policies which are supported and promoted at a centralised level through the Bank's Bancassurance Department.

In 2011 the Bank continued to offer the 'Attica To Mellon' pension and savings plans (Attica Future) and plans for consumer loan borrowers, persons insured with the ETAA Fund, and also offered a personal accident bancassurance product called 'Attica Freedom'. Moreover, during the year the Bank designed and successfully launched a life insurance plan for borrowers under fixed-term consumer loans.

At the same time, the Bank also places special emphasis on offering insurance policies for contractors, civil engineers and other groups of professionals (to cover civil and employer liability) as well as for consumer credit customers and credit card holders.

Given the loss of part of the state-guaranteed pension in 2011, and the difficult financial situation of the country's social security and healthcare funds, there is extensive scope for private supplementary pensions and private hospitalisation insurance, which is something which Attica Bank will capitalise on in the near future.

## 4.7. Investing Activities

In 2011 the Bank set up specialised units to prepare and manage investment plans and projects in collaboration with public and private sector bodies. These units seek to utilise and capitalise upon the resources and potential offered by state, European or international bodies, to plan and implement development-focused projects and investment schemes, and to provide consultancy services on those matters. They also deal with investment plans which the Bank or its subsidiaries can incorporate into their own investment and business plans, in order to enter into strategic partnerships and to develop synergies with other companies.

In that context Attica Bank has already begun collaborating with public sector agencies as a financial consultant as part of the tender procedure for public private sector partnerships.

In the near future these units also plan to offer consultancy services to private businesses to help them restructure.

## 4.8. Product and service distribution networks – Customer Service

### ATM Network

Attica Bank has a modern network of 91 ATMs, 80 of which are located at branches in the Bank's network, while the remaining 11 are located at third party premises. In addition, Bank customers can use an extensive network of ATMs provided by an associated bank at no additional cost, for cash withdrawals and balance queries.

### Contact Center

To ensure better customer service levels, Attica Bank has provided customers with a state-of-the-art contact center which provides information about Bank products, facilitates users of the e-banking service, supports the network of branches in relation to credit card and open loan products and manages the card improper usage service (see below).

During 2011 the contact center (210-3669000) received 74,123 calls from customers and the network of branches and made 34,017 calls.

The customer-focused approach taken by the Bank's contact center has led to improved levels of customer service since the contact center is key to the process of recording all forms of communication for all communication channels between the customer and the Bank, so that the Bank can offer the same level of service and same information to existing and potential customers.

### Card Improper Usage Service

The Card Improper Usage Service provides comprehensive control and review of transactions entered into using credit cards or pre-paid cards issued by Attica Bank anywhere in the world. The purpose of the system is to protect cardholders from fraudulent use of their cards by third parties to avoid cases of malicious use. By utilising cutting-edge detection systems, when unusual transactions, that significantly deviate from the customer's normal use of the card are spotted, alerts are created, indicating that it is necessary to confirm whether the transaction is genuine.

In such cases, agents from the service call the cardholder to confirm that the transaction is authentic and genuine. This methodology, coupled with international security practices that promote safe card usage, has significantly reduced the likelihood of fraudulent use of cards by third parties and ensures that transactions can be entered into more securely.

### E-Banking

In 2011 the number of users of Attica Bank's e-banking service rose significantly, with a total of 3,646 new users registering for the service, 3,077 of whom were individuals (a 35.65% increase) and 569 legal entities (a 25.97% increase). The total number of users is now 10,823.

The e-banking service ensures that banking transactions can be entered into round the clock, 7 days a week, and is particularly user friendly for the Bank's customers. The Bank in the near future will be able to add more transactions and services to the e-banking portal to ensure improved customer service.

#### 4.9. Information Technology

Despite the conditions prevailing in the environment in which the Bank operates, Attica Bank implemented an extensive modernisation plan, with emphasis being placed on its IT system infrastructure. The specific investment has made the Bank the most modern bank in Greece in terms of technological infrastructure. The project to modernise and upgrade the Bank is of particular strategic importance and seeks to put in place infrastructure that will allow the Bank to immediately respond to market difficulties by presenting a clear-cut profile, and in the future -when conditions permit it- will allow the Bank to rapidly expand and successfully capitalise on its competitive advantages.

In the period from November 2010 to December 2011 a series of projects were completed that sought to modernise and improve the IT system infrastructure (hardware, structures) to put in place firm foundations for the further development of products and services.

Those projects sought to:

- fully modernise all Bank operation, using state-of-the-art applications and IT systems
- ensure uninterrupted system operations using integrated technological infrastructure and documented procedures
- allow the bank to recover from any disaster within a short time at the least possible cost to the Bank
- install enhanced security and intrusion detection systems
- ensure timely, reliable management of system data using integrated database solutions.

The following specific projects were completed in 2011:

- Business impact assessment, carried out as part of the business continuity project
- Deployment of security systems (web application and data centre firewalls)
- Upgraded central server infrastructure
- Updated central storage system
- Upgraded service and storage infrastructure at the back-up data centre
- File integration based on new specifications set by the Hellenic Deposits and Guarantee Fund
- Designing of the Debit Card VISA product
- e-commerce

The aim for 2012 is to keep the pace of modernisation and improvement set in previous years going. In this context, the IT Departments involved have entered into partnerships with strategic partners to improve and restructure the Bank's core application, by producing a more up-to-date version. Computer infrastructure continues to be upgraded using cutting-edge technologies which will allow for information to be sent faster and more securely. More specifically:

- The project to prepare the IT Risk Assessment is nearing completion as is the preparation of business continuity and disaster recovery plans.
- Plans have already been made to upgrade other server infrastructure (Windows / Linux).
- A card personalisation system is being developed.
- The back-up data center is nearing completion.
- The back-up telecom infrastructure at branches and at the management building is being redesigned.
- The application server in the e-banking infrastructure is being upgraded.

Projects have also been planned to update the software on the central T24 applications and the Oracle database and application, by ensuring that the most current versions are available, so as to fully utilise all modern technologies (web applications). In this context, the aim is to integrate peripheral applications to

achieve a reduction in operating costs while also reducing operating risk. These projects relate to:

- Upgrading the central banking system T24 to version R11.
- Upgrading the accounting system and fixed assets / expenditure monitoring system, Oracle EBS to version 12
- Integrating the leasing & factoring application to T24
- Centralising working capital operations
- Centralising trade finance operations
- Redesigning the credit limits / collateral monitoring system
- Modernising and optimising bancassurance operations
- A HRM application
- Improving branch hardware
- Supporting and coordinating the e-learning application

## 4.10. Human Resources – Training

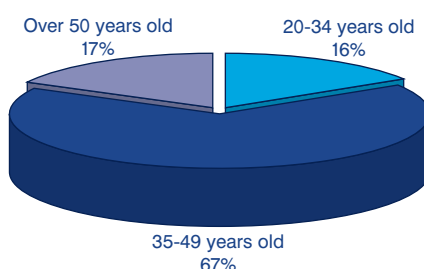
### Human Resources

At Attica Bank we recognise that people are the bank's driving force. Staff who are fully trained and dedicated to the Bank's goals make a decisive contribution to providing more effective customer service and by extension to retaining Attica Bank's comparative advantage of listening to its customers and responding to their actual needs.

At the end of 2011 the Bank employed a total of 1,032 people compared to 1,099 at the end of 2010. In terms of educational qualifications of the Bank's staff, 49.6% are secondary school graduates, 11.6% are graduates of technological educational institutes (TEI) while 38.8% of employees hold a university degree or postgraduate qualification.

In terms of gender, on 31.12.2011 43% of staff (446 people) were men while women accounted for 57% of Attica Bank's staff (586 people). As is also clear from the diagram below, most of the Bank's staff are quite young, with 83% of employees being aged up to 49, which allows the Bank to introduce and apply technological and procedural innovations easily.

### Age breakdown of Attica Bank's staff



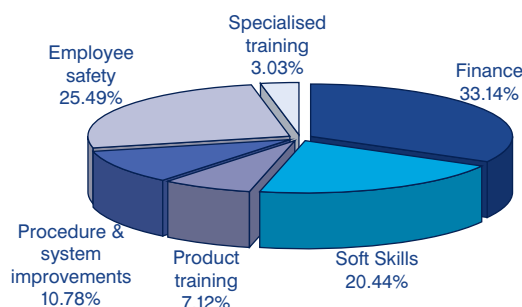
### Training

One of Attica Bank's top priorities is to train its staff. Especially in the current conditions, training the Bank's employees is both an opportunity and a requirement for bolstering the Bank on all levels.

In 2011, 10,617 hours of training were provided. During the year, it was considered necessary to develop a plan including more activities of specific duration. All staff members participated in at least one training activity during the year, while the total number of participations in training activities was 1,735 with each participation lasting on average 6.12 hours.

The subject matters covered a broad spectrum such as finance, skills development, product training, and employee safety, improved procedures and systems and other specialised topics.

## Breakdown of training activities by subject matter, 2011



Bank employees continued to receive training for professional certification purposes during 2011, and the number of certified staff members rose to 270, the vast majority of which work in the network, as the legislative and regulatory framework governing how specific subjects and work tasks are to be managed requires. Likewise, seminars were held covering a broad range of financial topics, attended by officers from the network and from certain central departments.

The need for training on safety issues was pressing during the year, especially matters of fire protection and crisis management in the work place. In addition to the value the Bank attaches to protecting human life, the need to improve security in the work place became all the more important because of the civil unrest which has occurred recently, which has specifically targeted the banking sector. In light of that, the Bank held targeted info-events and repeatedly held training courses of safety and security for all its staff, constantly stressing that its priority is to protect employees and ensure their safety.

A major part of training activities in 2011 related to skills development, to highlight and utilise the customer relationship management skills with the Bank's customers. After an introductory course a second round of training was held. Given the circumstances today, emphasis was placed on financial planning from the viewpoint of behavioural finance to ensure better understanding of the economic environment and to ensure a better fulfilment of customer needs.

A key feature of training in 2011 was product training to improve the rate of achievement of operational targets, as well as training on specialised subjects such as auditing, the prevention of money laundering and terrorism financing required by the legislative and regulatory framework, and specialised training on IT systems, project management, and legal issues, etc.

Skills development training included a tailor-made interactive simulation of business strategy management, attended by members of the Bank's middle and senior management. The course was run for the first time and was exceptionally well received and is expected to be further tailored to the Bank's needs and be held again on a wider scale in the next round of training.

An important part of training in 2011 also related to optimising in-house procedures and systems and in particular the upgrade of the staff management and evaluation system. Once that project was completed, training sessions were held for all staff, irrespective of their role in the procedure. The aim was to brief staff about the changes being made, to familiarise them with the new procedure, its internal logic and the system used to implement it, and software that supports it.

Training events in 2011 were successfully completed, signalling a very productive 2012.

#### 4.11. Marketing – Corporate Communication



Δάνειο για Εγκατάσταση Φωτοβολταϊκών Συστημάτων σε Στέγες και Ταράτσες Κατοικιών

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**ΟικοΕνέργεια**

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**attica bank**  
One Step Forward



In 2011 Attica Bank revamped its corporate image by focusing on the trust-based, reciprocal relationship the Bank has developed with its customers.

The key message used was that the Bank and its customers are growing stronger. Bearing in mind that new philosophy, the Bank replaced the tag line under the Attica Bank logo (*One Step Forward*) with the phrase 'Attica Bank - Stronger Together' while new corporate communication messages gradually replaced older ones in both printed documents and other media.

In 2011 most emphasis was placed on communicating the payrolling account products for civil servants and pensioners. The products were launched via a series of television and radio spots in March and were widely covered in the press and on the internet around the same time and throughout the rest of the year.

Persons insured with the ETAA-TSMEDE Fund and employees of the TEE and the TSMEDE Fund have a special preferential interest rate (+0.10%) which was publicised via advertising stands at the branch offices of the Technical Chamber of Greece (TEE) and communication was also bolstered with advertisements in sectoral journals and on websites from March onwards.

The loan product designed to finance household terrace and rooftop photovoltaic systems for private homeowners, **Attica OIKOENERGEIA** was also widely advertised. The product's micro-site [www.attica-oikoenergeia.gr](http://www.attica-oikoenergeia.gr) operated successfully from the start of the year, achieving high numbers of hits.

The loan was intensely promoted using advertising banners and ads in newspapers and magazines / journals up to and including May. Advertising for the Attica Oikoenergeia loan culminated in April with the Bank setting up a stand at the 4<sup>th</sup> International Environmental Technologies and Photovoltaic Systems Fair, Ecotec, at the Athens Expo Centre in Anthoussa, Attica.

Due to general concerns from consumers, pre-paid cards are on the rise as they are considered a safe means of entering into transactions.

For that reason a micro-site was launched at the address [www.attica-giftcard.gr](http://www.attica-giftcard.gr), exclusively designed for the pre-paid **attica gift Card VISA**, thereby laying the ground for a more dynamic marketing of pre-paid cards.

At the same time the attica gift card VISA was promoted using television advertising spots and banners throughout the year on various websites.

In 2011 the Bank also continued publication of its corporate magazine 'Attica Mag' with great success.

Attica Mag is edited and published by employees of the Bank. It is published quarterly and is designed to provide information to the Bank's staff and customers about developments at Attica Bank. It is a means of disseminating information about what branches and management departments are doing, about new products and services, and about current affairs that are of interest to the Bank's staff and others.

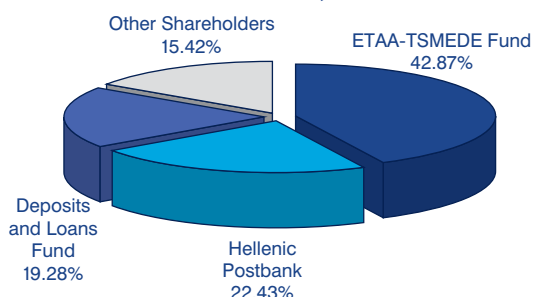
The magazine is available across the entire network of branches and at central services and at the premises of the Bank's subsidiaries.

#### 4.12. Share capital

Attica Bank's share capital on 31/12/2011 was divided into:

- 244,885,573 ordinary registered shares.
- 286,285,714 shares issued under Law 3723/2008 owned by the Greek State in accordance with the provisions of Articles 5 and 8 of the Bank's Articles of Association.

**Attica Bank's shareholders, 31/12/2011**



## 4.13. Attica Bank's share performance in 2011

The ordinary shares of Attica Bank (ASE Symbol: ATT) are traded on the Athens Exchange and also form part of the following stock market indices:

Code	Description
<b>ΔTP</b>	FTSE/ATHEX Banks Banking sector index
<b>FTSEA</b>	FTSE/ATHEX Market Index Wide ranging index (High, Mid and Low Cap companies)
<b>FTSEB</b>	FTSE/ATHEX – CSE Index Banking shares index (covering both Greece and Cyprus)
<b>FTSEM</b>	FTSE/ATHEX Mid Cap Mid Cap index
<b>FTSEL</b>	FTSE/ATHEX Liquid Mid Mid Cap High Liquidity Index

Influenced by fiscal developments and the uncertainty that prevails at global level, the Athens Exchange reported losses of around 51.9% in 2011 (compared to losses of 36% in 2010), making it the second worst performance in the last twenty years, after the -65.5% recorded in 2008.

During 2011 the total capitalisation on the stock exchange market dropped by € 27.633 billion reaching € 27.30 billion at the end of 2011, compared to € 54.94 billion at the end of 2010.

### Change in the performance of Attica Bank's share compared to the ATHEX General Index and ATHEX banking Index, 2011 (reference date: 31.12.2010)



The Banking Index performed even worse with losses of 78.99% since banks found themselves in the centre of the financial turmoil as a result of the impact of the PSI and the BlackRock diagnostic exercise, the higher cost of liquidity and increased NPL rates.

In general terms Attica Bank's share performed in the same way as the banking sector index in the first three months of 2011, but performed better than the index from March to August, closing 2011 with marginally smaller annual losses than those for the banking sector index (-77.45%).

The diagram below shows the change in the Bank's share price compared to the general index and the banking sector index on ATHEX in 2011.

#### Change in the price of Attica Bank's share in comparison with the ATHEX General Index and Banking sector index, 2011

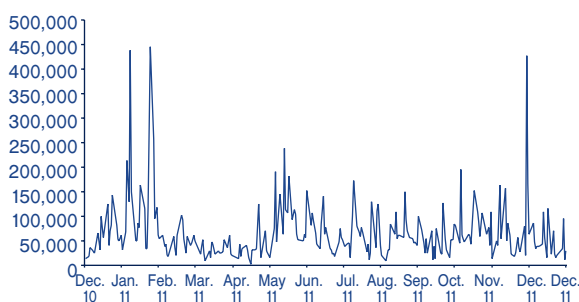


During the year the share price reached a maximum price of € 1.26 on 18/2/2011 and a minimum price of € 0.182 on 18/10/2011, while the average annual price for the share in 2011 was € 0.66. The closing price of 31/12/2011 was € 0.21.

Capitalisation stood at € 44.57 million on 30/12/2011 while average capitalisation for the year stood at € 162.24 million.

The average volume of transactions for the Attica Bank share for 2011 was 67,005 shares with a year high of 444,385 shares and a year low of 1,972 shares.

#### Change in the volume of Attica Bank share transactions (shares), 2011



The beta coefficient for the share compared to the ATHEX General Index was 1.289 (sharper change in the share price compared to that of the market), reflecting the shock suffered by the entire banking sector during 2011. When compared to the banking sector index, the beta coefficient was 0.92, a sign that the Bank's share is a relatively 'defensive' share against price fluctuations on the banking sector index.

## 4.14. The Bank's credit rating

The table below shows the most recent data about the Bank's credit rating from Moody's and Capital Intelligence (announced on 23/9/2011 and 27/6/2011 respectively).

	Creditworthiness rating	Financial position
Moody's	Caa2	E
Capital Intelligence	B+	BB-



# 5 | Corporate Governance

## 5.1. Corporate Governance. Bodies, Strategy and Supervision

This section outlines in summary form how the Bank's corporate governance bodies operate. The full corporate governance code implemented by the Bank is available on its website, [www.atticabank.gr](http://www.atticabank.gr).

Corporate governance, along with corporate social responsibility and sustainable development are the three cornerstones of business for Attica Bank.

Corporate governance is a system of relations between the Board of Directors, the bank's management team, shareholders and stakeholders, and is a structure for setting and adjusting Bank objectives, for identifying key risks that the bank faces during its operations, for determining how targets are to be achieved, for organising the risk management system and for making it possible to monitor how management performs in implementing the above.

Bringing the objectives and incentives of members of the Board of Directors, senior executives and other employees of the Bank into line with those of shareholders is a critical issue for ensuring effective corporate governance.

Placing emphasis on the continuous protection of the company's general best interests, the long-term survival and growth of Attica Bank, the Bank's Board of Directors has put in place a set of general principles for the efficient management of the company's resources and risk taking. This fits with the Bank's special features and complies with existing legislation regarding the operation of the banking system. In its efforts to apply these general principles, the Bank has put in place the following supervisory bodies and transparency mechanisms.

### Board of Directors

The Board of Directors decides on all matters relating to the management of the Bank, and its assets and the achievement of its objectives, within the limits laid down by law, apart from those issues that fall within the General Meeting of Shareholders' remit.

In addition, the Board of Directors manages corporate affairs in the Bank's interests and those of all shareholders, while ensuring that the management team implements corporate strategy successfully. Moreover, the Board of Directors ensures that all shareholders are treated fairly and equally, including minority and foreign shareholders.

The size and line-up of Attica Bank's Board of Directors complies with the provisions contained in the current legislation on corporate governance and allows for the board to effectively perform its duties, and also reflects the Bank's size, activities and ownership status. Of the 11 members, 8 are non-executive members, 2 are independent and 1 is an employee representative. In addition, the Bank's Board of Directors also includes an additional, non-executive member appointed by decision of the Minister of Finance as a representative of the Greek State on the Bank's Board of Directors in line with the provisions of Law 3723/2008.

### Audit Committee

The internal audit system refers to all procedures put in place by the Board of Directors, the management team and other staff of the Bank to ensure the effectiveness and efficiency of operations, the reliability of financial information and compliance with the applicable laws and regulations.

The Audit Committee assists the BoD in exercising its duties of examining the adequacy and efficiency of the internal auditing system and facilitates communication between the BoD and the internal and external auditors. It also examines the accuracy and completeness of the published financial statements.

Attica Bank's Audit Committee consists exclusively of three non-executive members of the Board, two of whom are independent members.

### Remuneration Committee

The Bank implements a pay policy which is an integral part of its corporate governance policy, and which promotes the proper, effective management and coverage of risks assumed by the Bank or which are to be assumed.



In order to generate long-term corporate value and to check the risks assumed by the bank's executives, Attica Bank ensures that pay levels and structures are in accordance with the overall framework within which it operates, with its business strategy, objectives, values and long-term interests.

The hallmarks of the procedure for setting pay must be objectivity, transparency and professionalism. To that end, the procedure has been assigned to a Remuneration Committee comprised of non-executive members of the Bank's Board of Directors.

Attica Bank's Remuneration Committee is responsible for examining, evaluating and proposing the general pay policy for staff and also makes recommendations to the Board of Directors about the pay for senior management and supervisory executives.

#### **Executive Committee**

Attica Bank's Executive Committee determines the Bank's medium-term and long-term goals as well as the Bank's policies and the necessary means and strategies to realise them.

#### **IT Committee**

Attica Bank's IT Committee was established within the context of the Governor of the Bank of Greece Decision No. 2577/2006. Its objective is to determine and manage all IT projects based on the Strategic Business Plan and the IT Strategy of the Bank.

#### **Internal Audit Department**

Attica Bank has an effective internal audit system intended to safeguard its assets and to identify and manage major risks.

The objective of the Internal Audit Department is to systematically and continuously monitor the operation of the Bank within the context of its Articles of Association, its internal regulation, and the strategies and policies put forth by the Board of Directors and the Management from time to time as well as the legal framework that governs its operation.

Attica Bank's Internal Audit Department is independent from other business units and reports to the Chairman of the Board and Managing Director in administrative terms and to the BoD's Audit Committee in operational terms. The Department has the following specific key duties:

- To systematically and continuously monitor the efficiency and performance of the Bank's internal audit system and to submit recommendations to remedy any weaknesses that may appear.
- To carry out regular or extraordinary inspections on the Bank's operations and transactions and to verify faithful compliance with all applicable regulations, procedures and guidelines.
- To assess the procedures governing transactions and operations and to evaluate the audit mechanisms of the Bank
- To bring issues which are related to internal audits to the attention of the Audit Committee.

#### **Compliance Department**

Attica Bank's Compliance Department was established in order to prevent and efficiently manage any risk associated with non-compliance on the part of the Bank and the other companies in the Group with the existing legislative and regulatory framework governing their operation, and to adopt appropriate mechanisms for identifying, and monitoring the relevant risk.

The Bank's BoD is responsible for setting up and determining the structure of the Compliance Department, based on the criteria of morality, integrity, prestige, and adequate certified training, and experience of the staff placed in the relevant posts and knowledge of bank operations and activities.

The Department's manager and staff are independent, in administrative terms, from all other units within the Bank when performing their duties. They cannot hold any other post which conflicts with their duties. They are also not allowed to be employed outside the bank when that could conflict with their role and duties.

The Compliance Manager is also the competent officer for the purposes of Article 44 of Law 3691/2008 when implementing the money laundering and terrorism financing prevention policies. Those policies require the development, implementation and application of procedures and systems to ensure full compliance with the applicable legislative and regulatory framework governing the prevention of money laundering and the financing of terrorism.

## 5.2. Investor information. Shareholder Relations

### Shareholder Register & Corporate Announcements Office Investor Information Office

Providing shareholders with proper information about corporate affairs is a condition for ensuring that they exercise their rights properly. In addition, active shareholder participation in the main strategic decisions is an example of good corporate governance.

Seeking to provide comprehensive information in good time, the Bank has put its Shareholder Register and Corporate Announcements Office, and the Investor Information Office, at the disposal of investors. These units are responsible for:

- Providing investors with information about developments in the Bank, and the exercise shareholder rights in line with the applicable legislation and the Bank's Articles of Association.
- Keeping the shareholder register and communicating with the ATHEX about the transfer of shares to beneficiaries in the case of inheritance.
- Informing the public of the transactions of persons with insider information (Law 3340/2005, Decision No. 3/347/12.7.2005 of the Board of Directors of the Hellenic Capital Market Commission).
- Notifying the supervisory authorities about changes in major holdings in the company (Law 3556/2007).

In addition, to ensure that all shareholders have easy access to various types of information on an equal footing, Attica Bank maintains an up-to-date website where it published a description of its corporate governance policy, administrative structure, ownership regime, and other useful information for shareholders and investors.

## 5.3. Customer Service

For Attica Bank, improving the quality of the services it offers is an integral part of the idea of social responsibility. At Attica Bank, each complaint or suggestion is an opportunity for improvement. The Bank complies with Governor of the Bank of Greece Decision No. 2501/31.10.2002 and the provisions of Law 3606/2008 regarding the transparency of transactions and the investigation of all customer complaints. It also participates in the institution of Bank Ombudsman and is bound by the procedures the Ombudsman implements. The procedure for examining and handling complaints is set out in the relevant policy implemented by the Bank.



## 6 | Corporate Social Responsibility

## 6.1. Sponsorships – Social Contribution

Over the last few years, changes in the economic environment have shown that corporate participation in social development has become a basic business principle.

At a time when values and ideas are being tested, Attica Bank has opted to support initiatives which set people as their point of reference. For Attica Bank, corporate social responsibility is synonymous with basic human values: making a contribution to society, solidarity, collective action, a focus on ideals and values such as education, environmental protection, science, culture and sporting ideals.

Attica Bank has managed to integrate those values into the ad hoc activities it implements at regular intervals which are addressed to people and organisations that are not directly associated with the business sector in which it operates (vulnerable social groups, non-profit organisations, etc.) and into:

- its products,
- the way in which it approaches groups that support its operations (customers, employees) and in the final analysis,
- the vision it has opted for, which will guide it over the years to come: to become firmly established in the market as a specialised, flexible bank that will make an effective contribution to restructuring the Greek economy.

In these difficult times, the fact that Attica Bank has managed to maintain and to bolster its social role and the trust-based relationships it has developed with its customers, whether they are companies or private individuals and households, is a major success.



Φορείς που υποστηρίχθηκαν το 2011



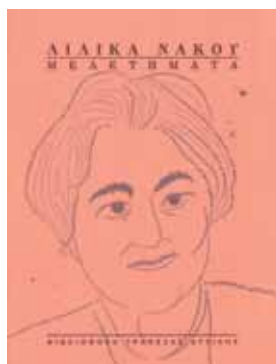
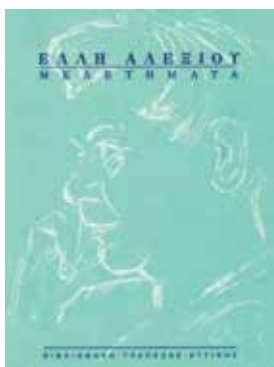
In 2011 Attica Bank once again set high standards and managed to make a contribution by organising several social and cultural events in a particularly difficult period for the country.

By properly managing its activities to ensure that the result can be maximised given the financial resources available, the Bank became firmly established as one of the large organisations running a corporate social responsibility programme.

In 2011 Attica decided not to distribute business gifts to customers but to make the relevant amount available to childcare charities and organisations. These are organisations whose mission has real objectives and a concrete result.

In 2011 the Bank also sponsored the following events, demonstrating in practical terms its social role as a patron of the arts, sport and culture:

- Cultural Events to mark the 100<sup>th</sup> anniversary of the birth of Odysseas Elytis at Papados on the island of Lesbos.
- Restoration of the Ancient Theatre of Orchomenos by the Diazoma Association.
- Publication of the history – photography book entitled 'Illustrated History of the Greek Nation' by Alexandros Press.
- The activities of the Mediterranean Studies Foundation.
- The Scholarship Programme run by the American Farm School.
- The activities of the Greek Action in Africa organisation to build schools in Cape d'Ivoire.
- The National Wrestling Team to allow it to participate in the World Championship.
- The Greek Mountaineering Association of Naoussa.
- The Filippou Veria Handball team.



Attica Bank also supported all public and municipal libraries nationwide by giving readers the chance to get to know and study the work of six acclaimed Greek authors: Elli Alexiou, Nassos Vagenas, Konstantinos Theotokis, Lilika Nakou, Kostis Palamas and Manolis Pratikakis.

The six volumes form part of the Bank's library collection entitled 'Studies'. They are original works that were published in the past by Attica. The books were edited by Mr. Theodosios Pylarinos, Professor at the History Department of the Ionian University.

#### **DIAZOMA and Attica Bank: A fortunate partnership**

DIAZOMA and Attica Bank have come together in a fortunate partnership, a sacred alliance if you will, with the overriding goal being to highlight two ancient theatres. The ancient theatre of Orchomenos in Arcadia and the ancient theatre of Orchomenos in Viotia. Our shared goal is to complete all preliminary work (excavations, surveying and architectural drawings, restoration studies) in order for these two great monuments to be included in the National Strategic Reference Framework.

However, there is an important symbolism at play here, since Attica Bank was DIAZOMA's first sponsor. It has already made an important contribution to the restoration works at the ancient theatre of Orchomenos in Arcadia, and to DIAZOMA's development programmes and in 2012 we will work together to highlight the ancient theatre of Orchomenos in Viotia.

Initiatives like these of Attica Bank give true meaning to sponsorship, a concept whose roots lie in ancient Greece, and serve as a catalyst for our joint endeavours to highlight these ancient venues where spectacles and shows were staged.

Stavros Benos, Chairman of the DIAZOMA Association

As we experience a dark period where loneliness, the stress of day-to-day life and uncertainty are playing a key role in all four corners of this planet, many of our fellow men have been deprived of the basic means to survive. Attica Bank is constantly sounding the horn of humanity and hope in distant Africa and by its humble example is shining light on the dark side of modern society, loneliness, stress and uncertainty. In doing so it shows that love and the desire to ease human pain know no boundaries and know nothing of racial discrimination. That is especially so when that love and help are aimed at people who have never known in their lives what a smile is. Besides, the only way to ensure happiness for oneself is to think of other people's happiness. No one has the right to be happy on his own.

Attica Bank is worthy of congratulations because thanks to its generous humanitarian gestures it has managed to establish a primary school in Cote D'Ivoire for 700 children, thereby giving the message that every person on this planet has the right to love and the right to life.

Mero Kessesioglou  
President, Greek Action in Africa

I would like to express my heartfelt thanks, on behalf of the students, teachers and staff of the American Farm School, for Attica Bank's generosity in supporting the School's mission, which for the last 107 years has been in the service of the young men and women of Greece without interruption.

The Bank's decision to offer support for our Scholarship Programme is of outstanding importance since it will allow exceptional students from families with limited resources, who are the key to the country's future social and economic prosperity, to attend unique interactive learning courses at the American Farm School, whose graduates are now and in the future will continue to offer solutions to the problems being faced by our society.

We wholeheartedly thank you for your partnership with the American Farm School and for your participation in our attempts to achieve goals which are of vital importance.

Dr. Panos Kanellos  
President  
American Farm School &  
Perrotis College

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## 6.2. Awards

Attica Bank was ranked the top Greek bank in terms of the capital to assets ratio in a list published in 2011 by the internationally renowned journal 'The Banker'. Moreover, Attica Bank was 165<sup>th</sup> out of 1,000 banks worldwide based on the same criterion, having improved its position compared to 2010.

The Bank was in 643<sup>th</sup> place worldwide in terms of overall tier 1 capital.

The fact that the Bank constantly ranks in the top 1,000 banks that have a robust capital base worldwide, prepared by the acclaimed journal, 'The Banker' in recent years validates its efforts to maintain healthy financials in a business environment where conditions are adverse indeed.

Attica Bank was chosen as the 3<sup>rd</sup> best bank in 2011 by the 'Chrima' magazine as part of the 9<sup>th</sup> business awards conferred by the magazine after a ballot by readers of the best companies that contribute to the development of the stock exchange and the Greek economy in general.

A team comprised of middle and top management from Attica Bank also came first in the business strategy simulation programme in which the Bank took part for the first time in 2011. This programme which simulates a business' operations and captures the impact of decisions on its financial results was also attended by teams from FTSE 20 companies and teams comprised of university students.



## 7 | Risk Management Capital Adequacy

The Attica Bank Group is exposed to various financial risks, the most important being credit risk, market risk (in other words the risk of changes in exchange rates, interest rates and market prices), operational risk and liquidity risk. The Group has developed various mechanisms for monitoring and managing risk so as to avoid the accumulation of excessive risk.

The Group has established several bodies whose main task is to manage risk. More specifically, the Group has an independent Risk Management Department that reports to the Risk Management and Control Director, who participates in various committees (such as ALCO, the Arrears Management Committee, etc.). The main role of the Risk Management Department is to monitor all risks which could affect the Group and to maintain the level of business risk assumed within the limits set.

The Board of Directors is responsible for approving and periodically reviewing the Group's risk appetite. In particular, the Board of Directors monitors risk at a high level, selecting the persons and bodies who are responsible for monitoring the risks the Group faces, and assigning the competent committees and departments responsibility for adopting policies and practices to ensure risks are properly managed.

Other bodies involved in the risk management process are the Audit Committee, the Assets – Liabilities Committee (ALCO), and the Arrears Management Committee, as well as the Bank's Credit Committee.

## 7.1. Credit Risk

Credit risk arises primarily from loans, guarantees and treasury operations. Credit risk can be defined as the risk of the bank suffering losses due to the breach of contractual obligations by customers or counterparties.

Credit risk is the most important source of risk, necessarily making one of the Group's primary objectives to systematically monitor and effectively manage it. Group credit policies are constantly reviewed in order to better manage this risk, and the compliance of the Bank's departments with these policies is monitored at all times.

The Bank places particular emphasis on developing in-house risk assessment tools based on the specific features of each type of financial exposure. This endeavour is in line with the requirements laid down by the regulatory framework on calculating bank capital adequacy levels (Basel II).

Responsibility for approving the bank's loan portfolio lies with the Credit Departments (Retail Banking Credit, SME Credit, Medium and Large Enterprises Credit) which are independent of the Bank's revenue-generating business units. Decisions about loans which exceed the approval limits for those units are taken by the Credit Committee or the Bank's Board of Directors. Both the Credit Department and the Risk Management and Control Department are involved when business decisions that entail assuming significant risks (and where those risks are not subject to the lending regulations) are being taken.

When there are objective indications that the likelihood of collecting all or part of the amount owed is in doubt, provisions are made for the impairment of the value of the loans. Examples of impairment trigger events are listed below:

- breach of the loan terms and conditions by customers
- renegotiation of the loan terms based on terms and conditions which the Group would not examine under normal conditions
- incidents which point to the problematic servicing of loans (worsening of a borrower's financial situation, bankruptcy, etc.)
- lack of an active market for the loan collateral.

In order to calculate the loan impairment the Group performs an impairment test on the date the financial statements are prepared. The question of whether loans can be collected is examined for each borrower for all loans which are deemed important. Assessments are made based on the borrower's financial position, operating revenues that can be used to service loans, repayment history, the value of collaterals after liquidation and the likelihood of support from solvent guarantors.

It is a general principle that when granting loans the Group seeks collateral. That collateral may include property mortgages, pledges and factoring. In line with the Group's lending policy, the main types of collateral usually accepted fall into the following categories:

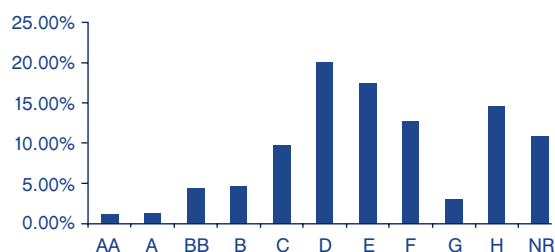
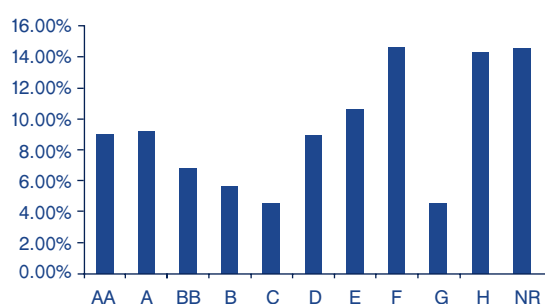
- mortgage liens registered on properties located in towns and inside town plans, which cover the cost of the loan
- guarantees from the Greek State, banks or the ETEAN Fund
- pledges of existing receivables based on invoices – certified work deriving from contracts with the State, public sector organisations or bodies governed by public law
- cash or deposits
- bills of exchange or customer cheques
- machinery
- factored export bills of lading
- pledges on merchandise covered by general warehouse certificates
- pledges on listed securities / shares, mutual funds of companies and various large public limited companies
- ship mortgages.

Particular importance is attached to evaluating the quality of the Bank's corporate loans and consumer – housing loans. Using cutting-edge systems to measure credit risk and evaluate borrowers based on quantitative and qualitative criteria, credit risks are identified and addressed effectively and in good time.

### Corporate Portfolio

External credit ratings are obtained for businesses from the External Credit Assessment Institution ICAP Research and Investment Business Consultants S.A. This specific company ranks companies based on their credit rating and helps the Bank ensure more rational pricing structures in line with the risk assumed. Ratings range from AA (exceptionally high credit rating) to H (exceptionally low credit rating, very high credit risk). Companies which have suspended operations or whose rating cannot be determined based on existing data are classified as NR (Non-rateable).

In 2011 the number of rated borrowers compared to the overall corporate portfolio was 43.12% while the percentage of rated balances on 31/12/2011 was 81.14%. Note that the non-rateable borrowers figure relates to sole traders and small enterprises.

**Figure 1: Allocation of the number of rated corporate clients****Figure 2: Allocation of balances of rated corporate clients****Retail portfolio**

Management of credit risk for the retail banking portfolio starts from the loan approval procedure which is fully centralised. A customer credit scoring system is used for consumer and housing loans which covers both credit cards and loan products. The question of how existing loans are serviced is monitored regularly and reports on this matter are drafted.

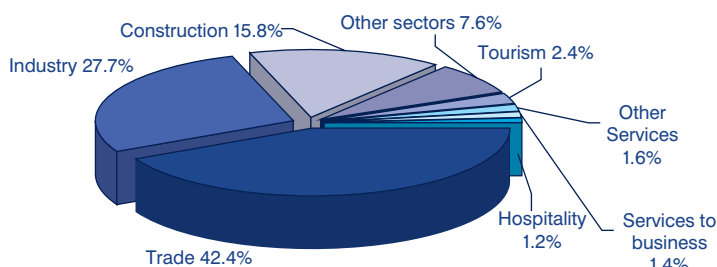
Given the difficult economic situation, the Bank has also developed additional procedures to optimally manage customers with retail banking debts in arrears, bolstering the role of the Arrears Management Department in both qualitative and quantitative terms, upgrading the arrears management system and introducing stricter loan approval limits.

## 7.2. Concentration risk

Banking book limits are set based on the criterion of the adequate diversification of the Group's funds and the avoidance of concentration, taking into account:

- Sectoral studies about the degree of credit risk, in order to identify high-risk sectors.
- An evaluation of concentration risk based on the exposure of specific customers or groups of associated customers and/or exposure to groups of counterparties whose likelihood of defaulting is affected by factors such as: the macroeconomic environment, geographical position, sector in which they operate, currency or collateral.
- Stress tests which are performed, whose results are used to set the various limits.

**Figure 3: Breakdown of business exposure per sector**



In addition, the existing regulatory framework requires that concentration risk be monitored by monitoring major loans for each group of associated customers. “Major loans” here means the total on and off-balance sheet assets of a credit institution (loans, guarantee letters, documentary credit, etc.) relating to a specific group of associated customers (a Group).

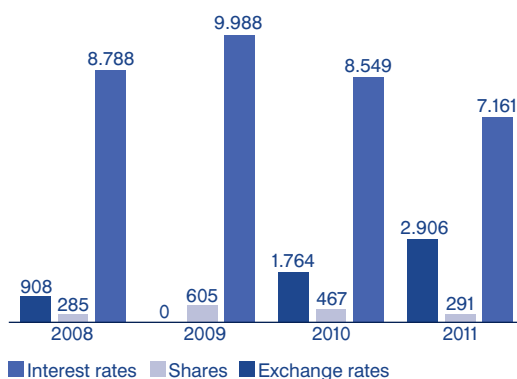
### 7.3. Market Risk

Market risk is the risk of loss of the fair value of financial instruments arising from unfavourable changes in market variables such as changes in interest rates, stock market prices and exchange rates.

There are specific internal procedures to set trading limits for the Treasury Division in order to control market risk. In that context, techniques have been developed to hedge risks and the effectiveness of the hedges and the risk reduction techniques are monitored as part of the risk limit and management policy set by the Assets Liabilities Committee (ALCO).

The trading book also includes investments in assets held for trade. Those assets are securities purchased to generate immediate profits and returns from short-term fluctuations in their price. The banking book includes investments available for sale. The Bank has relatively small-scale exposure in its trading book and consequently the market risk assumed is low.

**Figure 4: Allocation of weighted assets for market risk – Bank**  
(€ '000)



Exchange rate risk, interest rate risk and stock market price risk for assets in the trading book are managed by the Bank in collaboration with the Group’s subsidiary, Attica Wealth Management.

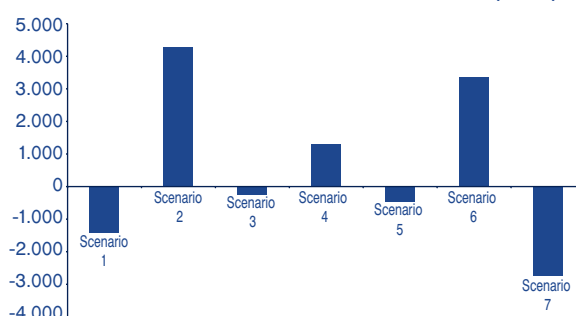
A limits policy has been set by ALCO to manage exchange rate risk, just like other market risks. This policy includes nominal limits (per currency, overall, intra-day and end-of-day) and profit-loss limits.

Various methods are used to measure interest rate risk which are related to repricing risk, yield curve risk, basis risk and optionality risk.

At regular intervals the Bank performs stress tests and sensitivity analyses about the change in the financial value of its portfolios arising from different changes to the interest rate curve. This analysis takes into account the interest rate changes over time and the type of market (developed or emerging) where the portfolio assets are being traded.

Table 1: Market risk scenarios for the trading book				
SCENARIO	RISK FACTORS	SHORT-TERM < 1 year	MEDIUM-TERM 1-4 years	LONG-TERM > 4 years
Scenario 1	Interest rates	+ 200 bps	+ 200 bps	+ 200 bps
Scenario 2		- 200 bps	- 200 bps	- 200 bps
Scenario 3		+ 150 bps	+ 100 bps	+ 50 bps
Scenario 4		- 150 bps	- 100 bps	- 50 bps
Scenario 5	Share prices	-30%		
Scenario 6	Exchange rates	Devaluation of -10%		
Scenario 7		Overvaluation of +10%		

**Figure 5: Market risk stress tests results – Bank**  
(€ '000)



The figure above shows the expected profit or loss based on the scenarios outlined in detail in Table 1.

#### Interest rate risk for the banking book

Interest rate risk for the banking book arises from the delay in adjusting the interest rates of the Bank's assets and liabilities.

Such interest rate changes can affect the Group's financial position since the following can also change:

- The net interest rate result
- The value of income and expenses sensitive to interest rate changes
- The value of assets and liabilities since the present value of future cash flows (and frequently the cash flows themselves) change as interest rates change.

Interest rate risk is measured at least each month and the following two core methods are used to manage this type of risk in the banking book:

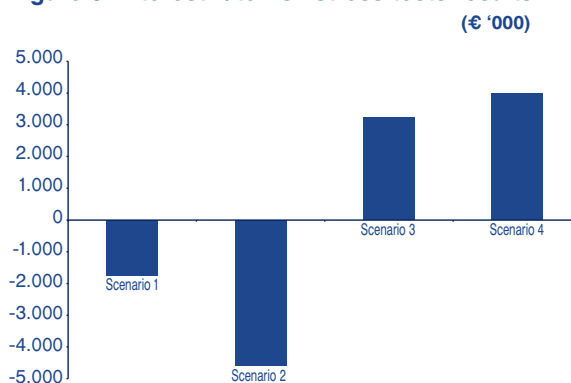
- Interest Rate Gap: The Bank monitors the interest rate gaps over specific time periods. Assets and liabilities are rated in different periods depending on the interest rate adjustment period. The interest rate gap for each period is the difference between the assets and the liabilities in that specific period.

- Sensitivity analysis of the change in net income from changes in interest rates:  
At regular intervals the Group performs stress tests and sensitivity analyses about the change in the financial value of its portfolios arising from different changes to the interest rate curve.

**Table 2: Market risk scenarios for the banking book**

TYPE OF INTEREST RATE CHANGE	SHORT-TERM < 6 M	MEDIUM-TERM 6M – 1 YEAR	LONG-TERM > 1 YEAR
Scenario 1	+50 bps	+100 bps	+150 bps
Scenario 2	+200 bps	+200 bps	+200 bps
Scenario 3	-100 bps	-150 bps	-200 bps
Scenario 4	-200 bps	-150 bps	-100 bps

**Figure 6: Interest rate risk stress tests results**



## 7.4. Capital Adequacy

Specialist units within the Bank monitor its capital adequacy at regular intervals and submit data to the Bank of Greece every quarter.

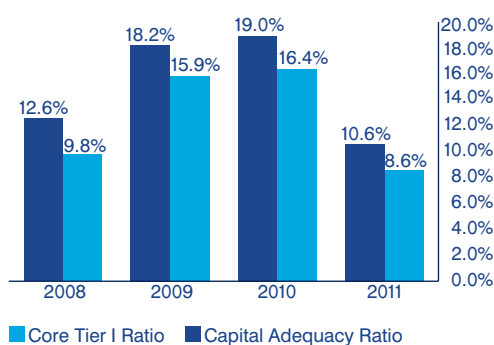
The regulatory capital is divided into:

- Tier I capital
- Tier II capital

The capital adequacy ratio is defined as the ratio of regulatory capital to assets and assets not included in the statement of financial position, weighted for the risk they entail.

The Tier I capital ratio is defined as the ratio of Tier I equity to weighted assets (on and off-balance sheet items).

**Figure 7: Change in capital adequacy ratios – Bank**



The Group's main priorities are to maintain its capital adequacy and bring it into line with requirements in the regulatory framework from time to time, to ensure that the Bank can continue its operations without problems and to ensure that its capital base is sufficient enough to allow it to successfully implement its business plan.

**Table 3: Capital adequacy – Bank**

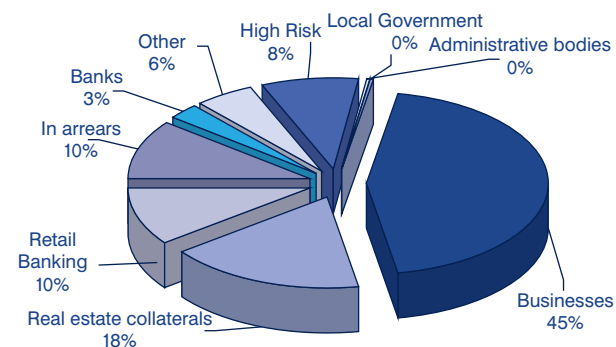
	Bank			
	2011	2010	2009	2008
<b>Risk-weighted assets</b>				
Credit Risk	2,862,658	2,895,553	3,199,420	2,959,093
Market Risk	129,479	134,804	132,406	124,760
Operational risk	275,609	274,328	255,560	239,212
<b>Total risk-weighted assets</b>	<b>3,267,746</b>	<b>3,304,686</b>	<b>3,587,386</b>	<b>3,323,064</b>
<b>Regulatory equity</b>				
Tier I regulatory equity	279,941	543,267	568,765	325,180
Total regulatory equity	346,147	628,981	653,350	417,236
<b>Capital adequacy ratios</b>				
Tier 1 capital ratio	8.6%	16.4%	15.9%	9.8%
Capital adequacy ratio	10.6%	19.0%	18.2%	12.6%

**Figure 8: Change in allocation of weighted assets – Bank (€ '000)**



As can be seen in the figure above, 88% of capital requirements relate to credit risk, while a significant portion (8%) relates to operational risk. In addition, only a small portion relates to market risk. The diagram below shows the allocation of assets weighted for credit risk:

**Figure 9: Allocation of assets weighted for credit risk - Bank**



The Group also has reliable, effective and integrated strategies and procedures in place to assess and maintain the level, line-up and allocation of equity over time which is considered necessary to cover the type and extent of risks which are assumed (internal capital).

As part of the Internal Capital Adequacy Assessment Process (ICAAP) both quantitative and qualitative data is examined such as the level and structure of regulatory capital, market risk, liquidity risk, interest rate risk, the level and allocation of internal capital, and so on. An evaluation of this data indicates the level of capital required to cover:

- Underestimations of market risk in implementation of Governor of the Bank of Greece Decision No. 2591/20.8.2007.
- Underestimations of operational risk using the Basic Indicator Approach.
- Risks not mentioned in Article 27 of Law 3601/2007 such as interest rate risk, concentration risk, liquidity risk, profitability risk, capital risk and reputation risk.

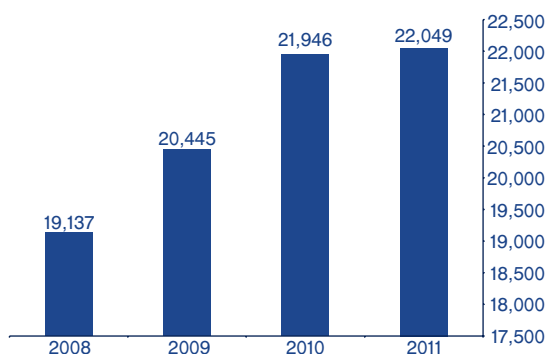
### Operational risk

Operational risk derives from inadequate internal procedures or infringements of those procedures, the conduct of staff, systems or external factors. In implementing more advanced approaches to measure, recognise and manage operational risk, the Group has put in place procedures that entail the use of:

- internal and external audit reports
- key operational risk indicators
- a database to record and monitor risks
- a business continuity plan.

At present particular importance is attached to managing procedures, training staff, setting limits and developing contingency plans.

**Figure 10: Change in capital requirements for operational risk – Bank** (€ '000)



### Liquidity Risk

Liquidity risk means the possible inability of the Group to fully repay in due time its current or future financial obligations –when they become due – due to a lack of necessary liquidity. This risk includes the possibility of a need to refinance amounts at a higher interest rate and the need to sell assets.

When managing liquidity risk, the Group's objective is to ensure the existence of a sufficient level of liquidity to allow it to settle its liabilities under any conditions without any disproportionate additional cost.

The Group monitors liquidity risk by focusing on management of cash flows and outflows. The supervisory authorities have adopted liquidity evaluation indicators

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in order to check the net liquidity gap. The Group places emphasis on customer deposits and attempts to maintain them as the primary source of financing. The Bank has blocked certain financial assets with the Bank of Greece as collateral to allow it to obtain additional liquidity.

The Treasury Department manages liquidity based on policies and procedures approved by ALCO. In addition, at regular intervals stress tests are performed based on the Group's special features and changes in market features and conditions.

The Bank has developed a specific, documented liquidity policy in line with Act of the Governor of the Bank of Greece No. 2614/7.4.2009 on liquidity risk. In addition, pursuant to that Act, the Bank has also set internal liquidity limits and a contingency funding plan (which it has submitted to the Bank of Greece), taking into account the existence of committed funds from credit institutions and the impact on the cost of financing of a reduction in liquidity in the market overall or a drop in the Group's rating.

## 8 | Companies in the Attica Bank Group



Established: 2001  
 Address: 2 Christou Lada St.,  
 Athens GR-10561  
 Tel.: 210 3396860, Fax: 210 3238697  
 Website: www.atticawealth.gr  
 e-mail: info@atticawealth.gr

Share Capital: € 2.33 million  
 Shareholders: Attica Bank 100%

Managing Director: Theodoros N. Krintas

The company's purpose is mutual fund management in line with the provisions of Law 3283/2004 on mutual fund management companies and all related activities allowed by the existing law on capital management companies.

Following Decision 8/387/19.6.06 of the Hellenic Capital Market Commission, the company can additionally provide the following services:

- Investor portfolio management services, including portfolios of pension funds at the request of customers, on a discretionary level for each customer, provided that the portfolios include one or more financial instruments referred to in Law N. 2396/1996 article 2(1a), as it currently applies.
- Investment advice for one or more financial instruments mentioned in Article 2(1a) of Law 2396/1996 as in force.

Besides its own means, the company also uses Attica Bank's network to promote its services.

The Company's financials for 2011 and 2010 are presented in summary form in the table below:

(amounts in euro)	2011	2010
Fixed assets	90,715.26	19,715.83
Other assets	3,076,098.94	3,291,938.71
Total assets	3,166,814.20	3,311,654.54
Share capital	2,326,059.00	2,326,059.00
Total Equity	3,004,691.96	3,074,919.93
Other short-term liabilities	86,084.59	172,562.18
Turnover	1,129,472.25	1,307,636.94
Gross profit	88,874.15	311,385.71
Earnings before tax for the period	10,990.54	413,405.62
Period earnings net of tax	3,792.43	271,853.43

Net Mutual Funds Assets		
(amounts in euro)	2011	2010
DOMESTIC BALANCED FUND	1,915,998.87	4,086,064.69
DOMESTIC BOND FUND	3,771,738.96	6,178,234.57
DOMESTIC EQUITY FUND	4,817,532.31	9,097,572.52
DOMESTIC MONEY MARKET FUND	1,534,625.64	1,782,619.16
GLOBAL BALANCED FUND	20,129,229.25	23,027,523.04
GLOBAL BOND FUND	18,829,445.01	19,877,233.33
MARATHON DOMESTIC EQUITY FUND	420,326.50	735,364.93
REAL ESTATE GLOBAL EQUITY FUND*	951,611.65	1,060,721.61
<b>TOTAL NET ASSETS</b>	<b>52,370,508.19</b>	<b>65,845,333.85</b>

**\*NB:**

The REAL ESTATE GLOBAL EQUITY FUND has been the top ranked global fund in the market for the 3-year period 2009-2011.



## ATTICA VENTURES

Established: 2003  
Address: 18 Omirou St.,  
Athens GR-10672  
Tel. : 210 3637663, Fax: 210 3737859  
Website: [www.attica-ventures.gr](http://www.attica-ventures.gr),  
[www.attica-ventures.com](http://www.attica-ventures.com)  
e-mail: [gp@attica-ventures.gr](mailto:gp@attica-ventures.gr)

Share capital: € 600,000  
Shareholders: Attica Bank : 99.99%

Managing Director:  
Ioannis Papadopoulos

The company's exclusive scope is Venture Capital Management in accordance with the provisions contained in Law 2992/2002.

In 2011 the company continued to perform well and improved its position in the market by making four new investments in the field of renewable energy sources and telecommunications. One important event for the company, which comes as recognition of its good performance, is the first prize received in October 2011 for its contribution to increasing employment, presented by the Athens Chamber of Commerce & Industry.

The company's comparative financials for 2011 and 2010 are presented in summary form in the table below:

(amounts in thousands of €)	2011	2010
Total assets	1,455.58	1,394.30
Earnings before tax	171.14	136.93
Earnings net of tax	101.53	74.50
Total Equity	1,053.52	951.99
Turnover	1,158.96	979.99

Since March 2004 Attica Ventures has managed the Zaitech Fund, a venture capital (VC) fund with an initial amount of € 30 million. The Fund's capital rose to € 40 million in September 2008. Since October 2010 Attica Ventures has also been managing a new venture capital fund, the Zaitech Fund II, whose initial capital is € 25 million. More than 40% of the total capital of the Zaitech Funds I and II managed by the company today come from third party investors outside of Attica Bank.

Since 2005 the Zaitech Fund I and the Zaitech Fund II have invested and committed more than € 35 million in 12 Greek SMEs in various sectors such as energy and renewables, food and beverages, healthcare, logistics, telecom, real estate and industrial innovation. Four of the companies where the Zaitech Fund participates are already listed on the Athens Exchange's Alternative Market.

The new Zaitech Fund II managed by Attica Ventures seeks to invest the majority of its available funds in companies managing renewable energy source projects. Outside that market, the objective remains to make investments in innovative small and medium-sized Greek companies that are in their growth stage and which have a distinct competitive advantage, irrespective of the market in which they are active. The funds invested per business are around € 3 to 7 million. The company also participates in larger investments in collaboration with strategic investors.

Both venture capital funds operate with the aim of maximising return on their holdings for the benefit of shareholders by investing in a portfolio of companies, usually by participating in share capital increases. Its main objective is, on the one hand, to diversify investments in different markets and, on the other, to make a satisfactory number of investments so that the risk associated with venture capital is minimised.



Established: 2007  
Address: 45 Solonos St.,  
Athens GR-10672  
Tel.: 210 3669290, Fax: 210 3244621

Share Capital: € 7.06 million  
Shareholders: Attica Bank 100%

Managing Director: Theodoros Glavas

Atticabank Properties' main activities relate to asset management, valuations prepared on behalf of the Bank and third parties and property investment and development. During 2011 the company also became involved in providing technical consultancy services in the real estate sector to the Greek state and the Greek State's Asset Privatisation Fund. Moreover, after successfully obtaining certification from EDEKT Asset Management, in 2012 the company expects to start providing property and asset management services for social security providers (social security funds).

In the property and asset management sector, Atticabank Properties also expects to continue providing services to the Bank and to expand its customer base by approaching other public and private sector bodies. Atticabank Properties has already been chosen as the lowest bidder in a competition held by the Army Share Fund to act as special consultant for development of its main building, and it is also participating as part of a joint venture in the last stage of an IKA Fund competition to become management and development consultant for the Macedonia Pallas Hotel. The company is also participating as a member of a joint venture in the final stage of a competition being run by the Municipality of Athens Development Company to record the Municipality's real estate assets. The company expects to become involved in similar projects throughout 2012.

In the valuation sector, emphasis will be placed on taking a more outward-looking approach in 2012. Having managed valuations over recent years aimed to determining the value of fixed assets and properties for the purposes of Bank home, consumer and business loans, the company is now seeking to expand its business by taking up projects on behalf of customers outside the Bank.

2012 is expected to be a very interesting year in the investment and development sector. The strategy so far of making very carefully selected investment proposals has resulted in the company avoiding investments that could have generated negative results due to the intensification of the crisis in the property market. Looking forward, the property market is expected to present opportunities in the investment and development sectors, and emphasis will be placed on projects relating to infrastructure, energy and tourism. Under those conditions, the right choices can generate extremely significant medium to long-term profits both from yields and goodwill from the investments made.

It is also worth noting that Atticabank Properties is the Greek State's technical consultant for real estate matters in the project to utilise the State's assets. This activity is expected to use up significant assets and to generate significant financial benefits over the course of the next three years, and the choice of Atticabank Properties by EDEKT Asset Management, as a social security provider property management and development company (in line with Law 3863/2010) in all four sectors (property development, management, valuation and mediation) is also expected to generate additional revenue streams in 2012 and in the years thereafter.

Summary Financials for the company		
(amounts in thousands of €)	2011	2010
Total assets	7,401.79	7,123.54
Earnings before tax	305.03	143.48
Earnings net of tax	233.69	107.12
Total Equity	7,194.83	6,961.14
Turnover	998.51	1,064.65

**attica** Bancassurance Agency

Established: 2005

Address: 8 Mavromichali St.,  
Athens GR-10679  
Tel. : 210 3667150, Fax: 210 3667261

Share Capital: € 100,000  
Shareholders: Attica Bank 99.9%

Managing Director:  
Agapi - Evaggelia Pattakou

Summary Financials for the company		
(amounts in thousands of €)	2011	2010
Total assets	2,980.89	2,169.87
Earnings before tax	675.35	1,316.20
Earnings net of tax	538.83	943.03
Total Equity	1,651.52	1,112.70
Turnover	1,358.36	1,420.01



Established: 2001  
Address: 8 Omirou St.,  
Athens GR-10564  
Tel.: 210 3677750, Fax: 210 3677778

Share Capital: € 3 million  
Shareholders: Attica Bank 55.00 %  
Dynamic Securities S.A.  
45.00%.

Managing Director:  
Alexandros Poularikas

The Attica Bank Group's consulting firm, Attica Consulting, has developed and transformed over recent years into Attica Finance S.A. Attica Bank set up Attica Finance S.A. to exploit the Greek economy's shift towards new sectors of activity. The company's objective include:

- Brokering instructions.
- Portfolio management.
- Investment advice.
- Custodianship and administrative management of financial instruments for customers.
- Advice to undertakings on capital structure, business strategy and related matters and advice and services relating to mergers and the purchase of undertakings.
- Services related to underwriting.
- Valuation advice.
- Studies and programmes relating to national, Community or private sector resources to assist private sector businesses, bodies governed by public / private law, and local government authorities.
- Planning and organising training seminars, one day events, conferences and exhibitions to promote the company's objectives or for third parties.

Note that Attica Finance is a general clearing member of the Securities Market.

The Company's financials for 2011 and 2010 are presented in summary form in the table below:

(amounts in thousands of €)	2011	2010
Total assets	3,158.07	3,089.68
Share capital	3,000.00	3,000.00
Reserves	75.09	75.09
Cash assets	2,358.70	3,072.75
Profits (losses) for the period after tax	11.04	(2.03)



## 9 | Other Information

## 9.1. Information notified to investors in 2011

Financial Result Notices	Announcement Date
Announcement of results FY 2010	29/3/2011
Announcement of results Q1 2011	28/5/2011
Notice – Comments on financial statements / reports (6M 2011)	30/8/2011
Announcement of results Q3 2011	29/11/2011

General Assemblies	Announcement Date
Decisions of General Meeting	28/1/2011, 31/1/2011 (with errors corrected)
Advance notice of General Meeting	24/5/2011
Decisions of Ordinary General Meeting	20/6/ 2011

Notifications of transactions involving shares of the Bank according to Law N. 3340/2005 and Decision 3/347/2005 of the Board of Directors of the Hellenic Capital Market Commission	Announcement Date
	4/2/2011
	7/2/2011
	14/2/2011
	18/2/2011
	28/4/2011
	6/6/2011
	15/11/2011

Other Announcements	Announcement Date
Appointments of executives	24/1/2011
Assignment of executive duties to Board members	30/3/2011
Clarifications on articles appearing in the press	9/6/2011
Notice of change in the line-up of the Board of Directors	19/7/2011
Comments on possible cooperation	2/8/2011
Comments on possible cooperation	5/8/2011
Notice of change in the line-up of the Board of Directors	26/10/2011



## 9.2. Administrative Departments - Network Units

CALL CENTRE: 210 3669000

	TEL. NO.	FAX
LEGAL CONSULTANT	+30 210 3667121	+30 210 3667242
INTERNAL AUDIT DEPARTMENT	+30 210 3669150	+30 210 3669411
LEGAL DEPARTMENT	+30 210 3396875	+30 210 3396899
COMPLIANCE DEPARTMENT	+30 210 3669060	+30 210 3669417
HR DIRECTOR	+30 210 3669270	+30 210 3669401
HR DEVELOPMENT & MANAGEMENT DEPARTMENT	+30 210 3669190	+30 210 3669401
HR TRAINING & SUPPORT DEPARTMENT	+30 210 3669128	+30 210 3669413
GENERAL MANAGER, CORPORATE AND RETAIL BANKING, CAPITAL AND MONEY MARKETS	+30 210 3667095	+30 210 3667233
ATTICA NETWORK	+30 210 3667180	+30 210 3667272
ATTICA REGIONAL DEPARTMENT I	+30 210 3667181	+30 210 3667272
ATTICA REGIONAL DEPARTMENT II	+30 210 3667182	+30 210 3667272
ATTICA REGIONAL DEPARTMENT III	+30 210 3667179	+30 210 3667272
NORTHERN GREECE NETWORK	+30 2310 802040	+30 2310 472750
NORTHERN GREECE REGIONAL DEPARTMENT I	+30 2310 802025	+30 2310 472750
NORTHERN GREECE REGIONAL DEPARTMENT II	+30 2510 622505	+30 2510 225216
REST OF GREECE NETWORK	+30 2310 788590	+30 2310 784874
REST OF GREECE REGIONAL DEPARTMENT I	+30 210 6257364	+30 210 6256897
REST OF GREECE REGIONAL DEPARTMENT II	+30 2410 510020	+30 2410 539040
PRODUCT DEPARTMENT	+30 210 3667040	+30 2103667251
PRODUCT DEVELOPMENT & SUPPORT	+30 210 3667184	+30 210 3667251
LEASING & FACTORING	+30 210 4141870	+30 210 4141856, -7
BANCASSURANCE	+30 210 3667150	+30 210 3667261
MONEY MARKETS & TREASURY DIRECTOR	+30 210 3667120	+30 210 3667256
TREASURY	+30 210 3667228	+30 210 3667230
STOCK EXCHANGE TRANSACTIONS & MARGIN ACCOUNT	+30 210 3667070	+30 210 3667256
CREDIT DIRECTOR	+30 210 3667169	+30 210 3667262
MEDIUM & LARGE ENTERPRISES CREDIT	+30 210 3667048	+30 210 3667235
SME CREDIT	+30 210 3667004	+30 210 3667243
CONSUMER CREDIT	+30 210 3667003	+30 210 3667259, -246

GENERAL MANAGER, RISK MANAGEMENT, FINANCE & OPERATIONS	+30 210 3669080	+30 210 3669400
CHIEF RISK OFFICER	+30 210 3396750	+30 210 3396826
ARREARS MANAGEMENT	+30 210 3396720	+30 210 3396826
RISK MANAGEMENT	+30 210 3669280	+30 210 3669421
NON-PERFORMING LOANS	+30 210 3396735	+30 210 3396804
CREDIT CONTROL & COLLATERAL MANAGEMENT	+30 210 3396731	+30 210 3396756, -7
ORGANISATION & CORPORATE PLANNING DEPARTMENT	+30 210 3669083	+30 210 3669409
STRATEGIC PLANNING & CORPORATE COMMUNICATION DEPARTMENT	+30 210 3669201	+30 210 3669410
MARKETING & COMMUNICATION	+30 210 3667030	+30 210 3667245
CHIEF ADMINISTRATION OFFICER	+30 210 3669220	+30 210 3669402
ASSETS	+30 210 3669133	+30 210 3669406
LOGISTICS	+30 210 3669101	+30 210 3669403, -4
TECHNICAL SERVICES	+30 210 3669175	+30 210 3669407
CHIEF FINANCIAL OFFICER	+30 210 3669250	+30 210 3669431
FINANCIAL SERVICES	+30 210 3669260	+30 210 3669431
MANAGEMENT INFORMATION	+30 210 3669093	+30 210 3669420
CUSTODIANSHIP & FINANCIAL OPERATIONS SUPPORT	+30 210 3669261	+30 210 3669426,-427,-428
IT & TECHNOLOGY DEPARTMENT	+30 210 2002701	+30 210 2002651
SOFTWARE DEVELOPMENT	+30 210 2002601	+30 210 2280826
IT INFRASTRUCTURE AND SYSTEMS	+30 210 2002607	+30 210 2002651
E-BANKING & INTERBANK OPERATIONS	+30 210 3669130	+30 210 2280893
IT SYSTEMS ANALYSIS & DESIGN	+30 210 2002711	+30 210 2021132
INVESTMENT BANKING & GROUP SUBSIDIARIES DEPARTMENTS		
INVESTMENT BANKING & GROUP SUBSIDIARIES DIRECTOR	+30 210 3860090	+30 210 3229338
CAPITAL MARKETS	+30 210 3258150	+30 210 3229338
GROUP OPERATIONS COORDINATION & SUPERVISION	+30 210 4141710	+30 210 4141857
SUBSIDIARIES MARKETING & COMMUNICATION	+30 210 4141824	+30 210 4141806
INVESTMENT MANAGEMENT DIRECTOR	+30 210 3258140	+30 210 3242642
INVESTMENT PLANS	+30 210 3860083	+30 210 3242642
ECONOMIC RESEARCH AND MARKET ANALYSIS	+30 210 4141810	+30 210 4141806
GROUP SERVICES QUALITY ASSURANCE	+30 210 4141820	+30 210 4141857



## Attica Network

BRANCH	ADDRESS	TEL. NO.	FAX
ACADEMIAS ST.	54 Academias St, GR-10679	+30 210 3667130	+30 210 3667252
AEGALEO	285 Iera Odos St. & 2 Averof St. GR-12244	+30 210 5313228	+30 210 5313678
AGIA PARASKEVI	392A Mesogion Ave., GR-15341	+30 210 6009885	+30 210 6013784
AGIOS DIMITRIOS	31 Ag. Dimitriou St. & 24 Armodiou St. GR-17343	+30 210 9761671	+30 210 9761756
ANIXI	79 Marathonas Ave., GR-14569	+30 210 8004400	+30 210 8145915
ANO GLYFADA	167-169 Gounari St. & Profitis Ilias St. GR-16674	+30 210 9606330	+30 210 9638123
ANO PATISSIA	376 Patission St., GR-11141	+30 210 2002680	+30 210 2117327
ASPROPYRGOS	17 Dimokratias Ave. & Acharnon St. GR-19300	+30 210 5582970	+30 210 5574480
ATHINON AVE.	31-33 Athinon Ave., GR-10447	+30 210 3419050	+30 210 3417465
GALATSI	81 Galatsiou Ave. & 2 Dorieon St. GR-11146	+30 210 2935020	+30 210 2220628
GLYFADA	9 Dousmani St. & 10 A. Metaxa St. GR-16675	+30 210 8943041	+30 210 8943069
HALANDRI	47 Andrea Papandreou St., GR-15232	+30 210 6858083	+30 210 6858084
HOLARGOS	202 Mesogion Ave. & 1 Sarandaporou St. GR-15561	+30 210 6565050	+30 210 6549040
ILION	46 Idomeneos St. & Nestoros St. GR-13122	+30 210 2696200	+30 210 2610810
ILIOUPOLI	36 Andrea Papandreou St. & 18 Posidonos St., GR-16345	+30 210 9954707	+30 210 9954017
KALLITHEA	49 El. Venizelou St. & Kalypsous St. GR-17671	+30 210 9515433	+30 210 9521086
KERATSINI	Dimokratias Ave. & 2 Ermou St. GR-18756	+30 210 4639100	+30 210 4637632
KIFISSIAS AVE.	149 Kifissias Ave., GR-15124	+30 210 6149380	+30 210 6120020
KORYDALLOS	178 Gr. Lambraki St., GR-18121	+30 210 5626120	+30 210 5619010
KOROPI	214 V. Konstantinou St. & 1 Alagianni St. GR-19400	+30 210 6624238	+30 210 6021079

MAROUSI	23 Dionysiou St., GR-15124	+30 210 6146250	+30 210 6128944
MENIDI	29 Filadelfias St. & Konstantinoupoleos St. GR-13671	+30 210 2478040	+30 210 2477925
METAMORFOSI	159 G. Papandreou St., GR-14452	+30 210 2849256	+30 210 2849259
MONASTIRAKI	12 Monastiraki Sq., GR-10555	+30 210 3215493	+30 210 3219017
MUSEUM	46 28th Oktovriou St., GR-10682	+30 210 8218397	+30 210 8232410
N. ERYTHREA	138 Harilaou Trikoupi St. GR-14671	+30 210 8000270	+30 210 8000201
N. IONIA	318 Irakliou St. & Parnassou St. GR-14231	+30 210 2750101	+30 210 2770587
N. SMYRNI	55 El. Venizelou St., GR-17123	+30 210 9318040	+30 210 9318044
N. KIFISSIA	Kifissou & Evrota (Athens–Lamia National Road side road) GR-14564	+30 210 6256470	+30 210 6256984
NIKEA	234 Petrou Ralli & El. Venizelou St. GR-18453	+30 210 4941408	+30 210 4941092
OMIROU ST.	23 Omirou St., GR-10672	+30 210 3669040	+30 210 3669418
PAGRATI	47 Evfroniou St., 2 Oumblanis St. GR-16121	+30 210 7292035	+30 210 7292037
PALLINI	43 Marathonas Ave., GR-15351	+30 210 6663600	+30 210 6665610
PANEPISTIMIOU ST.	19 Eleftheriou Venizelou St. & Omirou St. GR-10564	+30 210 3226202	+30 210 3243234
PANORMOU ST.	82 Panormou St. GR-11523	+30 210 6931130	+30 210 6981105
PIRAEUS I	40 Iroon Polytechniou St. & Sot. Dios St. GR-18535	+30 210 4141750	+30 210 4141770
PIRAEUS II	6 Astingos St., GR-18531	+30 210 4102200	+30 210 4100319
PERISTERI	215 Thivon St. & Evklidi St. GR-12134	+30 210 5733405	+30 210 5728850
PSYCHIKO	23 Adrianou St., GR-11525	+30 210 6720150	+30 210 6717855
TAVROS	226 Pireos St. GR-17778	+30 210 3413280	+30 210 3413284
VARI	6 Vari - Koropi Ave, GR-16672	+30 210 8979355	+30 210 8976312



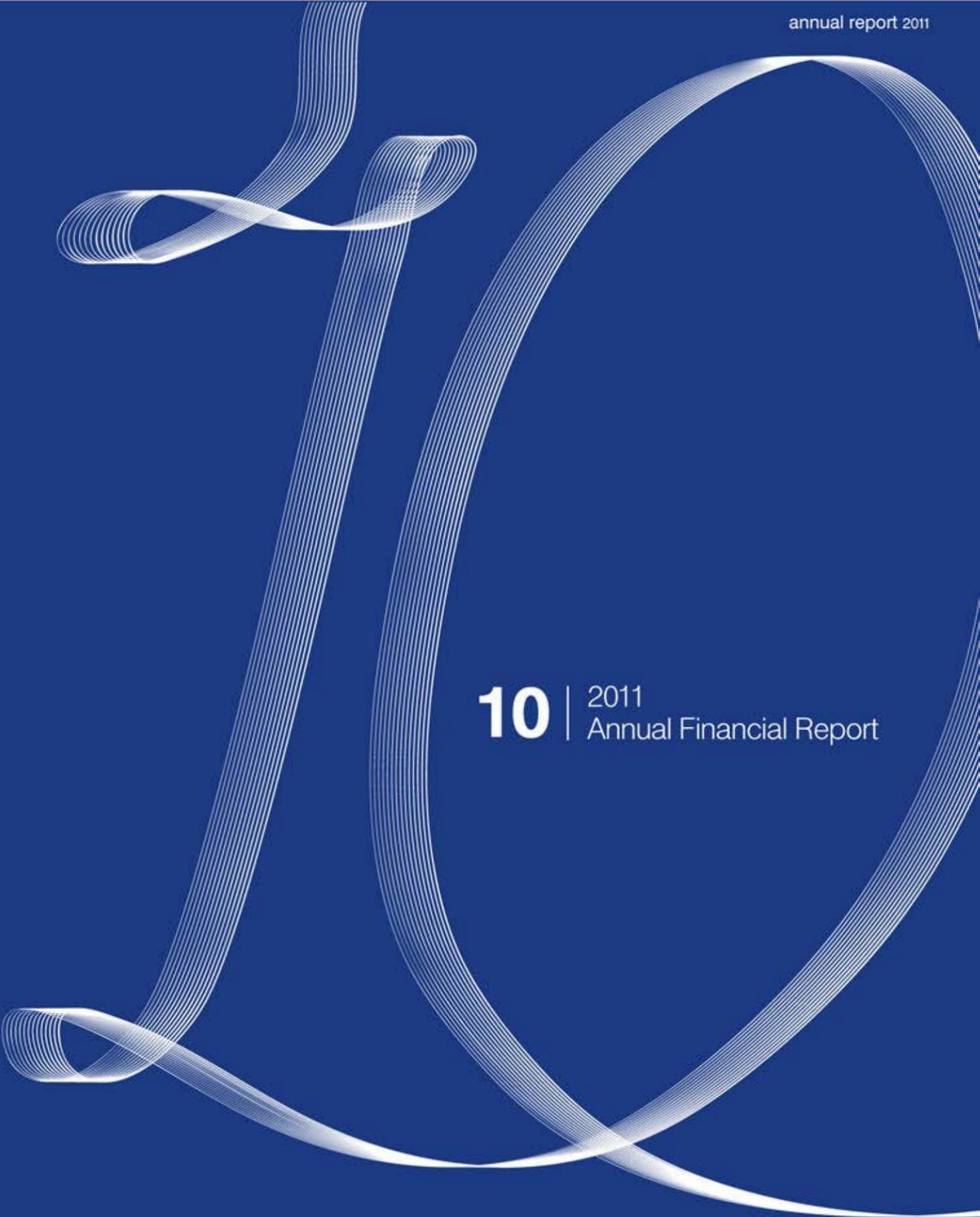
## Northern Greece Network

BRANCH	ADDRESS	TEL. NO.	FAX
ALEXANDROUPOLI	139-141 Dimokratias Ave. & Tyrolois St. GR-68100	+30 25510 38874	+30 25510 38871
CORFU	Rizospaston Voul. Ion. Voulis St. & Ioanni Polyta St. GR-49100	+30 26610 48200	+30 26610 48214
DRAMA	47 Ethnikis Amyntis St. & Efedron Axiomatikon St., GR-66100	+30 25210 58450	+30 25210 31401
GIANNITSA	131 El. Venizelou St., GR-58100	+30 23820 82763	+30 23820 82769
IOANNINA	7-9 Pyrsinella St., GR-45332	+30 26510 83767	+30 26510 65044
KAVALA	96 Omonias St. & Archelaou St. GR-65403	+30 2510 622500	+30 2510 225216
KOMOTINI	2 Agiou Georgiou St. & Irinis Sq. GR-69100	+30 25310 27079	+30 25310 27088
KOZANI	3-5 Tsontza St., GR-50100	+30 24610 54000	+30 24610 28785
SERRES	27 Merarchias St., GR-62122	+30 23210 51035	+30 23210 58744
THESSALONIKI			
VAS. OLGAS ST.	205 Vas. Olgas St., GR-54646	+30 2310 422101	+30 2310 422587
DIAVATA	124 K. Karamanli St., GR-57008	+30 2310 788810	+30 2310 788830
THERMI	2 Paramana Sq., GR-57001	+30 2310 465300	+30 2310 465893
KALAMARIA	16 Metamorphoseos St., GR-55131	+30 2310 428306	+30 2310 418558
SOFOU AVE.	1 Sofou Ave. & 25 Dodekanisou St. GR-54626	+30 2310 385500	+30 2310 518687
MITROPOLEOS ST.	58 Mitropoleos St. & Vogatsikou St. GR-54622	+30 2310 264554	+30 2310 231719
N. EGNATIA	145 K. Karamanli St. GR-54249	+30 2310 325327	+30 2310 325231
PYLEA	9 <sup>th</sup> km Thessaloniki – Moudania Road, 8a Halkis St., Pylea, GR-55501	+30 2310 802050	+30 2310 028510
STAVROUPOLI	301 Langada St., GR-56430	+30 2310 649528	+30 2310 649536
TSIMISKI ST.	136 Tsimiski St., GR-54621	+30 2310 252180	+30 2310 244429

VERIA	21 Venizelou St. & Megalou Alexandrou St. GR-59100	+30 23310 66824	+30 23310 66821
XANTHI	10 Vas. Georgiou & Pavlou Sq. & Panagi Tsaldari St., GR-67100	+30 25410 84000	+30 25410 68754

## Rest of Greece Network

BRANCH	ADDRESS	TEL. NO.	FAX
AGRINIO	29 Harilaou Trikoupi St. & Makri St. GR-30100	+30 26410 23225	+30 26410 23780
CHIOS	62 Aplotarias St., GR-82100	+30 22710 84300	+30 22710 24062
CORINTH	44 Koliatsou St., GR-20100	+30 27410 80904	+30 27410 80905
CHALKIDA	43A Eleftheriou Venizelou St., GR-34100	+30 22210 63050	+30 22210 76771
CHANIA	31-33 Kriari St., GR-73135	+30 28210 83046	+30 28210 88854
HERAKLION, CRETE	10 Evans St., GR-71201	+30 2810 225918	+30 2810 244417
HERAKLION, CRETE DIMOKRATIAS AVE.	81 Dimokratias Ave., GR-71306	+30 2810 214402	+30 2810 239594
KALAMATA	Sidirodromikou Stathmou St. & 7 Antonopoulou St., GR-24100	+30 27210 67030	+30 27210 23864
KATERINI	19 Maiou St. & N. Dika St. GR-60100	+30 23510 49820	+30 23510 24390
LAMIA	Parkou Square GR-35100	+30 22310 45790	+30 22310 45480
LARISSA	36 Kyprou St. & Androutsou St. GR-41222	+30 2410 537455	+30 2410 537456
LIVADIA	9 Boufidou St. GR-32100	+30 22610 81992	+30 22610 81996
PATRA	48 Vas. Georgiou I Square. GR-26221	+30 2610 242730	+30 2610 271665
PYRGOS	11 Patron St. & Kastorchis St. GR-27100	+30 26210 36800	+30 26210 36010
RETHYMNON	127 Kountourioti Ave. GR-74100	+30 28310 21660	+30 28310 27434
RHODES	Averof St. & 17-19 Palama St., GR-85100	+30 22410 44560	+30 22410 20692
TRIKALA	63-65 28th Oktovriou St., GR-42100	+30 24310 79240	+30 24310 79390
VOLOS	227 Dimitriadou St., GR-38221	+30 24210 23384	+30 24210 25710



**10** | 2011  
Annual Financial Report



**ANNUAL FINANCIAL REPORT**

**For the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2011**

**(In accordance with Law 3556/2007)**



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## **I. STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS**

To the best of our knowledge and belief, it is stated that:

- The Annual Financial Statements of "ATTICA BANK S.A." and the Group for the year ended on 31<sup>st</sup> December 2011, have been prepared according to the current accounting standards and present fairly the assets and liabilities, the equity as well as the income statement of the Bank and the entities that are included in the consolidation.
- The annual Director's report, presents fairly the progress, the performance and the financial position of the Bank as well as the entities that are included in the consolidation, including a description of the main risks and uncertainties that are faced.

Athens, 19 April 2012

**For the Board of Directors**

**THE CHAIRMAN OF THE BOARD  
& CHIEF  
EXECUTIVE OFFICER**

**THE VICE PRESIDENT OF THE  
BOARD**

**THE MEMBER OF THE BOARD**

**IOANNIS P. GAMVRILIS  
I.D. No AZ 995770**

**ARGYRIOS G. ZAFEIROPOULOS  
I.D. No AZ 048313**

**ATHANASIOS E. PRESVELOS  
I.D. No AH 554151**

## **II. BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT (According To L. 3556/2007)**

### **INTRODUCTION**

Dear Shareholders,

In compliance with the requirements of the CL 2190/1920, Article 43<sup>a</sup> par. 3 & 4, Article 107 par. 3 and Article 136 par. 2, as well as in compliance with the requirements of the Law 3556/2007, Articles 4c, 6, 7 & 8 and following the decision of the Capital Market Commission 4/507/28.04.2007, Article 2 and the Articles of Incorporation of the Bank, we are submitting to you the Annual Report of the Board of Directors for the closing year of as from 1/1/2011 to 31/12/2011, which comprises the audited individual and consolidated financial statements, the explanatory notes to the financial statements and the Auditors' Report. The current report gives a brief description of information concerning the Group and the Bank ATTICA BANK S.A., financial information for the purposes of general information of the shareholders and investors on the financial position and results, the total course and the changes arising within the closing corporate year (1/1/2011-31/12/2011), significant events that took place and their impact on the financial statements for the year. The report also describes the main risks and uncertainties that can be faced by the group and the bank in the future and presents the most material transactions carried out between the banks and related parties.

Notwithstanding the unprecedented conditions that the financial crisis has created and forced the country to the Funding Mechanism, as well as the intense economic recession of the Greek Economy, combined with the global uncertainty, the Attica Bank Group managed to shelter its capitals and maintain "healthy" figures. The Bank, following the conservative policy of recent years, maintained the ratios of non-performing loans below the average rate of the Greek Banking System and the coverage ratio of the provisions over the non-performing loans at the level of 45%, higher than the respective ratio of the Greek Banking System.

The Group retains strong capital adequacy that has been formed as that of 10.7% and the Core Tier I ratio was 8.7%. The regulatory capital of the Group stands at € 350.6 million.

Lending exposure for 2011 decelerated per 4.27%, while loans' balances amounted to € 3.73 billion. Group's profitability has been affected by the negative economic environment and the Greek Economy recession. Profit before tax amounted to € 254.5 million for the Bank compared to € 2.03 million in 2010. Group's losses before tax amounted to € 249.8 million compared to € 3.07 million in 2010. Loss after tax and before special tax liens for the Bank amounted to € 253.4 million, compared to € 4.5 million in 2010. The corresponding amount for the Group is € 249.8 million, compared to € 4.2 million in 2010.

Total comprehensive income, in which the impairment of the Greek Government Bonds value and the valuation of the investment portfolio, the actuarial gains / (losses) from the defined contribution plans of the Bank € (266.9) million for the Bank compared to € (57.4) million in 2010. The corresponding amount for the Group is € (263.2) million compared to € (57.2) in 2010. The resulted losses during 2011 are due to the impairment on the G.G.B. value arisen to almost € 142 million, as well as the high provisions for doubtful loans amounted to almost € 100 million that took place during 2011.

Particular attention was paid to loan portfolio management and its quality maintenance at high levels. That was the reason that gave rise to some organizational changes as far as the structure of the services rendered by the Bank is concerned. This also shaped the Group's policy of clients' assessment and approval of new loans, given the conditions created by the current economic crisis and the intense economic recession.

The next few years, the banking sector will get restructured to such an extent, in order to meet the new conditions that the financial crisis and the continuous economic recessions had created to the Greek Economy. Within this context, the reorganization of the bank in order to

adapt to the new environment is necessary. In this effort, the main shareholder, the management, the employees and the customers, collaborate so that Attica Bank to be shielded at all levels and emerge from the crisis stronger.

The main goals for the forthcoming periods is the maintenance of strong capital adequacy, satisfactory liquidity, strategic portfolio management, constraint of operating costs, the support of real economy and the willingness to sub serve clients through Bank's participation in programs falling within the principles of corporate social responsibility and culture as well as the further strengthening of the cooperation with the Engineers and Public Constructors Pension Fund members (E.T.A.A –T.S.M.E.D.E.), that constitutes one of the main shareholder of the Bank, aiming in clientele basis expansion and to provide them more quality services.

For capital strengthening purposes, the Bank's management has prepared all the possible scenarios and early decisions have been taken, regarding the courses of actions, which are analyzed in note 2.2 of the Annual Financial Statements.

## **A. FINANCIAL DEVELOPMENT AND PROGRESS OF THE FISCAL YEAR**

### **Key Indices and Results of the Bank**

Specifically, for the year ended on 31.12.2011, the key indices and results of the Bank as well as their changes were formed as follows:

The total assets of the Bank amounted to € 4,182 million, decreased by 12.52% compared to the twelve month period of 2010.

The total loans and advances to customers (loans and corporate bond loans), before provisions for impairment of loan losses, amounted to € 3,725.7 million, decreased by 4.27% compared to the twelve month period of 2010. The table below presents the loans and advances to customers of the Bank:

<i>(in million € )</i>	<b>31/12/2011 (1)</b>	<b>31/12/2010 (2)</b>	<b>Change % (1)/(2)</b>
<b>LOANS</b>	<b>3,141.2</b>	<b>3,339.97</b>	<b>-5.95%</b>
From which:			
- Consumer loans	233.7	246.5	-5.18%
- Credit cards	55.7	60.8	-8.40%
- Mortgages	573.7	596.6	-3.84%
- Leasing	305.1	292.6	4.28%
<b>CORPORATE BOND LOANS</b>	<b>584.5</b>	<b>552.03</b>	<b>5.89%</b>
<b>TOTAL LOANS</b>	<b>3,725.7</b>	<b>3,892.0</b>	<b>-4.27%</b>

- The amount of deposits amounted to € 3,102.7 million decreased by 6.86% as compared to previous year.
- Impairment charge for loans and advances to customers amounted to € 99.42 million, increased by 133.8% compared to 2010, while the cumulative balance amounts to € 256.8 million and it is estimated that it over covers bad and doubtful loans. It is noted that during the current year the Bank, while continuing the portfolio improvement policy, proceeded to loan write offs, amounting to € 24.9 million. Impairment cumulative balance covers 53% of non-performing loans. Taking into account the collaterals of the loans, the non-performing loan coverage ratio exceeds the 100%. The coverage ratio of past due loans above 90 days (IFRS 7) reached 45%, demonstrating the constant policy that the Bank has adopted the last few years. The Group, taking under consideration the poor market conditions and the unfavorable conditions created, continued the constant provisioning policy of the last few years, within the active risk management, with the provision ratio formed at 263 b.p. for the twelve month period of 2011.
- The ratio of past due loans above 180 days over the total loan balance is 12.8% as at 31st December 2011 compared to 8.5% in 2010.



- Net interest income amounted to € 96.4 million showing an decrease of 15.86% compared to 2010.
- Net income from commissions reached to € 15.12 million decreased by 44.81% compared to last year.
- Profit/Loss from financial activities, including the valuation of the IRS of the securitization of mortgage loans, present a loss of € 1.07 million in 2011, while in the year 2010 presented a profit of € 2.66 million. If the valuation of the derivative on the securitization of mortgage loans is excluded, the profit/loss from financial activities results in a profit of € 2.49 million compared to profit of € 3.33 million in 2010.
- The total income from operating activities amounted to € 110.8 million, reduced by 26.12% compared to 2010.
- Personnel expenses amounted to € 64.6 million, without significant change compared to 2010. Particularly, it should noted the descending of the wage costs that will be demonstrated in the financial statements of 2012.
- General operating expenses, excluding the provisions for operational risks, amounted to € 35.2 million, showing a small change of almost 7% compared to 2010. If the provisions for general risks have been included, the balance arises to € 40.5 million, showing an increase of almost 18%.

### **Key Indices and Results on Consolidated Basis**

Key indices and results of Attica Bank Group during 2011, is as follows:

- The total assets of the Group amounted to € 4,175.9 million, decreased by 12.46% compared to the year 2010.

<b>Results on consolidated basis</b>			
<i>(In thousand €)</i>	<b>12M 2011</b>	<b>12M 2010</b>	<b>Change %</b>
Net Interest Income	97,152.81	115,010.62	-15.53%
Net Fee and Commission Income	19,857.73	31,623.22	-37.21%
Gain/(Loss) from Financial Activities	2,485.59	3,314.68	-25.01%
Other Income	216.74	4,466.96	-95.15%
<b>Operating Income</b>	<b>119,712.87</b>	<b>154,415.48</b>	<b>-22.47%</b>
Personnel Expenses	66,309.66	65,988.21	0.49%
General Operating Expenses (excluding provisions and depreciations)	36,947.98	34,284.13	7.77%
Income from Investments in Associates	535.55	474.12	12.96%
<b>Total Operating Expenses</b>	<b>103,793.18</b>	<b>100,746.46</b>	<b>3.02%</b>
<b>Profit Before Impairment &amp; Depreciation</b>	<b>10,632.05</b>	<b>52,202.93</b>	<b>-79.63%</b>
Depreciation	6,863.75	6,610.42	3.83%
Allowance for impairment losses	253,568.77	42,524.14	496.29%
Other Provisions	5,287.64	1,466.09	260.66%
<b>Profit / (Loss) before taxes</b>	<b>-249,800.46</b>	<b>3,068.38</b>	<b>-</b>
<b>Profit / (Loss) after Taxes</b>	<b>-249,767.53</b>	<b>-5,743.55</b>	<b>-</b>
<b>Total Comprehensive Income for the period net of tax</b>	<b>-263,207.46</b>	<b>-57,171.06</b>	<b>-</b>

- The basic earnings (losses) per share amounted to € (1.0529), compared to € (0.0546) in 2010.

The results before and after tax, of the companies that compose the Group, are presented in the following table:

Company	Profit/(loss) before income tax (in thousand €)		Profit/(loss) after taxes and minority interest (in thousand €)	
	12M 2011	12M 2010	12M 2011	12M 2010
Attica Bank S.A.	-254,497.80	2,025.14	-253,442.59	-5,996.99
Attica Wealth Management Mutual Funds Management S.A.	10.99	413.41	3.79	271.85
ATTICA FINANCE A.E.P.E.Y	13.80	-9.12	6.07	-1.12
Attica Ventures S.A.	171.15	136.94	101.52	74.49
Attica Funds PLC	91.00	97.30	68.04	73.43
Attica Bancassurance Agency S.A.	675.35	1,316.20	538.29	942.08
Zaitech Innovation Venture Capital Fund	-535.55	-474.12	-535.55	-474.12
Attica Bank Properties S.A.	303.02	137.45	231.68	101.09
Stegasis Mortgage Finance plc	3,559.42	664.45	2,847.53	504.98

### **Basic Financial indices of the Bank and the Group**

In the following table, basic financial indices are presented that analyze the asset quality, earnings as well as the administrative policy, as extracted from financial statements for the period ended on 31.12.2011 with the corresponding comparative indices the year ended in 2010 on individual as well as on consolidated basis.

These indices indicate the priority and the importance that the Bank's administration gives to credit risk management, cost control and more effective use of capital. **Particularly, it is worth mentioning the formation of the core capital adequacy ratio to high levels, given the very difficult financial conditions for the banking sector.**

	BANK		GROUP	
BALANCE SHEET RATIOS	2011	2010	2011	2010
Due to customers/ Loans and Advances to customers (before impairment)	83.28%	85.59%	82.93%	85.23%
Due to customers / Total Assets	74.19%	69.68%	73.99%	69.54%
Loans and advances to customers (net of impairment)/Total Assets	82.95%	77.60%	83.07%	77.77%
Total Equity/Total Assets	6.07%	10.89%	6.21%	10.95%
Total Equity/ Due to customers	8.18%	15.63%	8.39%	15.75%
MANAGEMENT POLICY RATIOS				
Total operating expenses less impairment /Total Assets	2.51%	2.07%	2.60%	2.13%
Operating expenses before impairment/Total operating income	94.90%	65.89%	90.67%	65.89%
Operating expenses before impairment /Average amount of Total Assets	2.37%	2.03%	2.45%	2.09%
Gross operating profit excluding interest/Average amount of Total Assets	0.32%	0.73%	0.51%	0.81%
PORTFOLIO QUALITY RATIO				
Allowance for impairment losses /Doubtful and past due loans to customers	66.39%	61.54%	66.39%	61.54%
Doubtful and past due loans/ Advances to customers (before impairment)	10.38%	7.61%	10.38%	7.61%
TIER 1 RATIO	8.6%	16.4%	8.7%	16.4%
CAPITAL ADEQUACY RATIO	10.6%	19.0%	10.7%	19.0%

**Events that took place during the fiscal year and had a significant effect on the financial statements****A) Dividend distribution of 2011**

According to the provisions of the recent Law (3723/2008 and 3756/2009) "On the enhancement of the liquidity of the economy", Banks participating in this plan are not allowed to distribute dividends in the form of common shares, but only in the form of shares, excluding treasury shares. Total dividends paid cannot exceed 35% of distributable profits. In the absence of distributable profits for the year 2011, the Bank will not proceed to dividend distribution on both common and preference shares.

**B) Treasury Shares**

The Bank as at 31<sup>st</sup> December 2011 held 52,482 treasury shares at a total cost of EUR 97,332.30. These shares represented 0.0214% of its total number of common shares as at 31.12.2011. No other company of the Group held shares of Attica Bank at 31<sup>st</sup> December 2011.

**C) Impairment of Greek Government Bonds portfolio (G.G.B.)**

Attica Bank participated in the voluntary Greek Government Bonds exchange plan (PSI), exchanging the bonds in its portfolio of total nominal value of € 200,843,000.00 for the Group and € 200,103,000.00 for the Bank. These bonds have been all issued under the Greek Law and the Bank did not hold in its portfolio any bonds governed by any foreign law.

These bonds have been valued based on the rule of the estimated present value of the new bonds, under which it was calculated the impairment rate of 71.6% over the nominal value of the existing bonds.

The resulted impairment loss amounted to € 142 million and is stated in the account described as "Provision for Credit Risks", that is included in the profit and loss statement of the financial statements for the year ended at 31/12/2011.

**B. SIGNIFICANT EVENTS****Significant events subsequent to 31<sup>st</sup> December 2011****A) Exchange of Greek Government Bonds (G.G.B.)**

According to the decisions of the EU Summits that took place in 21<sup>st</sup> July 2011 and 26<sup>th</sup> October 2011, the Greek Government Bonds exchange plan on a voluntary basis (PSI), has been completed at 12<sup>th</sup> March 2012 by crediting the respective accounts of the Bank with the new bonds. Based on this plan, where the Bank participated in, bonds of total nominal value of € 200,843,000.00 for the Group and € 200,103,000.00 for the Bank, have been exchanged with new bonds as follows:

- a) New Greek Government Bonds of nominal value equal to 31.5% of the nominal value of the old bonds and maturing from the year 2023 to the year 2042.
- b) Securities issued by the European Financial Stability Fund (EFSF) with expiration date up to 2 years, with a nominal value equal to the 15% of the nominal value of existing bonds.
- c) Securities issued by the Hellenic Republic whose value is deemed equal to the nominal value of the new bonds.

The interest rates of the new bonds have a weighted average yield of 3.83% for the 30 years period, while as it concerns the securities that have been issued by the EFSF, the interest rates stood at 0.4% for instruments with a maturity of 1 year and 1% for instruments with a maturity of 2 years.

The participation in the exchange of Greek Government Bonds, and after the activation of the collective action clauses, was very high, reaching the levels of 95%. The activation of the collective action clauses forced the ISDA to consider the CAC's activation as a credit event, that in turn, it triggered the credit default swaps (CDS).

For the bonds that are governed by foreign law, the exchange will be completed in April 2012. According to the estimations, the total participation in the Hellenic Republic debt exchange program is expected to approach the 100%.

### **C. RISKS AND UNCERTAINTIES**

#### **Description of the most significant risks and uncertainties**

Risks and uncertainties related to the Bank's operations are further affected by the significant fiscal problems that the Greek State faces that forced the country to the Funding Mechanism as well as the intense economic recession of the Greek Economy. These conditions have had an adverse effect on real economy slowing down growth rates, increasing doubtful loans and receivables and reducing credit expansion to both corporate and retail sector.

As mentioned before, in order to face the existing conditions, and strengthen its capital adequacy, the Bank has proceeded to reinforcement of its impairment for loans and advances to customers, adoption of stricter lending criteria and implementation of measures contributing to increase in productivity and operating cost maintenance.

At the same time, the Bank continues to implement and improve the measures aimed at monitoring of the most significant risks pertaining to its operations.

#### **Description of the most significant risks**

##### **Credit Risk**

Credit risk is the risk that the Bank will suffer losses in case its counterparties are unable to pay amounts in full when due. The risk in question mainly arises from loans, collaterals and cash management.

For the purpose of better management of the credit risk, there is a constant reassessment of the Bank credit policies and monitoring of compliance of the corresponding service departments with the above policies.

Main attention is paid to portfolio quality assessment in the domain of corporate loans as well as in the domain of consumer loans and mortgages. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on quality and quantity criteria, the credit risks involved are evaluated and faced in a timely and efficient way.

As far as consumer loans are concerned, the system of customers' creditworthiness evaluation - credit scoring - that covers the credit cards and credit products is implemented.

As far as corporate loans are concerned, there are taken into account the external credit evaluations of the ICAP Group S.A. recognized by the Bank of Greece following the decision 262/8/26.6.2008. The particular way of assessment classifies the companies into creditworthiness rating categories, thus assisting sound evaluation in view of the undertaken risk.

The Bank gives material priority to development of internal risk evaluation tools based on particular characteristics per type of financial spread. This effort is correlated with the requirements defined in the regulatory frame of capital adequacy calculation for the banks (Basel II).

### **Market Risk**

Market Risk is the risk of losses arising because of adverse changes in the value of financial instruments due to changes in equity prices, interest rates, foreign exchange rates, commodity prices or other market factors.

The Bank has established internal procedures for the negotiation margin pertaining to market risk control. In case of financial acts concerning the products not included in the outstanding procedures of the Bank, there is required the approval of the Assets Liabilities Committee (ALCO).

Transaction portfolio includes investments held for trading. The items in question comprise securities purchased for the purposes of direct profit arising from short term increases/decreases of prices.

The Bank creates relatively small positions in transaction portfolio and therefore, the undertaken market risk is low.

Management of foreign exchange risk, interest rate risk and stock exchange prices risk concerning the items included in transaction portfolio is carried out by the Bank in collaboration with the subsidiary company of the Group "Attica Wealth Management Mutual Funds Management S.A." For the purposes of foreign exchange risk management as well as other market risks management there has been set a limit framework approved by ALCO. The above framework comprises nominal limits (per currency, total, intraday, end-of-day), profit-loss limits and VAR.

Management of foreign exchange risk is common as concerning transaction portfolio and banking portfolio.

Moreover, at regular intervals, the Banks proceeds in stress tests and sensitivity analyses of the change of portfolio financial value to be applied to various scenarios of interest rates fluctuations. Such an analysis takes into account the interest rate changes as well as whether the portfolio items are listed in developed or developing markets.

### **Interest Rate Risk of Investment Portfolio (Banking Book)**

The Investment portfolio risk arises from readjustment to interest rates of the Bank assets and liabilities.

Measurement of interest rate risk is carried out at least on a monthly basis. Two basic methods used by the Bank for interest rate risk management in the banking book are as follows:

- **Interest Rate Gap:** The Bank monitors interest rate gaps per time periods and as a total. Assets and liabilities are classified through various periods as in compliance with interest rate readjustments. The interest rate gap per period is the balance between assets and liabilities at a certain period of time.
- **Sensitivity analysis of changes in net income arising from interest rate changes:** the Bank monitors the interest rate risk through sensitivity analysis of net interest rate income applying various scenarios of interest rate changes.

### **Liquidity Risk**

Liquidity risk is the risk that the Group's earnings, capital and assets will decrease in case the Bank is unable to fully meet payment obligations and potential payment obligations when they fall due because of lack of liquidity.

The objective of the Group through liquidity risk management is to ensure, to the best possible extent, the availability of satisfactory liquidity level so that it could meet its payment obligations, including the due course obligations and those that arise in extreme circumstances without incurring major additional costs.

The Bank gives priority to customers' deposits and tries to maintain them as the major source of finances through the policy it applies.

### **Operational Risk**

An operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The scope of operational risk includes the risks arising from the legal coverage of the Bank issues as well as broader application of regulatory frameworks.

## **D. FUTURE OUTLOOK**

### **Prospects**

Based on the current economic environment which is characterized by the significant fiscal problems of the Greek state and the intense economic recession of the Greek Economy, the basic priorities of Attica Bank Group for the following year are the following:

- Loan management portfolio

Ensuring the quality of loan portfolio by improving the management procedures of past due loans and realization of collaterals. The policy followed by the Group during the recent years has been successful and the reorganization that continued during 2011, contributes in providing further protection to the Group regarding the current conditions.

- Operating cost limitation

Further decrease of the operational costs for the next year.

- Liquidity Management

The active management of the Group's liquidity as this will be formed after the completion of the Greek Banks recapitalization plan and the share capital increase that will take place for the Bank.

- High capital adequacy ratio

Capital adequacy ratio as well as the Core Tier I ratio are already some of the highest in the Banking sector and the Group's objective is to retain this level.

- Collaboration with members of the Engineers and Public Constructors Pension Fund

The Bank will emphasize on expanding its clientele basis by proceeding to collaborations with the Engineers and Public Constructors Pension Fund members, which represent its main shareholder and the exploitation of the comparative advantage arising from the ownership scheme in order to benefit both sides. *Attica Bank aims to strengthen its*

*presence in the banking sector as a specialized and flexible bank that based on its expertise and its distinguishable friendliness in the cooperation with its clients, to contribute effectively to the attempt of the restoration of the Greek economy.*

- Support of real economy and sub-serving clients

The support of real economy and the sub serving of clients through Bank's participation in programs is falling within the principles of corporate social responsibility and culture.

### **E. Transactions with related parties**

All transactions with related parties have been carried out within the usual frame of the Group's operations on purely commercial basis. The aforementioned transactions which are separated in transactions with associates and transactions with members of the management are as follows for the period ended 31.12.2011:

### **TRANSACTIONS WITH ASSOCIATES**

#### **1. Receivables**

<b>Company</b>	<b>Attica Bank's Participation as at 31.12.2011</b>	<b>Participation percentage</b>	<b>Derivative</b>	<b>Income Receivable</b>	<b>Collaterals</b>	<b>Rents</b>
Attica Wealth Management Mutual Funds Management S.A.	2,326,059.00	100.00%				
Attica Ventures S.A.	599,960.00	99.99%				
Attica Finance S.A.	1,699,564.80	55.00%				
Attica Funds Plc.	20,950.26	99.99%				
Attica Bancassurance Agency S.A	99,900.00	99.90%				188.22
Attica Bank Properties S.A.	7,060,000.00	100.00%		26,594.17		
Zaitech I Innovation Venture Capital Fund	15,851,591.46	50.00%				
Zaitech II Innovation Venture Capital Fund	4,294,100.00	92.00%				
Stegasis Mortgage Finance plc			819,284.49		13,284,418.92	
<b>Total</b>	<b>31,952,125.52</b>		<b>819,284.49</b>	<b>26,594.17</b>	<b>13,284,418.92</b>	<b>188.22</b>

**2. Payables**

Company	Bond Loan	Term Deposits	Sight Deposits	Expenses Payable
Attica Wealth Management Mutual Funds Management S.A.		2,250,000.00	28,977.40	20,023.62
Attica Ventures S.A.			1,019,364.99	
Attica Finance S.A.		1,810,000.00	37,316.85	
Attica Funds Plc.	94,428,408.59			
Attica Bancassurance Agency S.A			716,032.75	
Attica Bank Properties S.A.		6,900,000.00	52,279.79	380,745.14
E.T.A.A. - T.S.M.E.D.E.		350,000,000.00	24,003,700.90	
<b>Total</b>	<b>94,428,408.59</b>	<b>360,960,000.00</b>	<b>25,857,672.68</b>	<b>400,768.76</b>

**3. Income**

Company	Rents	Commissions
Attica Wealth Management Mutual Funds Management S.A.	11,237.34	1,514.23
Attica Ventures S.A.	5,583.86	
ATTICA FINANCE A.E.Π.E.Y	111.08	
Attica Funds PLC		
Attica Bancassurance Agency S.A	1,243.20	100,000.00
Attica Bank Properties S.A.	5,801.60	257.28
<b>Total</b>	<b>23,977.08</b>	<b>101,771.51</b>

**4. Expenses**

Company	Service Provision	Derivative	Bond Loan Interests	Interest Payable on Deposits
Attica Wealth Management Mutual Funds Management S.A.	52,885.35			102,932.35
Attica Ventures S.A.				45,989.28
Attica Finance S.A.				100,852.96
Attica Funds PLC			3,825,345.91	
Attica Bancassurance Agency S.A				8,174.17
Attica Bank Properties S.A.	996,762.35			299,586.80
Stegasis Mortgage Finance plc		3,559,418.50		
E.T.A.A.T.S.M.E.D.E.				4,051,914.21
<b>Total</b>	<b>1,049,647.70</b>	<b>3,559,418.50</b>	<b>3,825,345.91</b>	<b>4,609,449.77</b>

**TRANSACTIONS WITH MEMBERS OF THE MANAGEMENT**

	<b>BANK</b>	<b>GROUP</b>
Loans	414,986.12	673,603.98
Deposits	2,616,430.37	2,639,027.36
Interest Received	16,325.57	26,423.81
Interest Paid	9,444.46	9,639.05
Wages and salaries	603,784.95	1,297,137.29
Directors' fees	167,193.68	302,260.70

**F. EXPLANATORY REPORT ART. 4, par. 7&8, LAW 3556/2007**

The current explanatory report of the Board of Directors (in compliance with Article 4 of the Law 3556/2007), to the Regular General Assembly of the shareholders comprises information outstanding as at 31.12.2011.

**a. Share capital**

The total share capital of the Bank amounts to € 185,909,950.45 and is subdivided into a) 244,885,573 common, registered shares of nominal value € 0.35 each and b) 286,285,714 preferred shares, of nominal value € 0.35 each.

Common shares are listed on Athens Stock Exchange. The Bank's shares are common nominal shares with voting rights. Each Bank share incorporates all the rights and obligations defined by the Legislation and the Articles of Incorporation of the Bank that does not contain requirements other than those prescribed by the Legislation. Listing of a new person as a shareholder in the ASE Registry assumes compliance with the Articles of Incorporation of the Bank as well as legal decisions made by the Bank's regulatory bodies. The shareholders liability is defined by the nominal value of shares at their disposal and they participate in the Bank's management and profit distribution as in compliance with the requirements of the Legislation and the Articles of Incorporation of the Bank. Rights and obligations arising from each share are outstanding pertaining to every general or special share successor. Shareholders participate in management, distribution of shares and distribution of the Company's assets in case of its liquidation as in compliance with the number of shares they hold and according to the Legislation and the requirements of the articles of Incorporation. Shareholders exercise their rights pertaining to the Company Management through General Assemblies in compliance with the Legislation.

Preference shares are purchasable, bearing voting rights and are under the jurisdiction of the Greek Government according to Law 3723/2008. They are not listed on the Stock Exchange, are not quoted in active markets and are issued in accordance with the provisions of L.3723/2008, on the enhancement of the liquidity of the economy for the management of the consequences of the international financial crisis.

**- Treasury shares**

As at 31/12/2011, the Bank held 52,482 treasury shares of € 97,332.30. These shares represent the 0.0214% of the common shares at the same date. The rest companies of the Group included in the consolidation did not hold any shares of the Bank at 31/12/2011.

According to Article 28 of Law 3756/2009 «Intangible Securities System, concerning capital markets, tax and other provisions», all banks participating under the terms of the liquidity plan of the Ministry of Economy and Finance of Law 3723/2008, are not allowed to buy treasury shares during the period of their participation in the program. For this reason, the last purchase of treasury shares took place on 18/2/2009 and since then there was no other change to the number of them.

According to decision 1/503/13.3.2009 of the Board of Directors of the Capital Market Commission, the purchase of own shares and their holding with a view to a future share acquisition of another company is considered as an acceptable market practice.

**b. Limitations to the Bank's share transfer**

Transfer of the Bank's shares is carried out as prescribed by the Law and there are no limitations stated in its Articles of Incorporation.

**c. Significant direct and indirect participating interests within the definition of the requirements of the PD 51/1992.**

Significant direct participating interests in the share capital of the Bank within the definition of the requirements of Articles 9-11 of the Law 3556/07 as at 31/12/2011 were as follows:

	<b>Shares</b>	<b>Participation %</b>
E.T.A.A. / T.S.M.E.D.E.	104,977,134	42.868%
TT Hellenic Postbank	54,932,991	22.432%
The Loans and Consignments Fund	47,223,755	19.284%

**d. Holders of any kinds of shares providing special control rights**

There are no holders of any kinds of shares providing special control rights.

**e. Limitations to voting right**

There are no limitations to voting right.

**f. Agreements among the shareholders of the Bank**

To the best of the Bank's knowledge, there are no agreements among the shareholders of the Bank that do not fall within the limitations to transfer of shares/exercise of voting rights.

**g. Regulations on appointment and replacement of the members of the Board of Directors and amendments to the Articles of Incorporation.**

There are no regulations on appointment/replacement of BoD members or amendments to the Articles of Incorporation that do not fall with the Law 2190/1920.

**h. Authorization of the Board of Directors or certain members for issuance of new shares or acquisition of treasury shares.**

Authorization for the issuance of shares exists only under the conditions of Article 6 of the Statute of the Bank.

As it concerns the treasury shares, according to Article 28 of Law 3756/2009 «Intangible Securities System, capital markets regulations, tax and other provisions», all banks participating in the liquidity enhancement plan of the Ministry of Economy and Finance, are not allowed to buy treasury shares during the period of their participation in the program. For this reason, the Bank has not either any treasury shares purchase program in progress or bought any treasury shares during 2011.

**i. Material agreement made by the Bank that is effective, amended or ceases in case of the Bank control change following a public offer the results of which, if any, due to its nature, should the agreement be publicized, will incur heavy losses on the Bank.**

There is no agreement that, should it become effective, will amend or ceases in case the company changes control due to a public offer.

**j. Any agreement made by the Bank with the members of the Board of Directors or with the members of the personnel, foreseeing reimbursement in case of resignation or dismissal without sound reason or end of service or employment due to a public offer.**

There are no agreements with the BoD members/personnel members pertaining to reimbursement in case of resignation/dismissal without sound reason due to a public offer.

#### **Corporate Governance Report for the year 2011**

The Board of Director's Annual Management Report includes the Corporate Governance Report in accordance with Law 3873/2010.

Specifically:

**A.** The Bank operates within the framework of the "**ATTICA BANK S.A. Internal Regulation of Corporate Governance & Operation**", which is posted on the Bank's website ([www.atticabank.gr](http://www.atticabank.gr)).

**B.** The corporate governance practices, which are implemented by the Bank, are in accordance with the provisions of the laws and make reference to the "**ATTICA BANK S.A. Internal Regulation of Corporate Governance & Operation**".

The Bank has prescribed in accordance to the current Legislative and Regulative Framework the "**ATTICA BANK Code of Conduct and Ethical Behavior**" that includes the Internal Regulation and the Policies of Attica Bank and under which the Bank operates and the Management and all personnel of the Bank exercise their duties. The General Principles that are prescribed in the Code of Conduct and Ethical Behavior are based on the Principles of Corporate Governance and establish the values of integrity, fairness, professionalism, transparency, social and environmental responsibility, respect of human rights, direct and positive response, team work and accountability for conformation.

In addition, the Bank has prescribed the "**ATTICA BANK Remuneration Policy**" aiming at the enhancement of its long-term economic value and the protection of its general corporate interest; facilitating the business planning in accordance to the policies for risk undertaken and contributing to the approximation of Management individual interests and interests of all Groups counterparts with the Bank's interests. For the accomplishment of its duties, the Board of Directors has prescribed the above Policy, to which its members, the management, the executives of the Bank and the Subsidiaries Companies and all personnel of the Group including external Consultants and Experts are committed. Note that the valid Bank's remuneration policy as it has been formed in compliance with the Circular No. 7/2010 of the Bank of Greece, regarding the establishment and implementation remuneration policies by the credit and financial institutions, is currently under development in order to incorporate the provisions of PD/TE 2650/19-1-2012 (which abolished the prior Circular of the Bank of Greece) and to ensure the compliance with the provisions.

### **C. Internal Control System**

The development and continuous improvement of the Internal Control System (ICS) is one of the main concerns of the Bank. The ICS consists of a set of sufficiently defined and detailed documented audit mechanisms and procedures, embodies the best principles of Corporate Governance and covers in a continuous basis every activity and transaction of the Bank, contributing to its efficient and secure operation.

The establishment of the ICS aims explicitly at:

- the consistent realization of the Bank's and the Group's business strategy using efficiently the available resources;
- the recognition and mitigation of potential or undertaken risks.;
- the safeguard of the completeness and reliability of the information necessary for the reporting of Financial Statements according to the IAS and generally for the precise and prompt determination of the financial position of the Company;
- the conformation of the Bank's operation with the standing legislative and normative provisions as well as with the provisions of the policies and procedures the Bank has established;
- the safeguard of Bank's property, the single and systematic safeguard of Bank's customers property and the safeguard of the interests of the Bank, its shareholders and the parties dealing with it;
- the constant review of the tasks and the activities outsourced in accordance with the statutory provisions of the Outsourcing Policy of the Bank;
- the conduction of periodic or extraordinary audits from the in charge units of the Group's Internal Audit Sector, in order to verify the prompt application of the statutory regulations and procedures by all Units of the Bank, enabling the development of self-assessment methods from the Service Units.

The Board of Directors evaluates on an annual basis the adequacy and efficiency of the ICS and plans the actions for its improvement taking under consideration the findings, remarks and suggestions of the Audit Committee that have risen from the audit work of the Internal Control Dpt. The Audit Committee submits on an annual basis a report for the adequacy and efficiency of the ICS. The assessment of the adequacy of the ICS is assigned on a regular basis and at least every three years to certified auditors other than the regular ones.

The related assessment report is communicated to the Bank of Greece in the first semester of each year ending in the end of the aforementioned three year period.

The ICS of the Bank is supported by an integrated Management Information System (MIS), as required by the current institutional framework, whose operation ensures the homogeneous collection and treatment of information according to the recorded procedures as well as ensuring the precision, reliability, completeness and prompt provision of the information and as a result, ensuring the effective, prompt and valid information of the Bank's management. The Bank places great emphasis on the design and continuous development of the MIS, the effectiveness of which is considered as necessary for the decision making related to the mitigation of the risks undertaken.

### **Audit Committee**

The Audit Committee (AC) was established according to Law 3016/2002 and President's Message 2577/2006 for the assistance of the BoD in performing its duties related to the development and safeguard of an effective ICS. The major duties of the AC are:

- to monitor and evaluate annually the adequacy and effectiveness of the ICS on a Bank or Group level;
- to propose the External Auditors, their replacement or their alternation with other External Auditors;

- the independent supervision and assessment of the procedures for the preparation of the publicly disclosed annual and interim financial statements of the Bank and the Group according to the International Accounting Standards;
- the supervision of the External Auditors work, the co-operation with them on a regular basis and the insurance of their independency according to the current legislation (article 12 of Law 3148/3);
- to facilitate the communication among the BoD, the management, the Internal Inspection, the External or Certified Auditors and the Bank of Greece for the exchange of opinions and information;
- the assessment of the Internal Inspection work;
- to propose course of actions for the mitigation of the identified weaknesses of the ICS, as well as monitoring the application of the measures imposed by the BoD;
- to indicate the special areas that require additional examination from the internal or external auditors.

#### **Mitigating the risks associated with the procedure of preparation of the financial statements.**

The Bank has an adequately documented Policy and Procedures for the accounting presentation of the financial facts and the preparation of the financial statements.

The transactions are performed through computer applications on an ad-hoc basis for each activity of the Bank and the Group that define the responsibility area of their users, support the procedures of the double checking of the transactions and produce the required accounting entries.

The accounting system of the Bank and the Group is supported by ad-hoc information systems that have been customized to the business requirements of the Bank.

Detailed instruction manuals have been issued and are applied for systems T24 and Oracle that support the Bank's operations.

Audit and accounting agreement procedures have been defined in order to ensure the validity and legitimacy of the accounting records and the completeness and validity of the financial statements.

#### **Risk Management**

The Bank takes highly under consideration the recognition, valuation and management of the undertaken risks and has assigned these tasks to the Unit of Risk Management. The Risk Management Department operates according to the provisions of President's decree 2577/06 and according to any amendments following, in the framework of monitoring and estimating all risks associated with the Assets and Liabilities and the off Balance Sheet items of the Bank. The Unit of Risk Management of the Group is supervised by the Management for issues within its jurisdiction and through the latter to the BoD of the Bank.

The objective of Risk Management is the recognition, analysis and development of systems that effectively assess, mitigate and control every kind of risks that are incorporated in every task that the Bank or the Group - in a consolidated basis-, undertakes. A comprehensive mention of the operations and the tasks of the Departments are made to the "**ATTICA BANK S.A. Internal Regulation of Corporate Governance & Operation**"

The Risk Management is subject to audit from the General Internal Audit Management as far as the adequacy and effectiveness of the risk management procedures are concerned.

**D. The following information is provided in accordance with article 10 par. 1 of the European Parliament Directive 2004/25/EC, the reference date being 31.12.2011:**

- ed. c) From the Bank's records there are no qualified, direct or indirect, holdings within the meaning of article 85 of Directive 2001/34/EC.
- ed. d) The Bank comes under the provisions of Law 3723/2008 and as such preference shares have been issued, that are regulated by the provisions of Law 3723/2008 and the p.n. 54201/B/2884/26-11-2008 Decision of the Minister of Economy and Economics. The privileges that these preference shares provide to the Greek State are:
- (a) The right to draw a fixed return calculated at a rate of ten percent (10%) on the offer price of each preferred share to the Hellenic Republic:
    - (i) before the common shares,
    - (ii) before the dividend amount which is distributed in accordance with article 1 par. 3 of Law 3723/2008 and
    - (iii) independent of any dividend amount which is distributed to the other Shareholders of the Bank and as long as after the payment of the return, the capital adequacy ratios of the Bank, on a standalone and consolidated basis, satisfy the minimum ratios specified by the Bank of Greece.

The fixed return is calculated as accrued on an annual basis, proportional to the time the Hellenic Republic remains as a preferred shareholder and is paid within a month after the approval of the annual financial statements of the respective year by the Ordinary General Meeting of the Shareholders and is under the provision that there are profits to be distributed as specified in article 44a of Codified Law 2190/1920 and especially profits from the last fiscal period and/or from previous fiscal periods and or reserves, under the condition that it has been preceded by a relevant decision of the General Meeting of the Common Shareholders concerning the distribution of the above. In case of inadequacy of the above distributed amounts, there is a right on preferred drawing (before the common shares) of the above return until these amounts are depleted.
  - (b) The right to vote at the General Meeting of the Preferred Shareholders under the conditions specified by Codified Law 2190/1920.
  - (c) The right to participate in the Board of Directors, with a representative, who is appointed as an additional member of the Board of Directors.
  - (d) The right of the appointed member of the Board of Directors to exercise veto on any decision concerning the distribution of dividend amounts and on the remuneration policy concerning the Chairman, the Managing Director and the rest of the Members of the Board of Directors, as well as the General Managers and their deputies, following a decision by the Minister of Finance or if the representative of the Hellenic Republic deems that the decision of the Board of Directors could endanger the benefits of the depositors or could substantially affect the reliability and the smooth operation of the Bank.
  - (e) The right of the appointed additional member of the Board of Directors to appear in the General Meeting of the Common Shareholders of the Bank and the right to exercise veto during the deliberations concerning the decisions on the above issues.
  - (f) The right of the representative of the Hellenic Republic to have free access to the accounting books and financial information of the Bank for the purposes stipulated by Law 3723/2008.
  - (g) The right of preferred payout from the product of liquidation, against all other shares in the case of the liquidation of the Bank.

For as long as the Bank participates in the plans for the enhancement of the economy's liquidity based on Law 3723/2008, it may not purchase its treasury shares as per article 28 par. 2 of Law 3756/2009.

- ed. f) The Articles of Incorporation contain no restrictions on voting rights and the deadlines for exercising them, besides the restrictions set by the law.
- ed. g) There are no rules for the appointment and replacement of the Board of Directors, as well as for the amendment of the Articles of Incorporation, which are at variance with those stipulated by Laws 3601/2007, 3016/2002 and Codified Law 2190/1920 as in effect.
- ed. h) The Bank may increase its share capital upon the decision of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the statutory provisions in force. With the reservation of the article 6 par. 2<sup>1</sup> of the Articles of Incorporation of the Bank, the General Meeting of the Shareholders may, by virtue of a resolution subject to the publicity requirements of article 7b of Codified Law 2190/1920, assign the Board of Directors with the authority to proceed in an extraordinary increase of the share capital of the Bank through the issuance of new shares by a decision made by a two thirds majority of its members, within a five years period from the time such a resolution is determined. The share capital increase must not exceed the amount of the issued and outstanding paid-in share capital on the date the above authority was granted.

This authority of the Board of Directors may be renewed for a period not to exceed five (5) years per each renewal. This decision of the General Meeting of Shareholders is subject to the publicity requirements of article 7b of Codified Law 2190/1920.

The Bank as at 31 December 2011 held 52,482 treasury shares at a total cost of EUR 97,332.30. These shares represented 0.0214% of its total number of common shares as at 31.12.2011. No other company of the Group held shares of Attica Bank at 31.12.2011.

According to the Article 28 of L. 3756/2009 "Dematerialized Securities System, provisions for the capital market, taxation and other provisions", the Banks participating in the liquidity enhancement plan of the Ministry of Economy and Finance, are not allowed to move to own shares purchases during their participation period in the program. For this reason, the last purchase of own shares took place on 18/2/2009 and therefore the number of treasury shares held by the Bank has not been change since then.

### **E. General Meeting of Shareholders**

The General Meeting of Shareholders of ATTICA BANK S.A. is the supreme governing body of the Bank and is responsible among others for the election of the members of the Board of Directors. The procedures and the regulation for the assembly, participation and resolution of the General Meeting of Shareholders, as well as its responsibilities are regulated by the **provisions of the Articles of Incorporation** of the Bank that is in effect after any amendments made, and the Codified Law 2190/1920. The resolutions of the General Meeting shall be binding upon all the Shareholders including those absent or dissenting.

The General Meeting is vested with exclusive authority to resolve on the following matters:

- (a) Amend the Articles of Incorporation, including the resolutions to increase or to reduce the share capital. The resolutions to amend the Articles of Incorporation are valid unless they do not contravene with any provision of the Articles of Incorporation;
- (b) elect or replace members to the Board of Directors - except the cases prescribed in article 23 of the Articles of Incorporation – and dismiss them from all duties;
- (c) approval of the Balance Sheet;
- (d) distribution of annual profits;
- (e) issue bond loans and bonds loans pursuant to articles 3a of Codified Law 2190/1920 and articles 6 and 8 of obligatory law 148/1967;

- (f) merge, extend or dissolve the company or appoint liquidators, determine their remuneration and dismiss them from their duties;
- (g) Release the auditors from any responsibility related to reimbursement;
- (h) Any other matter stipulated by this statement.

In conjunction with the related to the Articles of Incorporation, article 28A of Law 3884/2010 that amended Law 2190/1920 regulates the shareholders rights in the General Meetings of the Bank.

#### **F. Board of Directors**

The Board of Directors is composed by executive and non executive members whose status is determined by the Board of Directors at its constitution. At least two of the non executive members are independent members appointed by the General Meeting of the Shareholders.

The executive members deal with the general administration issues while the non executive members are assigned with the advance of all corporate issues in the framework of the operation of the Board of Directors as a collective body.

The General Meeting of the Shareholders is assigned to appoint the members of the Board of Directors in accordance with the Law 3016/17.05.2002 that is in effect after the amendments for Corporate Governance.

Two of the non executive members are independent as determined by the Law, i.e: during their tenure the non executive members do not possess more than 0.5% of the share capital of the Bank and they are not in any way dependent upon the Bank or upon any related to the latter parties.

The Articles of Incorporation of the bank comprehensively prescribes the jurisdiction of the Board of Directors.

#### **The composition of the Board of Directors as at 31.12.2011 was:**

##### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER, EXECUTIVE MEMBER**

*(Executive Member)*

IOANNIS GAMVRILLIS, Vice President of ETAA, President of TSMEDE, Civil Engineer

##### **VICE-PRESIDENT**

*(Non Executive Member)*

ARGYRIOS ZAFEIROPOULOS, President of ETAA, Mathematicians with specialty in Applied Informatics

##### **EXECUTIVE MEMBERS**

IOANNIS IOANNIDIS, General Manager of Attica Bank, Economist

##### **NON EXECUTIVE MEMBERS**

ALEXANDROS ANTONOPOULOS, Chairman of the Board of Directors of TPKD, Mathematician  
EFTHIMIA DELI, Deputy General Manager - Hellenic Postbank, Economist

KONSTANTINOS GOUVALAS, Architect

ATHANASIOS PRESVELOS, Agronomist, Topographic Engineer

ATHANASIOS STATHOPOULOS, Chairman of the Board of Directors of the Attica Bank Employee Association

ATHANASIOS TZAKOPOULOS, President of the District Department of TEE for Central Macedonia, Topographic Engineer

##### **NON EXECUTIVE INDEPENDENT MEMBERS**

GEORGIOS PALAIODIMOS, Economist

GEORGIOS TSOUKALAS, Topographic Engineer

**NON EXECUTIVE ADDITIONAL MEMBERS**

GEORGIOS CHORTAREAS, Greek state representative under the provisions of L. 3723/2008

**Remuneration Committee**

The Bank aiming the enhancement of its long-term economic value and the protection of its general corporate interest, serving the business strategy in conjunction with the Policies for risks undertaken and contributing in the convergence of the individual interests of the Management, as well as all other managers of the Group with the interests of the Bank, has established the "**Attica Bank Remuneration Policy**" for which the final responsibility for the effectiveness lies upon the Board of Directors of the Bank.

The Remuneration Committee constitutes from three non executive Members of the Board of Directors and has the following duties:

- to revise, assess and propose, through the Chairman, the general policy for the remunerations of the personnel to the Boards of Directors;
- to propose, through the Chairman, the individual remuneration packages for the Executive Members, the Members of the Committees of the Board of Directors and the Management, to the Boards of Directors;
- to propose, through the Chairman, the remuneration packages to the Board of Directors of:
  - the General Managers, individually;
  - the Executives of Law 3016/2002, individually;
  - the Executives of the Subsidiaries, individually;
  - the Executives of the Central Supporting Services;
  - the Executives of the Customer Units/Branches.

**Assets and Liabilities Committee (ALCO)**

The committee is responsible for the effective management of the resources and the utilization of the Bank's assets as well as the banking risks the activities and tasks of the latter incorporate. From the members of the Board of Directors, the Chairman and Chief Executive Officer as well as the General Manager of Business and Retail Banking of Money and Capital Markets (executive member) participate in the committee.

Athens, 19 April 2012

**THE CHAIRMAN  
& CHIEF EXECUTIVE OFFICER**

**IOANNNIS P. GAMVRILIS  
I.D. No AZ 995770**



**ANNUAL FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED AS AT**

**31 DECEMBER 2011**

**In accordance with International Financial Reporting Standards**

**attica bank****10**2011  
Annual Financial Report

The Financial Statements of the year ended as at 31<sup>st</sup> December 2011, as well as the notes attached, have been approved by the Board of Directors on 19<sup>th</sup> April 2012 and have been posted on the Bank's website as well as on the website of ASE, where they will remain at the disposal of investors for at least five (5) years from the date they were issued and published.

It should be noted that the published summary financial statements information that derive from the financial statements provide general information about the financial position and results of the company, but do not provide a complete view of the financial position, performance and cash flow of the Bank and the Group in accordance with International Financial Reporting Standards.

Athens, 19 April 2012

**THE CHAIRMAN OF THE  
BOARD  
&  
CHIEF EXECUTIVE  
OFFICER**

**IOANNIS P. GAMVRILIS**  
**I.D. No AZ 995770**

**THE VICE-  
PRESIDENT  
OF  
THE BOARD**

**ARGYRIOS G.  
ZAFEIROPOULOS**  
**I.D. No AZ 048313**

**THE CHIEF FINANCIAL  
OFFICER (C.F.O.)**

**CHRISTOS K. MARANTOS**  
**I.D. No M 481653**  
**E.C.G. LICENCE No**  
**17216/A' CLASS**

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## **Independent Auditor's Report**

### **(Translated from the original in Greek)**

To the Shareholders of  
ATTICA BANK S.A.

#### **Report on the Financial Statements**

We have audited the accompanying stand-alone and consolidated financial statements of ATTICA BANK S.A. (the "Bank") which comprise the stand-alone and consolidated statement of financial position as of 31 December 2011 the stand-alone and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the stand-alone and consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these stand-alone and 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 stand-alone and 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 stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and 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 stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated financial statements.

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

#### Opinion

In our opinion, the accompanying stand-alone and consolidated financial statements give a true and fair view of the financial position of ATTICA BANK S.A. as of 31 December 2011 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 matters

Without qualifying our opinion we draw attention to the followings:

- (a) In the disclosures made in Note 32.1 to the stand-alone and consolidated Financial Statements, which refers to matters concerning the subsumption of the Bank employee's Complementary Pension Benefit Plan (L.A.K.) to the Unified Fund of Bank Employees Insurance (E.T.A.T.) as a result of the Bank's compliance with Law 3371/2005 on Pension Plans for Banks.
- (b) In the disclosures made in Note 2.2 to the stand-alone and consolidated financial statements, which refer to the impact of the impairment losses resulting from the Greek sovereign debt restructuring on the Bank's regulatory capital, the planned actions to restore the capital adequacy of the Bank and the existing uncertainties that could adversely affect the going concern assumption until the completion of the recapitalization process.

#### 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 3f 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, 20 April 2012

KPMG Certified Auditors A.E.  
AM SOEL 114

Nikolaos Vouniseas  
Certified Auditor Accountant  
AM SOEL 18701

Harry Sirounis  
Certified Auditor Accountant  
AM SOEL 19071

INCOME STATEMENT		GROUP		BANK	
(Amounts in €)		31/12/2011		31/12/2010	
	Note				
Interest and similar income	4	245,647,035.68	232,262,847.72	245,544,247.58	232,257,862.62
Less : Interest expense and similar expenses	5	(148,494,229.19)	(117,252,226.01)	(149,168,196.45)	(117,711,614.12)
<b>Net interest income</b>		<b>97,152,806.49</b>	<b>115,010,621.71</b>	<b>96,376,051.13</b>	<b>114,546,248.50</b>
Fee and commission income	6	27,781,976.52	34,666,715.02	24,089,780.73	31,522,163.05
Less: Fee and commission expenses	7	(7,924,244.23)	(3,043,490.87)	(8,969,700.10)	(4,127,857.47)
<b>Net fee and commission income</b>		<b>19,857,732.29</b>	<b>31,623,224.15</b>	<b>15,120,080.63</b>	<b>27,394,305.58</b>
Profit / (loss) from trading activities	8	309,032.99	761,519.83	(3,249,764.60)	97,350.56
Profit / (loss) from investment portfolio	9	2,176,559.48	2,553,158.97	2,176,559.48	2,566,506.70
Other Income	10	216,738.11	4,466,956.66	330,231.07	5,314,019.70
<b>Operating income</b>		<b>119,712,869.36</b>	<b>154,415,481.32</b>	<b>110,753,157.71</b>	<b>149,918,431.04</b>
Impairment loss on financial assets	19	(253,568,766.67)	(42,524,135.23)	(253,319,827.01)	(42,524,135.23)
Personnel expenses	11	(66,309,658.17)	(65,988,208.76)	(64,600,418.27)	(64,556,749.76)
General operating expenses	11	(42,235,612.30)	(35,750,215.09)	(40,505,752.99)	(34,228,302.83)
Depreciation	11	(6,863,747.32)	(6,610,417.85)	(6,824,955.83)	(6,584,104.29)
<b>Total operating expenses</b>		<b>(368,977,784.46)</b>	<b>(150,872,976.93)</b>	<b>(365,250,954.10)</b>	<b>(147,893,292.11)</b>
Income from investments in associates	23	(535,548.11)	(474,123.41)	-	-
<b>Profit before income tax</b>		<b>(249,800,463.21)</b>	<b>3,068,380.98</b>	<b>(254,497,796.39)</b>	<b>2,025,138.93</b>
Less : income tax	12	32,932.91	(8,811,926.70)	1,055,208.98	(8,022,130.06)
<b>Loss for the year</b>		<b>(249,767,530.30)</b>	<b>(5,743,545.72)</b>	<b>(253,442,587.41)</b>	<b>(5,996,991.13)</b>
Attributable to:					
Owners of the Bank		(249,773,045.26)	(5,743,578.06)		
Non controlling interest		5,514.96	32.34		
<b>Basic earnings/(loss) per share (in €)</b>	<b>13</b>	<b>(1.0529)</b>	<b>(0.0546)</b>	<b>(1.0679)</b>	<b>(0.0556)</b>

The attached notes (pages 13 to 97) form an integral part of these Annual Financial Statements of 31<sup>st</sup> December 2011



STATEMENT OF COMPREHENSIVE INCOME				
	GROUP		BANK	
(Amounts in €)	YEAR ENDED ON		YEAR ENDED ON	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Loss for the year</b>	<b>(249,767,530.30)</b>	<b>(5,743,545.72)</b>	<b>(253,442,587.41)</b>	<b>(5,996,991.13)</b>
Change in available-for-sale securities reserve, net of tax	(4,832,780.56)	(50,057,075.14)	(4,849,978.16)	(50,039,877.54)
Actuarial gains / (losses) on defined contribution plans, net of tax	(7,056,561.27)	(1,370,436.56)	(7,056,561.27)	(1,370,436.56)
Revaluation of property, plant and equipment, net of tax	(1,550,588.37)	0.00	(1,550,588.38)	0.00
<b>Other comprehensive income, after income tax</b>	<b>(13,439,930.20)</b>	<b>(51,427,511.70)</b>	<b>(13,457,127.80)</b>	<b>(51,410,314.10)</b>
<b>Total comprehensive income, after income tax</b>	<b>(263,207,460.50)</b>	<b>(57,171,057.42)</b>	<b>(266,899,715.21)</b>	<b>(57,407,305.23)</b>
<u>Attributable to:</u>				
Owners of the Parent	(263,212,975.46)	(57,171,089.76)		
Non controlling interest	5,514.96	32.34		

<b>STATEMENT OF FINANCIAL POSITION</b>					
(Amounts in €)	Note	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>ASSETS</b>					
		<b>GROUP</b>		<b>BANK</b>	
Cash and balances with Central Bank	14	69,776,533.70	86,820,294.82	69,255,584.41	86,366,515.37
Due from other financial institutions	15	120,329,499.89	304,921,555.60	119,815,288.51	304,910,934.01
Derivative financial instruments – assets	17	778,445.05	5,716.23	1,597,729.54	4,384,419.22
Financial assets at fair value through profit or loss	16	48,812.40	5,104,642.07	48,812.40	5,104,642.07
Loans and advances to customers (net of impairment)	18	3,468,910,242.87	3,709,703,505.59	3,468,910,242.87	3,709,703,505.59
Available-for-sale financial assets	20	128,267,993.56	253,136,845.09	127,985,932.44	252,655,162.46
Investments held to maturity	21	34,327,403.47	69,211,840.74	34,327,403.47	69,211,840.74
Investments in subsidiaries	22	0.00	0.00	11,806,434.06	11,805,814.62
Investments in associates	23	21,128,302.37	16,165,157.30	20,145,691.46	14,646,998.28
Property, plant and equipment	25	41,339,259.33	45,920,220.51	41,132,257.26	45,908,399.25
Investment property	26	47,106,775.92	43,769,410.10	47,106,775.92	43,769,410.10
Intangible assets	24	19,560,982.40	14,356,976.25	19,548,467.94	14,341,151.41
Deferred tax assets	31	36,424,932.99	32,615,114.10	35,955,717.23	31,452,185.62
Other assets	27	187,902,809.59	188,498,104.93	184,323,152.60	186,472,695.25
<b>Total Assets</b>		<b>4,175,901,993.53</b>	<b>4,770,229,383.33</b>	<b>4,181,959,490.11</b>	<b>4,780,733,673.98</b>
<b>LIABILITIES</b>					
Due to financial institutions	28	670,636,535.96	778,053,412.82	670,636,535.96	778,053,412.82
Due to customers	29	3,089,848,870.56	3,317,278,445.86	3,102,662,842.34	3,331,029,178.80
Derivative financial instruments – liabilities	17	131,703.29	844,348.21	131,703.29	844,348.21
Debt securities issued	30	94,689,000.00	94,689,000.00	94,428,408.59	94,359,863.98
Defined benefit obligations	32	7,153,999.19	2,554,502.86	6,989,089.21	2,406,387.39
Other provisions	33	14,543,959.84	9,835,891.56	14,490,719.51	9,809,941.56
Deferred tax liabilities	31	2,746,190.69	3,006,177.56	2,701,804.28	2,907,291.97
Other liabilities	34	37,029,111.31	41,637,521.26	36,020,853.79	40,526,000.90
<b>Total liabilities</b>		<b>3,916,779,370.82</b>	<b>4,247,899,300.13</b>	<b>3,928,061,956.97</b>	<b>4,259,936,425.63</b>
<b>EQUITY</b>					
Share capital (common shares)	35	85,709,950.55	85,709,950.55	85,709,950.55	85,709,950.55
Share capital (preference shares)	35	100,199,999.90	100,199,999.90	100,199,999.90	100,199,999.90
Share premium	35	362,112,778.18	362,112,778.18	362,112,778.18	362,112,778.18
Reserves	35	(56,286,075.45)	(42,863,537.92)	(56,461,174.85)	(43,004,047.04)
Retained earnings	35	(234,009,497.80)	15,780,940.14	(237,664,020.65)	15,778,566.76
<b>Equity attributable to parent owners</b>		<b>257,727,155.38</b>	<b>520,940,130.82</b>	<b>253,897,533.14</b>	<b>520,797,248.35</b>
<b>Non controlling interest</b>		<b>1,395,467.33</b>	<b>1,389,952.37</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Equity</b>		<b>259,122,622.71</b>	<b>522,330,083.21</b>	<b>253,897,533.14</b>	<b>520,797,248.35</b>
<b>Total liabilities and equity</b>		<b>4,175,901,993.53</b>	<b>4,770,229,383.34</b>	<b>4,181,959,490.11</b>	<b>4,780,733,673.98</b>

The attached notes (pages 13 to 97) form an integral part of these Annual Financial Statements of 31<sup>st</sup> December 2011

STATEMENT OF CHANGES IN EQUITY- GROUP										
(Amounts in €)										
	Share capital (common shares)	Share capital (preference shares)	Share premium	Treasury shares	Other reserves	Reserves	Retained earnings	Total	Non controlling interest	Total equity
Balance 01/01/2010	85,709,950.55	100,199,999.90	362,112,778.18	(86,816.30)	(5,499,184.97)	13,740,413.94	26,624,156.67	582,801,297.97	1,433.35	582,802,731.32
Gain/Loss for the period							(5,743,578.06)	(5,743,578.06)	32.34	(5,743,545.72)
Other comprehensive income										
Change in available-for-sale securities reserve, net of tax					(50,057,075.14)			(50,057,075.14)		(50,057,075.14)
Actuarial gains/(losses) on defined contribution plans, net of tax					(1,370,436.56)			(1,370,436.56)		(1,370,436.56)
Total comprehensive income net of tax	0.00	0.00	0.00	0.00	(51,427,511.70)	0.00	(5,743,578.06)	(57,171,089.76)	32.34	(57,171,057.42)
Share capital increase by cash contribution						0.00		0.00	1,401,588.10	1,401,588.10
Share capital increase expenses							(82,592.29)	(82,592.29)	(13,101.43)	(95,693.72)
Reserve of treasury shares acquired in 2009				86,816.30		86,816.30	(86,816.30)	86,816.30		86,816.30
Statutory reserve						235,928.51	(235,928.51)	0.00		0.00
Dividends paid on preference shares, net of tax							(4,694,301.37)	(4,694,301.37)		(4,694,301.37)
Balance 31/12/2010	85,709,950.55	100,199,999.90	362,112,778.18	0.00	(56,926,696.67)	14,063,158.75	15,780,940.13	520,940,130.84	1,389,952.37	522,330,083.21

The attached notes (pages 13 to 97) form an integral part of these Annual Financial Statements of 31<sup>st</sup> December 2011

STATEMENT OF CHANGES IN EQUITY- GROUP										
(Amounts in €)										
	Share capital (common shares)	Share capital (preference shares)	Share premium	Treasury shares	Other reserves	Reserves	Retained earnings	Total	Non controlling interest	Total equity
Balance 01/01/2011	85,709,950.55	100,199,999.90	362,112,778.18	0.00	(56,926,696.67)	14,063,158.75	15,780,940.14 (249,773,045.26)	520,940,130.84 (249,773,045.26)	1,389,952.37	522,330,083.21 (249,767,530.30)
Loss for the period										
Other comprehensive income										
Change in fair value of available for- sale securities reserve, net of tax					(93,405,151.12)			(93,405,151.12)		(93,405,151.12)
Change in available for- sale securities impairment, net of tax					88,572,370.56			88,572,370.56		88,572,370.56
Actuarial gains / (losses) on defined contribution plans, net of tax					(7,056,561.27)			(7,056,561.27)		(7,056,561.27)
Revaluation of property, plant and equipment, net of tax					(1,550,588.37)			(1,550,588.37)		(1,550,588.37)
Total comprehensive income net of tax	0.00	0.00	0.00	0.00	(13,439,930.20)	0.00	(249,773,045.26)	(263,212,975.46)	5,514.96	(263,207,460.50)
Statutory reserve										
						17,392.67	(17,392.67)	0.00		0.00
Balance 31/12/2011	85,709,950.55	100,199,999.90	362,112,778.18	0.00	(70,366,626.87)	14,080,551.42	(234,009,497.80)	257,727,155.38	1,395,467.33	259,122,622.71

The attached notes (pages 13 to 97) form an integral part of these Annual Financial Statements of 31<sup>st</sup> December 2011



STATEMENT OF CHANGES IN EQUITY - BANK						
(Amounts in €)	Share capital (common shares)	Share capital (preference shares)	Share premium	Treasury shares	Other reserves	Reserves
Balance 01/01/2010	85,709,950.55	100,199,999.90	362,112,778.18	(86,816.30)	(5,499,184.98)	13,603,284.94
						26,772,026.36
						582,812,038.65
Loss for the period						(5,996,991.13)
						(5,996,991.13)
<b>Other comprehensive income</b>						
Change in available-for-sale securities reserve, net of tax					(50,039,877.54)	(50,039,877.54)
Actuarial gains / (losses) on defined contribution plans, net of tax					(1,370,436.56)	(1,370,436.56)
<b>Total comprehensive income net of tax</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(51,410,314.10)</b>	<b>0.00</b>
						(57,407,305.23)
Reserve of treasury shares acquired in 2009				86,816.30		86,816.30
Dividends paid on preference shares, net of tax						(4,694,301.37)
						(4,694,301.37)
Statutory reserve					215,350.80	0.00
						(215,350.80)
						0.00
<b>Balance 31/12/2010</b>	<b>85,709,950.55</b>	<b>100,199,999.90</b>	<b>362,112,778.18</b>	<b>0.00</b>	<b>(56,909,499.08)</b>	<b>13,905,452.04</b>
						15,778,566.76
						520,797,248.35

The attached notes (pages 13 to 97) form an integral part of these Annual Financial Statements of 31<sup>st</sup> December 2011

STATEMENT OF CHANGES IN EQUITY - BANK								
(Amounts in €)	Share capital (common shares)	Share capital (preference shares)	Share premium	Treasury shares	Other reserves	Reserves	Retained earnings	Total
Balance 01/01/2011	85,709,950.55	100,199,999.90	362,112,778.18	0.00	(56,909,499.08)	13,905,452.04	15,778,566.76	520,797,248.35
Loss for the period							(253,442,587.41)	(253,442,587.41)
Other comprehensive income								
Change in fair value of available for- sale securities reserve, net of tax					(93,173,409.05)			(93,173,409.05)
Change in available for- sale securities impairment, net of tax					88,323,430.90			88,323,430.90
Actuarial gains / (losses) on defined contribution plans, net of tax					(7,056,561.27)			(7,056,561.27)
Revaluation of property, plant and equipment, net of tax					(1,550,588.38)			(1,550,588.38)
Total comprehensive income net of tax	0.00	0.00	0.00	0.00	(13,457,127.80)	0.00	(253,442,587.41)	(266,899,715.21)
Balance 31/12/2011	85,709,950.55	100,199,999.90	362,112,778.18	0.00	(70,366,626.88)	13,905,452.04	(237,664,020.65)	253,897,533.14

The attached notes (pages 13 to 97) form an integral part of these Annual Financial Statements of 31<sup>st</sup> December 2011



STATEMENT OF CASH FLOWS					
		GROUP		BANK	
		YEAR ENDED ON		YEAR ENDED ON	
(Amounts in €)	Note	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Cash flows from operating activities</b>					
Interest and similar income		240,722,939.26	224,209,990.66	240,688,695.77	224,297,799.03
Interest paid		(141,320,360.47)	(114,015,641.47)	(141,994,327.73)	(114,475,029.58)
Dividends received		135,157.72	185,886.11	226,375.72	924,866.11
Commission received		28,075,500.53	33,501,815.51	24,383,304.74	30,357,263.54
Commission paid		(7,924,244.23)	(3,043,490.87)	(8,969,700.10)	(4,127,857.47)
Profit/(loss) from financial trading		(1,142,439.91)	2,073,114.32	(1,136,065.13)	2,058,828.11
Other income		1,520,347.14	3,350,495.57	1,542,622.10	3,458,578.61
Cash payments to employees and suppliers		(113,482,687.74)	(110,122,613.50)	(110,067,814.26)	(107,177,990.43)
Tax paid		(3,429,396.42)	(2,568,516.54)	(2,891,962.52)	(2,385,070.24)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>3,154,815.88</b>	<b>33,571,039.79</b>	<b>1,781,128.59</b>	<b>32,931,387.68</b>
<b>Changes in operating assets and liabilities</b>					
Net (increase) / decrease in trading securities		5,011,680.11	14,195,923.53	5,014,014.58	13,892,438.37
Net (increase) / decrease in loans and advances to customers		140,339,414.37	162,899,924.75	140,339,414.37	162,899,924.75
Net (increase) / decrease in other assets		4,587,802.19	(30,343,023.45)	6,192,327.24	(31,834,636.64)
Net increase / (decrease) in due to financial institutions		(107,416,876.86)	(304,586,940.66)	(107,416,876.86)	(304,586,940.66)
Net increase / (decrease) in deposits due to customers and similar liabilities		(227,429,575.30)	(111,966,202.59)	(228,366,336.46)	(102,598,054.28)
Net increase / (decrease) in other liabilities		(7,249,140.20)	(9,357,178.46)	(7,346,972.79)	(8,106,528.82)
<b>Total changes in operating assets and liabilities of the annual financial position</b>		<b>(192,156,695.70)</b>	<b>(279,157,496.88)</b>	<b>(191,584,429.92)</b>	<b>(270,333,797.28)</b>
<b>Net cash flow from operating activities</b>		<b>(189,001,879.82)</b>	<b>(245,586,457.09)</b>	<b>(189,803,301.33)</b>	<b>(237,402,409.60)</b>
<b>Cash flows from investing activities</b>					
Purchases of intangible assets	24	(8,060,759.80)	(2,333,174.48)	(8,049,346.80)	(2,330,644.48)
Purchases of property, plant and equipment	25	(1,737,351.33)	(3,449,738.33)	(1,518,102.42)	(3,441,414.87)
Purchases of available for sale securities	20	(25,554,126.70)	(203,971,571.11)	(25,554,126.70)	(203,489,092.63)
Disposals of available for sale securities		29,493,857.97	153,210,981.97	29,493,857.97	153,210,981.97
Purchases of held-to-maturity securities		(1,276,864.00)	(69,383,911.31)	(1,276,864.00)	(69,383,911.31)
Maturity of held to maturity investment securities		0.00	7,000,000.00	0.00	7,000,000.00
Investments in subsidiaries		0.00	0.00	0.00	(7,346,314.80)
Investments in associates		(5,498,693.18)	(3,386,534.00)	(5,498,693.18)	(3,386,534.00)
<b>Net cash flow from investing activities</b>		<b>(12,633,937.01)</b>	<b>(122,313,947.26)</b>	<b>(12,403,275.13)</b>	<b>(129,166,930.12)</b>
<b>Cash flow from financing activities</b>					
Income from issuance of shares or other securities		0.00	1,401,588.10	0.00	0.00
Dividends paid		0.00	(6,176,900.33)	0.00	(6,176,900.33)
<b>Net cash flow from financing activities</b>		<b>0.00</b>	<b>(4,775,312.23)</b>	<b>0.00</b>	<b>(6,176,900.33)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(201,635,816.83)</b>	<b>(372,675,716.58)</b>	<b>(202,206,576.46)</b>	<b>(372,746,240.05)</b>
Cash and cash equivalents at the beginning of the year		391,741,850.42	764,417,567.00	391,277,449.38	764,023,689.43
<b>Cash and cash equivalents at the end of the year</b>	37	<b>190,106,033.59</b>	<b>391,741,850.42</b>	<b>189,070,872.92</b>	<b>391,277,449.38</b>

## 1. GENERAL INFORMATION

The "Attica Bank S.A." Group, ("the Group"), operates in the financial sector, providing a wide range of financial and banking services to individuals and companies.

The Group, besides the parent company, includes 7 subsidiaries, which operate in Greece and abroad (United Kingdom) and has 1,059 employees. The number of branches of the Bank as at 31/12/2011 amounted to 80.

The parent company of the Group is "Attica Bank S.A.", (the "Bank"). "Attica Bank S.A." is a société anonyme. The Registration Number of the Company is 6067/06/B/86/06. The Bank is listed in the Athens Stock Exchange (ASE). The address of the Bank's registered office is 23, Omirou Street in the prefecture of Athens (Postal Code 106-72). The same prefecture is also competent for the other Group companies.

The aforementioned financial statements have been approved for issue by the Board of Directors on 19<sup>th</sup> April 2012, and are subject to approval of the annual Ordinary General Meeting of Shareholders.

The Board of Directors of the Bank consists of:

Ioannis P. Gamvris	Chairman and Chief Executive Officer, executive member
Argyrios G. Zafeiropoulos	Vice-President, executive member
Ioannis S. Ioannidis	Executive member
Alexandros Th. Antonopoulos	Non executive member
Efthimia P. Deli	Non executive member
Konstantinos N. Gouvalas	Non executive member
Athanasios E. Presvelos	Non executive member
Athanasios D. Stathopoulos	Non executive member
Athanasios H. Tzakopoulos	Non executive member
Georgios T. Palaiodimos	Independent non executive member
Georgios K. Tsoukalas	Independent non executive member
Georgios E. Chortareas	Additional Non executive member, Greek state representative under the provisions of L. 3723/2008

The members of the Boards of Directors of the companies of the Group and are included in the Financial Statements, are referred in the individual Financial Statements of the companies. In the same financial statements are also mentioned the independent auditors that have been elected to conduct the audit of the financial statements for the year 2011, as also their website addresses

The financial statements of «Attica Bank S.A.» Group, are included in the consolidated financial statements of 31.12.2011 prepared by TT Hellenic Postbank S.A. under the equity method. As at 31/12/2011, TT Hellenic Postbank S.A. participated in the share capital of Attica Bank S.A. with the participating interest of 22.432%.

The Bank's share is included in the following indices of Athens Stock Exchange: "FTSA/Athex 140", "FTSA/Athex SmallCap 80" and "Index FTSA/Athex Banks".

## 2. PRINCIPAL ACCOUNTING POLICIES

### ***(2.1) Basis of Presentation of the Financial Statements***

The Annual Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), which have been adopted by the European Union, and those Standards and Interpretations approved by the International Accounting Standards Board.

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale investment securities, financial assets and liabilities held at fair value through profit and loss, all derivative contracts as well as the property, plant and equipment (land and buildings) and investment property that are measured at fair value.

The amounts included in these Consolidated Financial Statements are expressed in euro, which is the functional currency of the Group, unless it is stated otherwise.

Comparative figures have been adjusted, where it is necessary, in order to agree with the changes in the presentation of the current period.

The preparation of the Consolidated Financial Statements according to the International Financial Reporting Standards (IFRS), requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent receivables and liabilities at the date of preparation of Financial Statements and the reported amounts of revenues and expenses during the reporting period. For further analysis please refer to note 2.36.

### ***(2.2) Going Concern***

The Financial Statements for the year ended at 31/12/2011 have been prepared on a going concern basis, despite the losses incurred in the financial statements, raised from the impairment losses due to the participation in the voluntary exchange program of Greek Government Bonds on the eligible bonds included in the Group's portfolio, as well as the high allowances for impairment on loans losses as a result of the economic recession in the Greek Economy. At the same time, during 2011, the whole banking system has experienced the negative impact from the loss of deposits and the decline of the Greek State credit rating that in turn had an impact in the availability of funding by the European Central Bank.

The Group's capital adequacy ratio raised at 10.7%, while the core capital ratio (Tier I) remained at 8.7% exceeded the minimum and necessary limit set by the regulatory authorities. Taking into account the deferred tax on the impairment loss from bonds due to the participation of the Bank to the voluntary exchange plan of Greek Government Bonds, the core capital ratio raised to 9.2% and the capital adequacy ratio to 11.2%.

The objective of Attica Bank's Management is the formation and stabilization of the core capital ratio (Tier I) at levels significantly higher than 9% that was set as a limit from the regulatory authorities and the closing date for the formation of the core capital ratio at the above limit, in September 2012.

The Management has collected all the appropriate information while taking into account the uncertainties in the Greek market, and has examined all the scenarios, in order to strengthen its capitals as a necessary condition for the continuous operation within the framework created by:

- The Greece's financial support by the European Commission, the European Central Bank and the International Monetary Fund, as well as the voting of L. 4046/14.2.2012 in which were approved by the Greek Parliament the Funding Plans among other things, mentioned in the recapitalization of the credit institutions,
- The successful completion of the bond exchange plan that has contributed to the significant public debt reduction.

Within this context there is process and early decisions have been taken that concern:

- The share capital increase of the Bank by its main shareholders at high levels with respect to the losses resulted by the impairment of Greek Government Bonds and the additional loan loss provisions required and already carried out, in order to address the effects of the recession to the Bank's lending portfolio.
- The reduce of the operating costs that will result in strengthening the operating profitability.
- The assets de-leveraging and particularly of those items that weighed with a high rate at the calculation of capital adequacy ratio.
- The use of the funds of the Financial Stability Fund (FSF) to the extent and for the part that will become necessary.
- The Bank's ability to get access to the re-financing mechanisms provided by the Eurosystem and the Bank of Greece, through which the Bank expects to meet its immediate liquidity needs.
- The business plan that has been prepared by the Bank and that has been submitted and assessed by the Bank of Greece, based on which were estimated the capital requirements of the Bank that should be covered the next period of time.

It should be noted that there are significant uncertainties regarding the success of the above plans such as:

- The uncertainty created by the economic environment as formed in Greece.
- The ability of the Bank to get access to the funds of the Financial Stability Fund (FSF), which requires share capital increase with the participation of the existing shareholders, in order to ensure the enhancement of the capital adequacy of the Bank and its accessibility to the liquidity mechanisms.
- The approval from the regulatory authorities of the business plan and the application of additional measures.

The Management, taking under consideration all the above, believes that the conditions for the going concern basis for the Bank, are met, with the ability to meet the liquidity needs in the foreseeable future.

### ***(2.3) Consolidation***

The consolidated financial statements include the financial statements of the Bank and its subsidiaries and hereafter referred to as "Group". The financial statements of the subsidiaries have been prepared according to the parent company's balance sheet date.

Subsidiaries are entities, over which the Bank holds either directly or indirectly more than 50% of the voting power or has significant influence and control of the business decisions taken.

All subsidiaries are consolidated according to the method of full consolidation. Subsidiaries are included in the consolidated financial statements from the date that control commences until that control ceases. Intercompany transactions and balances are eliminated from the consolidated financial statements.

### ***(2.4) Associates***

Associates are those entities over which the Group holds 20% to 50% of the voting power and has significant influence but not control. Investments in associates are accounted under the equity method of accounting. According to this method investments in associates are initially recognized at cost.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

### ***(2.5) Foreign currency transactions***

The functional currency of the Group is Euro (€).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the balance sheet closing date. Translation differences are recognized in the income statement.

Translation differences arising from the translation of non-monetary assets are a component of the change in their fair value. Differences arising from the translation of non-monetary assets, such as securities held at fair value through profit or loss, are recognized in the income statement. Differences arising from the translation of non-monetary assets, such as an available-for-sale financial asset, are recognized in equity until the sale of this non-monetary asset.

### ***(2.6) Investments in financial assets***

The Group classifies its investments in financial assets as held-to-maturity, available-for-sale or assets in fair value through profit or loss. Classification is decided at initial recognition.

Initially, all investments are recognized on trade date and measured at cost, being the fair value of consideration given. Transaction costs are capitalized, if they are available-for-sale and held-to-maturity investments, whereas they are recorded directly to the income statement if they are financial assets at fair value through profit or loss.

*Financial assets at fair value through profit or loss:* This category has two subcategories: financial assets held for trading and financial assets designated at fair value through profit or loss at inception. Trading securities are acquired principally for the purpose of generating short-term profit and include securities such as shares, bonds, and mutual fund units. After initial recognition, financial assets designated at fair value through profit or loss are stated at fair value. Gains or losses arising from changes in the fair value of these investments are recognized in the income statement.

*Held-to-maturity investment securities:* Investments with fixed maturities and fixed or determinable payments, which the Group has, the positive intention and ability to hold to maturity. These investments are carried at amortized cost using the effective interest rate method. The amortized cost is calculated by taking into account the acquisition cost and any premium or discount on acquisition date less any provision for impairment.

If impairment exists, the loss is recognized as profit or loss equal to the difference between the book value and the present value of the estimated future cash flows, taking into account any guarantees, discounted at the original effective rate on financial assets.

*Available-for-sale investment securities:* are those intended to be held for an indefinite period of time, to maturity or sold in response to needs for liquidity or to gain from the changes in interest rates or foreign currency exchange rates. After initial recognition, the investments classified as available-for-sale are carried at fair value. Gains and losses arising from changes in fair value of these investments are recognized directly in equity, until sold or collected or impaired at which time they are transferred to the income statement.

If impairment exists, the cumulative loss that is transferred from equity and is recognized in profit or loss consists of the difference between book value (less any capital repayments and amortization) and fair value, less any impairment loss previously recognized.

Impairment losses recognized in profit or loss concerning investment in equity instrument classified as available for sale are not reversed through profit or loss. Losses recognized in the financial statements of previous years resulting from impairment of equity instruments are reversed through profit or loss, if the increase (reversal of impairment loss) is related to events taking place after the recognition of impairment in the income statement.

#### Management's Assumptions

##### Fair value estimation

Investments that are quoted in active markets are valued at fair value, which is determined according to the current bid prices at balance sheet date. Non listed investments are valued at estimated fair value which is determined by using valuation techniques, adjusted so to take into consideration the distinctiveness of these securities and is also compared with current prices of other similar companies which are quoted in active markets.

All regular purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. The term "regular" purchases and sales of financial assets requires the delivery of a financial asset to be realized within the time period specified by either the responsible committee or is established by the existing practice.

#### ***(2.7) Sale and Repurchase agreements (Repos)***

Securities sold subject to a linked repurchase agreement (Repos) are disclosed in the financial statements as available-for-sale investments, while the respective liability is disclosed, depending on the counter party, as amounts due to credit institutions, to customers or other deposits. Securities purchased under agreements to resell (Reverse Repos) are recorded in the financial statements as due from credit institutions. The difference between sale and repurchase price is recorded in the income statement and is accrued over the term of the agreement using the effective interest rate method.

#### ***(2.8) Property, plant and equipment***

Property, plant and equipment include land, buildings, leasehold improvements, furniture and other equipment and vehicles, held by the Group either for operational purposes or for administrative purposes. The acquisition cost includes expenses directly pertaining to acquisition of property, plant and equipment. Land and buildings are carried at fair value and residual values, based on valuations by independent valuers, regularly, and the

difference arising from the valuation is credited to equity under revaluation reserve. The leasehold improvements, furniture and other equipment as well as vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenses are included in the assets value and on case bases are recognized as an individual asset only if it is probable that future economic benefits will flow to the Group and the aforementioned expenses can be reliably estimated.

Other restoration and maintenance expenses are recorded in the income statement during the year they incur.

*Depreciation:* Land is not depreciated. Depreciation on other property, plant and equipment assets is calculated using the straight-line method over their estimated useful lives, which is reviewed annually, as follows:

Buildings	30 – 50 years
Hardware	4 – 5 years
Furniture and other equipment	6 – 7 years
Vehicles	6 – 9 years

“Third party leasehold improvements” are depreciated over either the useful life of the improvement or the duration of the lease whichever is the shortest.

*Impairment:* The Group reviews annually its property, plant and equipment for impairment. If there are indications of impairment the carrying value of the property, plant and equipment is reduced to its recoverable amount and the respective decrease is recognized as an expense in the income statement. However, impairment should be charged directly against any related revaluation reserve to the extent that the impairment does not exceed the amount held in the revaluation reserve in respect of that same asset. Gains or losses arising from assets impairment are recorded in the income statement and defined as from the difference between the disposal price and the depreciated value of the asset.

## ***(2.9) Investment properties***

Investment property acquired through foreclosure for the settlement of uncollected receivables from loans and advances are initially measured at cost, which includes transaction costs. After initial recognition, investment property is carried at fair value. The difference between the fair value and cost of acquisition is recorded in profit and loss.

## ***(2.10) Intangible Assets***

“Intangible assets” include computer software. Computer software which is acquired and can be clearly identified is capitalized at the cost of acquisition. The expenses that improve or broaden the performance of the software beyond the initial technical characteristics are incorporated in the acquisition cost of intangible assets. There is also added to the acquisition cost of intangible assets any direct cost required for its creation, development and sound operation. Such direct cost items are:

- The fees of the employees when directly connected to the particular intangible asset in case they can be reliably estimated
- The fees of free lancers connected to the creation and development of intangible assets
- Administration expenses that are directly connected and can be reliably estimated at the stage of creating and developing of intangible assets.

Subsequently, intangible assets are carried at cost less any accumulated amortization and any impairment losses. Computer software is amortized in compliance with its useful life that cannot exceed 10 years. Group’s management, on an annual basis, examines the fair value of intangible assets so as to conclude whether there exists an indication of impairment or

whether the useful life should be amended. In the case when the carrying value of an intangible asset exceeds its recoverable value, a corresponding impairment is charged to the income statement.

### ***(2.11) Goodwill***

Goodwill represents the excess of the cost of the acquisition over the fair value of the share of the entity's equity at the date of acquisition.

At each balance sheet date, on annual basis, the carrying amount of goodwill is reviewed by the Group's management for evidence of impairment. In case that the recoverable value is lower than the carrying amount, then the goodwill is reduced to its recoverable amount.

### ***(2.12) Cash and cash equivalents***

Cash and cash equivalents include monetary assets with less than three months to maturity.

### ***(2.13) Loans and Advances to Customers***

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

In cases where the Bank 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 Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset on a future date, the arrangement is accounted for as a loan or advance, and the underlying asset is not recognized in the Bank's financial statements. The paid amounts are recognized as liability due to credit institutions or due to customers.

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.

### ***(2.14) Provisions for credit risks***

Loans and advances to customers are carried on the balance sheet after deducting provisions for losses.

The recoverability of loans and advances is reviewed on an individual basis for those loans, which the Bank considers as significant. The evaluation takes into account the financial position, credit standing, past repayment pattern, the transaction behavior, the credit worthiness of guarantors and the realizable value of collaterals.

Loans and advances which are not considered significant as well as the ones which are considered significant but there are no impairment indications, are grouped on the basis of similar credit risk characteristics, such as consumer loans, mortgage loans, credit card loans etc. The Group examines on a collective basis the possible provision for loan losses. During the evaluation of each category the factors which are taken into account are the amount of non-performing or doubtful loans, the aging of overdue loans, the collectability since they were categorized as doubtful, the existing financial status, the market conditions and historical losses.

When a loan is considered as doubtful, its carrying amount is reduced to its estimated recoverable amount, which is the present value of estimated future cash flows, including the amounts to be recovered from collaterals and guarantees held, discounted with the effective interest rate of the loan.

The differences in the recoverable amounts and the period that they are expected to be collected are compared with previous calculations and when a difference arises it is recorded to the income statement. The reverse of the provision for loan losses occurs only in the case

that the credit standing of the customer has improved to an extent that the capital and interest will be collected according to the terms of the loan agreement.

No interest is accounted for on loans overdue from 3 to 6 months with regard to existence or non-existence of collaterals. In this case interest is presented in off-balance sheet accounts.

Loans and other advances are written off against the related provision, when it is considered uncollectible.

### ***(2.15) Leases***

#### **The Group is the lessee**

##### **Operating Leases**

The Group has entered into operating lease contracts where risks and rewards of ownership of the assets are retained by the lessor. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

##### **Finance Leases**

The Group may enter into finance lease contracts where risks and rewards of ownership of the leased assets have been assumed by the Group.

At inception, finance leases are carried at the lower between the fair value of the lease payments and the present value of the minimum lease payments. Subsequently, the leased land and buildings are revalued at fair value.

The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the Group will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life.

Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

#### **The Group is the lessor**

The Group operates as a lessor and the classification of the lease is based on the extent to which risks and rewards of ownership of the leased assets belong to the lessor or the lessee. A lease is classified as a finance lease if it transfers substantially all risks and rewards of ownership. A lease is classified as an operating lease in case it does not transfer all risks and rewards of ownership.

*Finance Leases:* In its Balance Sheet, the Group records all the held assets that are under finance lease as assets whose value is equal to that of net lease investment. Lease payments are carried as capital paying off (repayment) and as financial income.

The record and allocation of financial income is based on a model that reflects a stable periodical performance of the net investment over the outstanding part of the finance lease.

*Operating Leases:* The leases of this category in which the Group participates pertain to investment property of the Group. Lease payment income less cost of services are charged to the income on a straight-line basis over the period of the lease. The costs, including

depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

### ***(2.16) Derivative financial instruments and hedging***

Derivative financial instruments include forward foreign exchange contracts, interest rate swaps, foreign exchange swaps and other derivative financial instruments.

*Derivatives for trading purposes:* Derivatives that do not qualify for hedging purposes are considered as entered into for trading purposes. Initially, derivatives are recognized in the balance sheet at fair value (which is essentially the transaction cost) on the date on which the contract is entered into. Subsequently they are re-measured at fair value. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

A derivative may be a component of a financial instrument. The combined financial instrument includes both a derivative and a host contract and is known as embedded derivative. An embedded derivative should be separated from the host contract and accounted for as a derivative if all of the following conditions are met: a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and c) the hybrid (combined) instrument is not measured at fair value with changes in fair value reported in the income statement.

Changes in the fair value of derivatives are reported in the income statement.

*Hedging:* For the purposes of hedge accounting, hedging is designated as a fair value hedge, when the exposure to changes in the fair value of a recognized asset or liability is hedged or as cash flow hedge when the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability is hedged. For the derivatives that are used for hedging purposes the Group applies hedge accounting which includes a description of the hedged item, of the hedging instrument, the nature of the risk being hedged and the enterprise's risk management strategy. Furthermore, it documents whether or not the hedging is effective at inception and throughout the life of the hedge. That is whether or not fair value changes derived from the hedged exposure are offset by the changes of the hedging instrument and are within a range of 80% to 125%.

In fair value hedge transactions which meet the criteria for hedge accounting, gains or losses which are due to the valuation of the hedging instrument to fair value are recorded in the income statement. The hedged item is valued at fair value and the gains or losses are recorded in the income statement.

Changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges and that prove to be highly effective in relation to the hedged risk, are recognized in the hedge reserve in equity. Otherwise, gains and losses which refer to the ineffective portion of the hedge are recorded in the income statement.

When the criteria for hedge accounting are no longer met, due to the hedging being no longer effective or due to the fact that the hedged exposure has been derecognised, then the related accumulated gains or losses recognized in the Group's equity are transferred to the income statement.

### ***(2.17) Offsetting of Assets - Liabilities***

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal right to set off the recognized amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.



### ***(2.18) Interest Income and Expenses***

For all financial assets and liabilities, interest income and expense are recognized in the income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the reported period. The effective interest rate is the rate that discounts the estimated future cash receipts or payments through the expected estimated life of the financial instrument.

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

### ***(2.19) Fee and commission income***

Fees and commissions are recognized in the income statement in the period that the service has been provided. Commission and fees arising from third party transactions, are recognized in the income statement upon the completion of the underlying transaction. Portfolio management fees and other management advisory and service fees are recognized in the income statement according to the applicable service contracts, usually on a proportional basis.

### ***(2.20) Provisions***

The Group recognizes a provision for contingent liabilities and risks when:

- there is a present legal or constructive obligation as a result of past events,
- a reliable estimate of the amount of the obligation can be made and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

### ***(2.21) Income Tax***

Deferred income tax is calculated based on the temporary differences arising between the carrying amount of assets and liabilities included in the financial statements and their amounts as measured for tax purposes, according to tax law.

Deferred income tax is determined using tax rates that have been enacted or enacted at a date subsequent to that of the balance sheet.

The Group recognizes deferred tax assets when it is probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized.

Deferred income tax is also recognized in cases that temporary differences arise from investments in subsidiaries and associates, except when the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Income tax payable on profits, based on the applicable tax law is recognized as an expense in the income statement of the year. Tax losses available for carry forward for offsetting are recognized as an asset when it is probable that future taxable profits will be available and they will exceed the accumulated tax losses.

Deferred tax asset or liability arising from the re-measurement of fair value of available for sale securities and cash flow hedges, which are charged or credited directly to equity, is also charged directly to equity.

### ***(2.22) Employees benefits***

The companies of the Group participate in various retirement benefit plans for their employees. Those include both defined benefit and defined contribution plans.

As it concerns the defined contribution plan, the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that the obligation of the Group is to define an amount of pension benefit that an employee will receive at retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses which can be derived from adjustments according to past experience, as well as changes in actuarial assumptions based on the revised IAS 19, which will have mandatory application since 01/01/2013 onwards, and which the Bank has optionally adopted for its financial statements for the year ended at 31/12/2011, will charge directly the shareholders' equity. The other costs will be charged to the profit and loss statement.

### ***(2.23) Recognition of a financial instrument***

The Bank initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

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.

### ***(2.24) Derecognition of a financial instrument***

A financial instrument is derecognized from the Group's financial instruments when the Group loses control of the contractual rights that comprise the financial instrument. The Group loses such control if it realizes the rights to benefits specified in the contract, the rights expire, or the enterprise surrenders those rights.

### ***(2.25) Reporting segments***

Under the new IFRS 8 "Operating Segments", which has already been implemented since 01/01/2009 by the Group, and which replaces IAS 14 "Segment Reporting", the presentation of information regarding the performance of individual operating segments of the Group, is based on the adoption of an Management approach.

Information disclosed is basically information that the Management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differentiate from information used during the preparation of the balance sheet and the income statement.

Furthermore, the Standard requires that explanatory notes on the basis of preparation of segment reporting, as well as traces to entries in financial statements should also be disclosed.

Its implementation is not expected to affect the presentation of the Group's operations by business segment.

The operating segments that serve the internal information of the Group's Management are the followings:

#### Retail Banking

The segment includes the total of private individuals as well as professionals. Via the network of the Group's branches and the central services, the Group provides its clients with the whole range of traditional services as well as the specialized investment services and products.

#### Corporate Banking

The segment includes all the credit services offered to enterprises and corporations. The Group provides the clients that belong to the above category with a wide range of products and services related to consulting, financial and investment nature of business as well as transactions.

#### Capital management / Treasury

The segment includes the Group's capital management, intermediary at mutual funds disposal, the Group's securities management as well as treasury services and private individual securities management.

The other income that comprises real estate property management as well as loans to employees, interest from reduced assurance loans etc, has been allocated proportionally to the three aforementioned segments.

#### ***(2.26) Treasury shares***

Treasury shares held by the Bank or an other company of the Group are carried at cost and they are deducted from equity until they are cancelled. Where such shares are subsequently sold or reissued, the gain or loss from the sale is not recorded in the income statement but directly recognized in equity.

#### ***(2.27) Related party transactions***

Related parties are entities, which the Bank holds either directly or indirectly more than 50% of their share capital or has significant influence in making financial and operating decisions. Also, related parties are considered to be the members of the Group's companies managing boards, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating policies.

All transactions between the Bank and its affiliated parties are carried out with the same economic conditions that similar transactions are carried out with unrelated parties, at the same time.

#### ***(2.28) Earnings per share***

Basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to ordinary Bank's shareholders by the weighted average number of ordinary shares outstanding during the year.

The diluted earnings per share ratio is computed using the same method as for basic EPS, the determinants are adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue ordinary shares were converted or exercised into ordinary shares.

#### ***(2.29) Custody Services***

The Group offers custody services to individuals and companies for their assets. These assets do not belong to the Group. The gains or losses arising from them and from the investment of them are not represented in the financial statements of the Group.

Commissions which are collected from custody services are recognized in the income statement.

***(2.30) Dividends***

Dividend income is recognized when the right to receive income is established.

***(2.31) Change of Accounting Policy***

Certain prior year's items restated due to the change in the accounting policy that concerns the provisions for the retirement benefit plans of employees. From the aforementioned change in the accounting policy, a change occurred in the income statement, where the result of the prior comparative period is presented increased by € 1,370,436.56, without affecting the amount of the total equity.

***(2.32) 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.

***(2.33) Deposits, debt securities issued and subordinated liabilities***

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

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.

***(2.34) 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.

***(2.35) New IFRS amendments and interpretations***

There is a number of new standards or amendments to standards that were adopted from 1 January 2011 and that they have not been applied for the preparation of these financial statements. The Group had not examined the consequences of the implementation of these new standards when they will be approved by the European Union, over the equity position. The first estimation is that the most important consequences will be from:

- (a) IFRS 9 "Financial Instruments"
- (b) IFRS 10 "Consolidated Financial Statements"
- (c) IFRS 11 "Joint Arrangements"
- (d) IFRS 13 "Fair Value Measurement"

and from the changes in IAS 19 "Employee Benefits". Additional disclosures will arise from IAS 1 "Presentation of Financial Statements" and IFRS 12 "Disclosures of Interests in Other Companies".

***(2.36) Significant accounting judgment, estimates and assumptions***

Use of available information and application of objective judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates, while the differences may be material to the Financial Statements.

Basic judgments made by the Group management that have the most significant effect on the amounts recognized in the financial statements mainly pertain to:

- **Classification of investments**

Under the investment acquisition, the management classifies its investments as held-to-maturity, held-for-trading, at fair value through profit or loss or available-for-sale. As far as held-to-maturity investments are concerned, the management examines whether they meet the criteria of IAS 39 and, in particular, the extent to which the Group has the positive intention and ability to hold them to maturity. The Group classifies investments as held-for-trading in case they have been acquired mainly for the purposes of generating short term profit. Classification of investments into assets at fair value through profit and loss depends on the way the management monitors the performance of the aforementioned investments. When investments are not classified as held-for-trading but their fair values are available and can be reliably estimated and changes in fair values are included in profit or loss of the management accounts, they are classified at assets at fair value through profit and loss. All the other investments are classified as held-for-trading.

- **Estimate of impairment of loans and other receivables**

In order to measure the impairment of loans, the Group carries out an impairment test on every date of financial statements preparation. It is examined whether there are reliable indications of potential losses to the client receivables portfolio as well as to other receivables and the provision for impairment of receivables is made (More detailed analysis in Note 2.14).

- **Recoverability of deferred tax asset**

Reference on estimates and assumptions made by Management on deferred taxation is made in note 31.

- **Income taxes**

The Group is subject to income taxes by various tax authorities. Significant estimates are required in order to define provisions for income taxes. There are a lot of transactions and calculations for which the exact computation of income tax is uncertain in the regular course of the Group's operations. The Group recognizes liabilities for expected tax inspection issues based on the estimates of the amount of additional taxes that can be potentially imposed. When the final result pertaining to estimated taxes differs from the amount initially recognized in the financial statements, the differences affect the income tax and the provisions for deferred taxation of the period in which the aforementioned amounts are finalized.

- **Contingent events**

In the course of its regular operations, the Group gets involved in litigations and reimbursements. The management estimates that no litigation will have a material impact on the Group's financial position as at 31 December 2011. However, definition of contingent liabilities pertaining to litigations and receivables is a complex process including judgments concerning the potential repercussions and interpretations of laws regulations. Changes in judgments or interpretations can lead to an increase or a decreased in contingent liabilities of the Group in the future.

- **Useful life of depreciated assets**

Every year, the Group examines the useful life of depreciated assets. As at 31<sup>st</sup> December 2011, the Group estimates that the useful lives represent the expected usefulness of its assets. The amortized balances are analyzed in notes 24 and 25.

- **Calculation of the fair value of financial instruments**

Reference on estimates and assumptions made by Management on the fair values of financial instruments is made in note 42.4.

### 3. OPERATING SEGMENTS

GROUP	Retail Banking	Corporate Banking	Treasury	Total
(Amounts in €)				
<b>From January 1<sup>st</sup> to December 31<sup>st</sup> 2011</b>				
Net income				
- interest	(34,761,816.57)	128,214,166.44	3,700,456.62	<b>97,152,806.49</b>
- commissions	2,062,478.30	19,344,726.78	(1,549,472.79)	<b>19,857,732.29</b>
- trading results and other income	522,155.82	(467,196.05)	2,647,370.82	<b>2,702,330.58</b>
- intersegment results	40,548,842.78	(58,013,703.82)	17,464,861.04	<b>0.00</b>
<b>Net Total Income</b>	<b>8,371,660.32</b>	<b>89,077,993.35</b>	<b>22,263,215.69</b>	<b>119,712,869.36</b>
Income from investments in associates	0.00	0.00	(535,548.11)	<b>(535,548.11)</b>
<b>Losses before income tax</b>	<b>(30,875,270.59)</b>	<b>(88,586,696.15)</b>	<b>(130,338,496.46)</b>	<b>(249,800,463.21)</b>
Income tax				32,932.91
<b>Losses for the year</b>				<b>(249,767,530.30)</b>
<u>Other segment items</u>				
Allowance for impairment losses	(13,382,775.88)	(93,146,940.17)	0.00	<b>(106,529,716.05)</b>
Losses from impairment on GGBs	0.00	0.00	(147,039,050.62)	<b>(147,039,050.62)</b>
Depreciation	(1,534,525.46)	(5,021,283.29)	(307,938.57)	<b>(6,863,747.32)</b>
Total Assets on 31.12.2011	897,416,765.62	2,934,974,827.43	343,510,400.47	<b>4,175,901,993.53</b>
Total Liabilities on 31.12.2011	(2,361,456,353.59)	(1,460,502,313.94)	(94,820,703.29)	<b>(3,916,779,370.82)</b>

(Amounts in €)	Retail Banking	Corporate Banking	Treasury	Total
<b>From January 1<sup>st</sup> to December 31<sup>st</sup> 2010</b>				
Net income				
- interest	(20,098,975.86)	129,966,194.61	5,143,402.95	115,010,621.71
- commissions	5,894,128.89	27,984,696.58	(2,255,601.31)	31,623,224.15
- trading results and other income	1,989,248.04	1,653,957.25	4,138,430.17	7,781,635.46
- intersegment results	43,514,739.29	(46,796,149.30)	3,281,410.01	0.00
<b>Net Total Income</b>	<b>31,299,140.36</b>	<b>112,808,699.14</b>	<b>10,307,641.82</b>	<b>154,415,481.32</b>
Income from investments in associates	0.00	0.00	(474,123.41)	<b>(474,123.41)</b>
<b>Profit / (Loss) before income tax</b>	<b>(11,214,390.97)</b>	<b>14,094,880.77</b>	<b>187,891.17</b>	<b>3,068,380.98</b>
Income tax				(8,811,926.70)
<b>Losses for the year</b>				<b>(5,743,545.72)</b>
<u>Other segment items</u>				
Allowance for impairment losses	(19,318,033.65)	(23,206,101.58)	0.00	<b>(42,524,135.23)</b>
Depreciation	(1,442,548.94)	(4,602,515.85)	(565,353.06)	<b>(6,610,417.85)</b>
Total Assets on 31.12.2010	969,850,158.95	3,107,712,694.71	692,666,529.67	<b>4,770,229,383.33</b>
Total Liabilities on 31.12.2010	2,940,183,789.35	1,212,182,162.57	95,533,348.21	<b>4,247,899,300.13</b>



<b>BANK</b>				
(Amounts in €)	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Treasury</b>	<b>Total</b>
<b>From January 1<sup>st</sup> to December 31<sup>st</sup> 2011</b>				
Net income				
- interest	(34,770,998.89)	127,446,202.87	3,700,847.15	<b>96,376,051.13</b>
- commissions	703,875.38	15,964,624.39	(1,548,419.14)	<b>15,120,080.63</b>
- trading results and other income	522,100.63	(353,261.36)	(911,813.32)	<b>(742,974.05)</b>
- intersegment results	40,543,816.75	(58,030,161.83)	17,486,345.08	<b>0.00</b>
<b>Net Total Income</b>	<b>6,998,793.87</b>	<b>85,027,404.07</b>	<b>18,726,959.77</b>	<b>110,753,157.71</b>
<b>Losses before income tax</b>	<b>(31,550,615.84)</b>	<b>(89,833,753.35)</b>	<b>(133,113,427.20)</b>	<b>(254,497,796.39)</b>
Income tax				1,055,208.98
<b>Losses for the year</b>				<b>(253,442,587.41)</b>
<u>Other segment items</u>				
Allowance for impairment losses	(13,382,775.88)	(93,146,940.17)	0.00	<b>(106,529,716.05)</b>
Losses from impairment on GGBs	0.00	0.00	(146,790,110.96)	<b>(146,790,110.96)</b>
Depreciation	(1,534,525.46)	(4,982,491.80)	(307,938.57)	<b>(6,824,955.83)</b>
Total Assets on 31.12.2011	896,224,313.60	2,941,926,846.17	343,808,330.34	<b>4,181,959,490.11</b>
Total Liabilities on 31.12.2011	(2,368,588,484.62)	(1,464,913,360.47)	(94,560,111.88)	<b>(3,928,061,956.97)</b>

(Amounts in €)	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Treasury</b>	<b>Total</b>
<b>From January 1<sup>st</sup> to December 31<sup>st</sup> 2010</b>				
Net income				
- interest	(20,098,975.86)	129,501,821.40	5,143,402.95	<b>114,546,248.50</b>
- commissions	4,474,122.01	26,477,999.91	(3,557,816.33)	<b>27,394,305.58</b>
- trading results and other income	1,989,248.04	2,399,905.55	3,588,723.37	<b>7,977,876.96</b>
- intersegment results	43,514,739.29	(46,796,149.30)	3,281,410.01	<b>0.00</b>
<b>Net Total Income</b>	<b>29,879,133.48</b>	<b>111,583,577.56</b>	<b>8,455,720.00</b>	<b>149,918,431.04</b>
<b>Profit / (Loss) before income tax</b>	<b>(12,524,829.30)</b>	<b>14,787,502.60</b>	<b>(237,534.37)</b>	<b>2,025,138.93</b>
Income tax				(8,022,130.06)
<b>Losses for the year</b>				<b>(5,996,991.13)</b>
<u>Other segment items</u>				
Allowance for impairment losses	(19,318,033.65)	(23,206,101.58)	0.00	<b>(42,524,135.23)</b>
Depreciation	(1,442,548.94)	(4,598,348.07)	(543,207.28)	<b>(6,584,104.29)</b>
Total Assets on 31.12.2010	969,043,802.35	3,115,429,963.82	696,259,907.80	<b>4,780,733,673.97</b>
Total Liabilities on 31.12.2010	2,948,940,021.84	1,215,792,191.60	95,204,212.19	<b>4,259,936,425.64</b>

#### 4. INTEREST INCOME AND SIMILAR INCOME

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
From loans and advances to customers (apart from finance leases)	185,333,897.74	184,227,147.04	185,333,897.74	184,227,147.04
Credit Institutions	3,288,194.04	3,616,798.62	3,288,194.04	3,616,798.62
From securities held at fair value through profit or loss and trading securities	284,065.78	915,867.84	284,065.78	915,867.84
From available for sale securities	10,504,937.17	9,626,680.21	10,437,470.02	9,623,663.45
From held to maturity securities	4,200,591.35	3,253,713.55	4,200,591.35	3,253,713.55
Interest from corporate bond loans	23,723,995.89	17,413,148.21	23,723,995.89	17,413,148.21
From finance Lease (Lessor)	14,768,545.55	10,118,707.63	14,768,545.55	10,118,707.63
Interest deposit accounts	278,180.61	196,459.73	260,956.11	196,458.39
Interest from factoring	3,068,324.20	2,892,357.89	3,068,324.20	2,892,357.89
Other	196,303.35	1,967.00	178,206.90	0.00
<b>Interest and Similar Income</b>	<b>245,647,035.68</b>	<b>232,262,847.72</b>	<b>245,544,247.58</b>	<b>232,257,862.62</b>

#### 5. INTEREST EXPENSE AND SIMILAR CHARGES

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Customers' deposits	(129,187,046.52)	(103,452,345.67)	(129,744,582.08)	(103,798,040.28)
Repos	0.00	(2,325.58)	0.00	(2,325.58)
To credit institutions	(10,381,377.03)	(8,899,647.59)	(10,381,104.73)	(8,899,575.09)
Bond loans	(3,742,562.17)	(2,903,862.30)	(3,859,266.17)	(3,017,628.30)
Financial Expense due to securitization of mortgage loans	(2,783,243.47)	(194,044.87)	(2,783,243.47)	(194,044.87)
Other	(2,400,000.00)	(1,800,000.00)	(2,400,000.00)	(1,800,000.00)
<b>Interest expense and Similar charges</b>	<b>(148,494,229.19)</b>	<b>(117,252,226.01)</b>	<b>(149,168,196.45)</b>	<b>(117,711,614.12)</b>

The bond loan interest for the year ended 31/12/2011 includes the amount of € 3,742,562.17 for the Group and € 3,859,266.17 for the Bank, referring to the bond loan of reduced reinsurance Tier II that has been issued by the Bank's subsidiary whose registered office is in United Kingdom.

#### 6. FEE AND COMMISSION INCOME

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Loans and advances to customers	1,685,483.80	4,579,411.00	1,685,483.80	4,579,411.00
Credit cards	848,243.70	1,095,034.62	848,243.70	1,095,034.62
Custody services	107,508.17	113,794.52	107,508.17	113,794.52
Import-Export	823,547.06	1,360,046.29	823,547.06	1,360,046.29
Letters of guarantee	5,088,996.17	5,379,253.01	5,088,996.17	5,379,253.01
Money transfers	13,292,412.71	16,027,950.25	13,292,669.99	16,028,164.17
Foreign exchange transactions	54,436.33	74,427.76	54,436.33	74,427.76
Factoring	268,956.98	287,145.41	268,956.98	287,145.41
Telephone-Telegraph-Swift	43,543.10	24,770.60	43,543.10	24,770.60
Mutual Funds	1,109,824.21	1,335,355.74	50,065.02	61,287.86
Securities	682,455.00	552,531.87	682,455.00	552,531.87
From stock exchange transactions	121,682.45	81,190.71	121,682.45	81,190.71
Commissions movement of deposit accounts	545,048.11	774,061.96	545,048.11	774,061.96
Management commissions of Community programs	242,621.57	0.00	242,621.57	0.00
Commissions from finance leases	245,586.27	217,304.97	245,586.27	217,304.97
Other commissions	2,621,630.89	2,764,436.31	(11,062.99)	893,738.30
<b>Commission income</b>	<b>27,781,976.52</b>	<b>34,666,715.02</b>	<b>24,089,780.73</b>	<b>31,522,163.05</b>

**7. FEE AND COMMISSION EXPENSES**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Loans	(429,928.90)	(114,960.87)	(429,928.90)	(114,960.87)
Acquisition cost of trading stocks	(567.04)	(1,223.91)	(567.04)	(1,223.91)
Commissions paid for portfolio management	(234,646.66)	(390,856.52)	(1,254,849.42)	(1,475,223.12)
Commissions paid for special Greek Government Bond	(7,020,254.28)	(2,396,100.00)	(7,020,254.28)	(2,396,100.00)
Other	(238,847.35)	(140,349.57)	(264,100.46)	(140,349.57)
<b>Commission expenses</b>	<b>(7,924,244.23)</b>	<b>(3,043,490.87)</b>	<b>(8,969,700.10)</b>	<b>(4,127,857.47)</b>

The increase of the commission of "Commissions paid for special Greek Government Bond" is solely due to a new bond issued under the EMTN (Medium Term Note) program at 30.12.2010 (Note 30). Therefore, the commissions for this special bond charge the expenses of 2011.

**8. PROFIT / (LOSS) FROM TRADING ACTIVITIES**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Trading Portfolio</b>				
<b>Profits less Losses</b>				
Derivative Financial instruments	821,951.98	(118,399.24)	(2,737,466.52)	(782,851.03)
<b>Foreign exchanges differences</b>				
From foreign currency	(637,197.97)	816,722.35	(636,577.06)	817,004.87
<b>From sales</b>				
Securities	166,094.07	101,116.28	166,094.07	101,116.28
<b>From valuation</b>				
Securities	(41,815.09)	(37,919.56)	(41,815.09)	(37,919.56)
<b>PROFIT / (LOSS) FROM TRADING ACTIVITIES</b>	<b>309,032.99</b>	<b>761,519.83</b>	<b>(3,249,764.60)</b>	<b>97,350.56</b>

**9. PROFIT / (LOSS) FROM INVESTMENT PORTFOLIO**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>FINANCIAL ASSETS AVAILABLE FOR SALE</b>				
<b>Profits less Losses</b>				
<b>From sales</b>				
Shares	35,672.53	28,955.00	35,672.53	28,955.00
Bonds	43,474.44	1,839,096.18	43,474.44	1,839,096.18
Mutual fund units	2,097,412.51	646,655.40	2,097,412.51	660,003.13
Other	0.00	38,452.39	0.00	38,452.39
<b>PROFIT FROM INVESTMENT PORTFOLIO</b>	<b>2,176,559.48</b>	<b>2,553,158.97</b>	<b>2,176,559.48</b>	<b>2,566,506.70</b>

**10. OTHER OPERATING INCOME**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Judicial court expenses	323,782.40	1,196,942.69	323,782.40	1,196,942.69
Subsidization of training programs	160,000.00	114,000.00	160,000.00	114,000.00
Amortized receivables collected	196,394.62	369,883.50	196,394.62	369,883.50
Rent of buildings (auctions included)	397,606.70	504,549.44	421,583.78	617,916.44
Receipt of communication fees	165,295.98	216,839.62	165,295.98	216,839.62
Investment property fair value	(1,440,262.62)	559,075.14	(1,440,262.62)	559,075.14
Dividend Income	135,157.72	185,886.11	226,375.72	924,866.11
Other	278,763.31	1,319,780.16	277,061.19	1,314,496.20

<b>Other Operating Income</b>	<b>216,738.11</b>	<b>4,466,956.66</b>	<b>330,231.07</b>	<b>5,314,019.70</b>
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Dividend Income includes the followings:

<b>DIVIDEND INCOME</b>				
<b>(Amounts in €)</b>				
	<b>GROUP</b>		<b>BANK</b>	
<b>DESCRIPTION</b>	<b>31/12/2011</b>	<b>31/12/2010</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
From securities available from sale	84,087.28	126,061.10	84,087.28	126,061.10
From investment in Subsidiary Attica Bancassurance S.A.	0.00	0.00	0.00	620,000.00
From investment in Subsidiary Attica Ventures S.A.	0.00	0.00	91,218.00	0.00
From investment in Subsidiary Attica Wealth Management S.A.	0.00	0.00	0.00	118,980.00
Other	51,070.44	59,825.01	51,070.44	59,825.01
<b>Dividend Income</b>	<b>135,157.72</b>	<b>185,886.11</b>	<b>226,375.72</b>	<b>924,866.11</b>

# **11. OPERATING EXPENSES**

<b>(Amounts in €)</b>				
	<b>GROUP</b>		<b>BANK</b>	
<b>DESCRIPTION</b>	<b>31/12/2011</b>	<b>31/12/2010</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
Salaries and wages	(48,270,027.05)	(47,361,033.27)	(46,826,091.10)	(46,159,876.73)
Social security contributions	(11,462,354.25)	(11,828,006.36)	(11,236,531.60)	(11,655,142.03)
Other charges	(5,112,594.63)	(5,250,641.53)	(5,096,276.55)	(5,193,203.40)
Other provisions for retirement benefits obligations	(1,464,682.24)	(1,548,527.60)	(1,441,519.02)	(1,548,527.60)
<b>Salaries</b>	<b>(66,309,658.17)</b>	<b>(65,998,208.76)</b>	<b>(64,600,418.27)</b>	<b>(64,556,749.76)</b>
Third party fees and expenses	(6,552,099.90)	(5,167,733.26)	(5,682,239.40)	(4,284,697.36)
Advertising and promotion expenses	(1,910,531.56)	(2,641,847.40)	(1,749,802.31)	(2,517,628.61)
Telecommunication expenses	(2,700,913.17)	(2,555,512.60)	(2,675,787.96)	(2,527,640.10)
Insurance premium fees	(656,065.58)	(773,823.40)	(656,065.58)	(773,176.04)
Repair and maintenance	(2,409,080.78)	(1,934,147.49)	(2,397,000.35)	(1,911,714.09)
Travelling expenses	(595,218.55)	(678,384.26)	(560,263.60)	(626,884.58)
Printing and stationery	(874,994.03)	(383,465.31)	(849,548.64)	(366,558.09)
Utility services	(1,297,661.10)	(1,214,336.64)	(1,284,966.96)	(1,208,297.38)
Rentals	(7,562,454.16)	(7,688,450.84)	(7,437,053.51)	(7,671,824.45)
Loss from sale of property, plant and equipment	0.00	(127,502.24)	0.00	(127,502.24)
Taxes other than income tax	(53,032.62)	(34,087.04)	0.00	0.00
Subscriptions – Memberships	(240,832.43)	(374,344.16)	(120,681.67)	(254,432.16)
Legal and out of court expenses	(1,396,976.81)	(1,211,111.02)	(1,396,976.81)	(1,211,111.02)
Visa Expenses	(2,155,195.09)	(1,242,438.26)	(2,155,195.09)	(1,242,438.26)
Provisions for other risks	(5,287,637.04)	(1,466,090.00)	(5,287,637.04)	(1,462,590.00)
Donations– grants	(394,638.98)	(475,335.74)	(394,638.98)	(475,335.74)
Teiresias systems expenses	(487,587.02)	(798,564.29)	(487,587.02)	(798,564.29)
Cleaning staff expenses	(788,263.29)	(794,980.18)	(784,948.74)	(790,900.18)
Building security expenses	(678,476.43)	(771,678.69)	(678,476.43)	(771,678.69)
Other	(6,193,953.76)	(5,416,382.27)	(5,906,882.90)	(5,205,329.55)
<b>Operating Expenses</b>	<b>(42,235,612.30)</b>	<b>(35,750,215.09)</b>	<b>(40,505,752.99)</b>	<b>(34,228,302.83)</b>
Depreciation of property, plant and equipment	(4,007,001.69)	(4,245,328.80)	(3,982,925.56)	(4,234,597.60)
Amortization of intangible assets	(2,856,745.63)	(2,365,089.05)	(2,842,030.27)	(2,349,506.69)
<b>Depreciation</b>	<b>(6,863,747.32)</b>	<b>(6,610,417.85)</b>	<b>(6,824,955.83)</b>	<b>(6,584,104.29)</b>
<b>Total Operating Expenses</b>	<b>(115,409,017.79)</b>	<b>(108,348,841.70)</b>	<b>(111,931,127.09)</b>	<b>(105,369,156.88)</b>

## **NUMBER OF EMPLOYEES**

The average number of employees is:	1,081	1,143	1,056	1,122
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During the years 2011 and 2010, the fees of legal Auditors, that are included in “third party fees”, are as follows:



(Amounts in €)		
	31/12/2011	31/12/2010
For the statutory audit of the financial statements	188,190.00	188,137.00
For other audit services	310,575.00	0.00

## 12. TAXES

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Current income tax	(1,064,986.40)	(6,081,699.25)	(688,654.05)	(5,561,354.14)
Deferred income tax	1,097,919.31	(2,730,227.45)	1,743,863.03	(2,460,775.92)
<b>Total</b>	<b>32,932.91</b>	<b>(8,811,926.70)</b>	<b>1,055,208.98</b>	<b>(8,022,130.06)</b>

The reconciliation between the tax arising based on the tax rate in effect and the tax expense recognized in the income statement for the year is set off as follows:

Profit (losses) before tax	(249,800,463.21)	3,068,380.98	(254,497,796.39)	2,025,138.93
Tax rate	20%	24%	20%	24%
Income tax	49,960,092.64	(736,411.44)	50,899,559.28	(486,033.34)
Non-recognition of deferred tax asset	(46,627,144.17)	0.00	(46,627,144.17)	0.00
Income not subject to tax	47,782.14	562,866.74	45,275.14	497,570.80
Expenses not deductible for tax purposes	(632,111.42)	(149,446.40)	(629,987.21)	(146,072.72)
Expenses not included in the income statement	(1,525,000.00)	(1,830,000.00)	(1,525,000.00)	(1,830,000.00)
Other adjustments	(454,229.47)	(930,761.60)	(418,840.01)	(496,240.65)
Provision from the non offsetting receivables due from Greek State	0.00	(3,603,280.97)	0.00	(3,603,280.97)
Extraordinary Contribution of Law 3808/2009 and Law 3845/2010	0.00	(1,540,457.11)	0.00	(1,465,576.27)
Other Taxes	(736,456.81)	(584,435.92)	(688,654.05)	(492,496.90)
<b>Total</b>	<b>32,932.91</b>	<b>(8,811,926.70)</b>	<b>1,055,208.98</b>	<b>(8,022,130.06)</b>

Deferred Tax				
Depreciation of tangible and intangible assets	45,329.59	(199,643.37)	45,329.59	(199,643.37)
Provisions for contingent liabilities	45,276.97	(192,995.81)	45,276.97	(186,786.14)
Deferred tax assets impairment of previous years	(9,399,503.55)	0.00	(9,399,503.55)	0.00
Provision for loan impairment	(1,677,840.00)	(1,319,910.00)	(1,677,840.00)	(1,319,910.00)
Reserves for offsetting	(452,894.72)	(523,163.66)	(452,894.72)	(523,163.66)
Other temporary differences	92,814.35	(70,172.90)	26,874.37	11,695.34
Tax income for offsetting	0.00	3,488,094.92	0.00	3,512,519.94
Dividend of preference shares	0.00	(1,482,410.96)	0.00	(1,482,410.96)
Derivatives	(711,883.70)	(159,468.42)	0.00	0.00
Financial Instruments Held to Maturity	3,649,806.14	0.00	3,649,806.14	0.00
Financial Instruments Available for Sale	11,703,714.07	0.00	11,703,714.07	0.00

Employee retirement benefits	(2,196,899.84)	(2,270,557.25)	(2,196,899.84)	(2,273,077.07)
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<b>Total deferred income tax</b>	<b>1,097,919.31</b>	<b>(2,730,227.45)</b>	<b>1,743,863.03</b>	<b>(2,460,775.92)</b>
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### 13. PROFIT AFTER TAXES PER SHARE – BASIC AND DILUTED

(Amounts in €)		GROUP		BANK	
DESCRIPTION	1/1 - 31/12/2011	1/1 - 31/12/2010	1/1 - 31/12/2011	1/1 - 31/12/2010	
Profits / (Losses) attributable to owners of the Bank	(249,773,045.26)	(5,743,578.06)	(253,442,587.41)	(5,996,991.13)	
Minus: accrued dividend of preference shares net of tax	(8,016,000.00)	(7,615,200.00)	(8,016,000.00)	(7,615,200.00)	
<b>Losses attributable to ordinary equity owners of the Bank</b>	<b>(257,789,045.26)</b>	<b>(13,358,778.06)</b>	<b>(261,458,587.41)</b>	<b>(13,612,191.13)</b>	
Weighted average number of shares for the period	244,833,091.00	244,833,091.00	244,833,091.00	244,833,091.00	
Adjusted weighted average number of shares for the period	244,833,091.00	244,833,091.00	244,833,091.00	244,833,091.00	
<b>Basic earnings per share (in €)</b>	<b>(1.0529)</b>	<b>(0.0546)</b>	<b>(1.0679)</b>	<b>(0.0556)</b>	

Basic earnings per share was calculated in accordance with the weighted average number of common shares in circulation at the beginning of the year plus the addition of common shares that were issued during the period, based on months issued, less the weighted average number of common treasury shares which were held by the Group during the period. Profit for the period has been adjusted with the accrued dividend for the closing period, net of tax, that corresponds to the preference shares of L. 3723/2008, regardless of whether it has been approved for distribution or not, in accordance with I.A.S. 33, paragraph 14.

It is noted that at 31/12/2011 and the comparative period there are no potential dilutive shares to adjust the weighted average number of common shares of the period and therefore there are no reasons for calculating diluted earnings per share.

### 14. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in €)		GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
Cash in hand	27,778,166.30	22,575,129.75	27,257,217.01	22,121,350.30	
Cheques receivable	29,221,075.90	36,495,397.51	29,221,075.90	36,495,397.51	
Balances with Central Bank (except for mandatory deposits)	12,777,291.50	27,749,767.56	12,777,291.50	27,749,767.56	
<b>Cash and balances with Central Bank</b>	<b>69,776,533.70</b>	<b>86,820,294.82</b>	<b>69,255,584.41</b>	<b>86,366,515.37</b>	

### 15. DUE FROM OTHER FINANCIAL INSTITUTIONS

(Amounts in €)		GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
Domestic Credit Institutions	806,608.15	884,446.44	803,451.68	873,824.85	
Foreign Credit Institutions	2,087,792.83	2,017,109.30	2,087,792.83	2,017,109.30	
<b>Sight Deposits with financial institutions</b>	<b>2,894,400.98</b>	<b>2,901,555.74</b>	<b>2,891,244.51</b>	<b>2,890,934.15</b>	
Domestic Credit Institutions	98,500,000.00	285,003,420.04	98,500,000.00	285,003,420.04	
Foreign Credit Institutions	18,391,143.06	17,000,000.00	18,391,143.06	17,000,000.00	
<b>Term deposits with financial institutions</b>	<b>116,891,143.06</b>	<b>302,003,420.04</b>	<b>116,891,143.06</b>	<b>302,003,420.04</b>	
Domestic Credit Institutions	511,054.91	0.00	0.00	0.00	
Foreign Credit Institutions	0.00	0.00	0.00	0.00	
<b>Term deposits apart from financial institutions</b>	<b>511,054.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
Other claims from financial institutions	32,900.94	16,579.82	32,900.94	16,579.82	
<b>Other claims</b>	<b>32,900.94</b>	<b>16,579.82</b>	<b>32,900.94</b>	<b>16,579.82</b>	
<b>Due from other financial institutions</b>	<b>120,329,499.89</b>	<b>304,921,555.60</b>	<b>119,815,288.51</b>	<b>304,910,934.01</b>	

**16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Corporate Listed Bonds –Foreign	21,000.00	96,150.00	21,000.00	96,150.00
Government Bonds-Domestic	27,812.40	5,008,492.07	27,812.40	5,008,492.07
<b>Securities at fair value through profit and loss at initial recognition</b>	<b>48,812.40</b>	<b>5,104,642.07</b>	<b>48,812.40</b>	<b>5,104,642.07</b>

**Impairment of Greek Government Bonds included in Trading portfolio**

(Amounts in €)	GROUP		
	31/12/2011		
	Book Value	Profit/Loss	Fair Value
Eligible Greek Government Bonds	45,238.30	(18,419.90)	26,818.40
Non eligible Greek Government Bonds (including Treasury Bills)	989.20	4.80	994.00
<b>Total</b>	<b>46,227.50</b>	<b>(18,415.10)</b>	<b>27,812.40</b>

**Impairment of Greek Government Bonds included in Trading portfolio**

(Amounts in €)	BANK		
	31/12/2011		
	Book Value	Profit/Loss	Fair Value
Eligible Greek Government Bonds	45,238.30	(18,419.90)	26,818.40
Non eligible Greek Government Bonds (including Treasury Bills)	989.20	4.80	994.00
<b>Total</b>	<b>46,227.50</b>	<b>(18,415.10)</b>	<b>27,812.40</b>

**17. DERIVATIVE FINANCIAL INSTRUMENTS**

(Amounts in €)	GROUP		
31/12/2011	ASSETS		LIABILITIES
CLASSIFICATION PER TYPE OF INVESTMENT	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	64,536,289.73	0.00	(131,703.29)
Forwards	175,623,076.00	778,445.05	0.00
<b>Derivative financial instruments for trading</b>	<b>240,159,365.73</b>	<b>778,445.05</b>	<b>(131,703.29)</b>

31/12/2010	ASSETS		LIABILITIES
CLASSIFICATION PER TYPE OF INVESTMENT	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	97,498,197.53	0.00	(844,348.21)
Forwards	2,095,154.54	5,716.23	0.00
<b>Derivative financial instruments for trading</b>	<b>99,593,352.07</b>	<b>5,716.23</b>	<b>(844,348.21)</b>

(Amounts in €)		BANK	
31/12/2011	ASSETS		LIABILITIES
CLASSIFICATION PER TYPE OF INVESTMENT	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	360,310,629.73	819,284.49	(131,703.29)
Forwards	175,623,076.00	778,445.05	0.00
<b>Derivative financial instruments for trading</b>	<b>535,933,705.73</b>	<b>1,597,729.54</b>	<b>(131,703.29)</b>

31/12/2010	ASSETS		LIABILITIES
CLASSIFICATION PER TYPE OF INVESTMENT	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	424,615,352.53	4,378,702.99	(844,348.21)
Forwards	2,095,154.54	5,716.23	0.00
<b>Derivative financial instruments for trading</b>	<b>426,710,507.07</b>	<b>4,384,419.22</b>	<b>(844,348.21)</b>

The derivative financial instruments traded by the Group are not listed in an active stock exchange market. Furthermore, the nominal value of swaps for the year 2011 includes interest rate exchange agreements between the Bank and UBS, of € 296 million total nominal value, within the frame of securitization of mortgages with Stegasis Mortgage Finance plc. For the comparative period 2010 the nominal value of these interest rate exchange agreements amounted to € 327 million.

**18. LOANS AND ADVANCES TO CUSTOMERS (NET OF IMPAIRMENT)****18.1 LOANS AND ADVANCES TO CUSTOMERS (NET OF IMPAIRMENT)**

(Amounts in €)		GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
Credit cards	55,703,897.90	60,814,862.75	55,703,897.90	60,814,862.75	
Consumer loans	233,686,020.97	246,452,613.80	233,686,020.97	246,452,613.80	
Mortgages	573,673,956.01	596,558,346.12	573,673,956.01	596,558,346.12	
Other	14,208,681.19	25,578,541.81	14,208,681.19	25,578,541.81	
<b>Loans to private individuals</b>	<b>877,272,556.07</b>	<b>929,404,364.48</b>	<b>877,272,556.07</b>	<b>929,404,364.48</b>	
Agricultural sector	20,816,353.10	21,561,450.63	20,816,353.10	21,561,450.63	
Commercial	599,479,204.44	721,027,328.71	599,479,204.44	721,027,328.71	
Industrial sector	423,316,578.34	440,519,764.36	423,316,578.34	440,519,764.36	
Small industry	77,686,447.52	91,245,526.85	77,686,447.52	91,245,526.85	
Tourism	140,397,433.03	120,241,904.18	140,397,433.03	120,241,904.18	
Shipping	18,524,739.62	23,739,361.98	18,524,739.62	23,739,361.98	
Construction sector	543,567,636.61	560,381,262.56	543,567,636.61	560,381,262.56	
Other	680,663,182.82	649,962,280.06	680,663,182.82	649,962,280.06	
<b>Loans to corporate entities</b>	<b>2,504,451,575.48</b>	<b>2,628,678,879.33</b>	<b>2,504,451,575.48</b>	<b>2,628,678,879.33</b>	
<b>Public sector</b>	<b>38,840,286.99</b>	<b>41,311,570.11</b>	<b>38,840,286.99</b>	<b>41,311,570.11</b>	
<b>Net investment in finance lease</b>	<b>305,147,889.22</b>	<b>292,629,856.13</b>	<b>305,147,889.22</b>	<b>292,629,856.13</b>	
<b>Loans and advances to customers (before impairment)</b>	<b>3,725,712,307.76</b>	<b>3,892,024,670.05</b>	<b>3,725,712,307.76</b>	<b>3,892,024,670.05</b>	
<b>Provisions for impairment of loan losses</b>	<b>(256,802,064.89)</b>	<b>(182,321,164.46)</b>	<b>(256,802,064.89)</b>	<b>(182,321,164.46)</b>	
<b>Loans and advances to customers (net of impairment)</b>	<b>3,468,910,242.87</b>	<b>3,709,703,505.59</b>	<b>3,468,910,242.87</b>	<b>3,709,703,505.59</b>	

All the categories of loans and advances are carried at amortized cost, which does not significantly differ from their fair value.

**18.2 FINANCE LEASE ASSETS (LESSOR)**

(Amounts in €)		CLASSIFICATION PER CATEGORY GROUP AND BANK	
Description	31/12/2011 Contract Volume	31/12/2010 Contract Volume	
Land	86,436,745.81	81,513,023.82	
Buildings	173,333,640.60	160,707,271.98	
Machinery	34,349,124.32	37,136,798.68	
Transport equipment	9,269,898.83	10,716,043.54	
Technological equipment	1,758,479.66	2,556,718.11	
<b>Total</b>	<b>305,147,889.22</b>	<b>292,629,856.13</b>	

NET INVESTMENT IN FINANCE LEASE						
GROUP AND BANK						
31/12/2011				31/12/2010		
Duration	Gross investment (Future lease payments)	Unearned financial revenue	Net investment in finance lease	Gross investment (Future lease payments)	Unearned financial revenue	Net investment in finance lease
Up to 1 year	27,399,497.91	(4,904,206.71)	22,495,291.20	27,683,953.79	(6,007,341.48)	21,676,612.31
From 1 to 5 years	87,162,106.40	(15,589,795.30)	71,572,311.10	84,324,274.72	(18,314,273.49)	66,010,001.23
Over 5 years	257,038,950.27	(45,958,663.35)	211,080,286.92	261,801,917.92	(56,858,675.33)	204,943,242.59
<b>Total</b>	<b>371,600,554.58</b>	<b>(66,452,665.36)</b>	<b>305,147,889.22</b>	<b>373,810,146.43</b>	<b>(81,180,290.30)</b>	<b>292,629,856.13</b>

Making use of provision given by the Law 3483/2006, the Bank extended its operations in the sector of finance lease investments. In order to create economies of scale and for the best monitorship of the financing of this category, the Bank has absorbed since 2007 its Subsidiary entity ATTIKI LEASING S.A.

### 18.3 PROVISIONS FOR IMPAIRMENT LOAN LOSSES

GROUP AND BANK					
(Amounts in €)	Loan current accounts for Individuals	Credit cards	Statutory maturity loans	Mortgages	Total
<b>a) Loans to private individuals</b>					
<b>Balance as at January 1<sup>st</sup>, 2010</b>	<b>15,253,927.02</b>	<b>13,214,667.87</b>	<b>22,132,403.33</b>	<b>16,687,948.47</b>	<b>67,288,946.69</b>
Provision for loan impairment	6,227,180.84	3,064,023.06	5,567,281.08	4,459,548.67	19,318,033.65
Write-offs	(2,239,965.05)	(2,383,229.86)	(2,982,952.92)	(339,930.97)	(7,946,078.80)
<b>Balance as at December 31<sup>st</sup>, 2010</b>	<b>19,241,142.81</b>	<b>13,895,461.07</b>	<b>24,716,731.49</b>	<b>20,807,566.17</b>	<b>78,660,901.54</b>
<b>Balance as at January 1<sup>st</sup>, 2011</b>	<b>19,241,142.81</b>	<b>13,895,461.07</b>	<b>24,716,731.49</b>	<b>20,807,566.17</b>	<b>78,660,901.54</b>
Provision for loan impairment	2,051,365.30	3,443,366.04	2,915,535.44	4,972,509.10	13,382,775.88
Write-offs	(2,539,633.46)	(2,093,592.84)	(11,858.71)	0.00	(4,645,085.01)
<b>Balance as at December 31<sup>st</sup>, 2011</b>	<b>18,752,874.65</b>	<b>15,245,234.27</b>	<b>27,620,408.22</b>	<b>25,780,075.27</b>	<b>87,398,592.41</b>

	Large Entities	Small & Medium Entities	Other entities	Total
<b>b) Corporate loans</b>				
<b>Balance as at January 1<sup>st</sup>, 2010</b>	<b>17,104,220.12</b>	<b>32,000,812.97</b>	<b>35,339,966.08</b>	<b>84,444,999.17</b>
Provision for loan impairment	4,244,350.72	5,841,118.18	13,120,632.68	23,206,101.58
Write-offs	(64,279.07)	(1,035,020.34)	(2,891,538.42)	(3,990,837.83)
<b>Balance as at December 31<sup>st</sup>, 2010</b>	<b>21,284,291.77</b>	<b>36,806,910.81</b>	<b>45,569,060.34</b>	<b>103,660,262.92</b>
<b>Balance as at January 1<sup>st</sup>, 2011</b>	<b>21,284,291.77</b>	<b>36,806,910.81</b>	<b>45,569,060.34</b>	<b>103,660,262.92</b>
Provision for loan impairment	25,718,870.11	36,133,046.67	24,185,141.07	86,037,057.85
Write-offs	(6,941,709.76)	(4,777,000.23)	(8,575,138.30)	(20,293,848.29)
<b>Balance as at December 31<sup>st</sup>, 2011</b>	<b>40,061,452.12</b>	<b>68,162,957.25</b>	<b>61,179,063.11</b>	<b>169,403,472.48</b>

The Group has already placed in application a system for measuring the credit risk, which takes into account all the factors that may affect the regular repayment of the loan and therefore assures the correct presentation of the size of their impairment through the set up of a respective provision. This provision is the difference between the carrying amount of the claim and the loan amount awaited to be collected.

**19. IMPAIRMENT LOSS ON FINANCIAL ASSETS**

	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Impairment on loans (note 18.3)	(99,419,833.73)	(42,524,135.23)	(99,419,833.73)	(42,524,135.23)
Impairment on Bond Loans	(7,109,882.32)	0.00	(7,109,882.32)	0.00
Impairment on Other Debt Instruments available for sale	(4,643,003.47)	0.00	(4,643,003.47)	0.00
Impairment on investments available for sale	(105,897,985.77)	0.00	(105,649,046.11)	0.00
Impairment on securities held to maturity	(36,498,061.38)	0.00	(36,498,061.38)	0.00
<b>Total</b>	<b>(253,568,766.67)</b>	<b>(42,524,135.23)</b>	<b>(253,319,827.01)</b>	<b>(42,524,135.23)</b>

The Group, considering the credit risk, proceeded into provision for loans impairment during 2011 amounted to € 99,419,833.73 increased by 134% compared to the respective period of 2010 due to the worsening economic conditions.

The impairment losses resulted from the Bank's participation in the voluntary exchange of Greek Government Bonds (PSI) arised to € 142 million and is analyzed as above.

The Bank proceeded to a provision for the impairment of corporate bond loans considering the creditworthiness of their issuer, amounted to € 7.1 million. It has also made a provision for the impairment of other securities included in the available for sale portfolio amount to € 4.6 million.

**20. FINANCIAL ASSETS AVAILABLE FOR SALE**

(Amounts in €)	GROUP		BANK	
CLASSIFICATION BY TYPE AND MARKET	31/12/2011 Fair Value	31/12/2010 Fair Value	31/12/2011 Fair Value	31/12/2010 Fair Value
Government Bonds-Domestic	93,469,502.73	199,092,117.24	93,201,000.00	198,628,119.00
<b>Government Bonds</b>	<b>93,469,502.73</b>	<b>199,092,117.24</b>	<b>93,201,000.00</b>	<b>198,628,119.00</b>
Corporate Listed –Domestic	3,509,005.00	4,660,000.00	3,509,005.00	4,660,000.00
Corporate Listed –Foreign	537,500.20	16,903,400.00	537,500.20	16,903,400.00
<b>Corporate Listed Bonds</b>	<b>4,046,505.20</b>	<b>21,563,400.00</b>	<b>4,046,505.20</b>	<b>21,563,400.00</b>
Corporate Non Listed –Domestic	803,612.67	803,612.67	803,612.67	803,612.67
Corporate Non Listed –Foreign	5,574,851.48	631,976.96	5,574,851.48	631,976.96
<b>Corporate Non Listed Bonds</b>	<b>6,378,464.15</b>	<b>1,435,589.63</b>	<b>6,378,464.15</b>	<b>1,435,589.63</b>
<b>Bonds</b>	<b>103,894,472.08</b>	<b>222,091,106.87</b>	<b>103,625,969.35</b>	<b>221,627,108.63</b>
Listed shares-Domestic	1,825,682.21	3,897,799.11	1,812,123.82	3,880,114.72
Listed shares- Foreign	6,090.24	11,442.54	6,090.24	11,442.54
Non Listed shares-Domestic	551,754.37	517,059.58	551,754.37	517,059.58
<b>Shares</b>	<b>2,383,526.82</b>	<b>4,426,301.23</b>	<b>2,369,968.43</b>	<b>4,408,616.84</b>
Mutual fund units - Domestic	4,997,958.60	7,842,704.97	4,997,958.60	7,842,704.97
Mutual fund units - Foreign	16,992,036.06	18,776,732.02	16,992,036.06	18,776,732.02
<b>Mutual fund units</b>	<b>21,989,994.66</b>	<b>26,619,436.99</b>	<b>21,989,994.66</b>	<b>26,619,436.99</b>
<b>Financial assets available for sale</b>	<b>128,267,993.56</b>	<b>253,136,845.09</b>	<b>127,985,932.44</b>	<b>252,655,162.46</b>

In compliance with the amendments to IAS 39 issued following the decision of the International Accounting Standards Board (IASB) as at 13th October 2008, and due to specific conditions existing in the financial market during the 2nd semester of 2008, the Group has identified investments in bonds and shares which has the intention to hold and not to proceed to their disposal in the nearest future. These investments include shares of the Bank listed on the Athens Stock Exchange, which at 01/07/2008 were transferred from "Trading Portfolio Securities" to "Available for Sale Securities", with fair and book value at 31/12/2011 of € 1,720,990.74.

The revaluation of these shares for the closing year 2011, was a loss of € 1,955,423.16 that was recorded in the reserves "Available for sale portfolio" and not in the profit and loss of the current fiscal year, according to the aforementioned decision. As for the fourth quarter of the current fiscal year, the loss amounted to € 271,305.96.

For the comparative year of 2010, the fair value of the shares which at 31/12/2010, amounted to € 3,661,733.78. The loss from the evaluation of shares amounted to € 5,322,694.37 has been included in available for sale portfolio reserve of shares. In particular, the amount of € 1,337,880.44 concerns the period from 1/7/2008 to 31/12/2008, an amount of € 95,534.51 concerns the comparative period of 2009 and an amount of € 1,933,856.26 concerns the comparative period of 2010.

**(Amounts in €)**

<b>Change in Financial assets available for sale</b>	<b>GROUP</b>	<b>BANK</b>
<b>Balance as at January 1<sup>st</sup>, 2010</b>	<b>261,441,805.56</b>	<b>261,119,445.25</b>
Additions	203,955,809.05	203,489,092.63
Adjustment at fair value carried directly to reserves	(62,279,399.57)	(62,276,125.53)
Sales/impairment/maturity	(150,660,696.46)	(150,356,576.40)
Premium / discount	677,770.29	677,770.29
Foreign exchange differences	1,556.22	1,556.22
<b>Balance as at December 31<sup>st</sup>, 2010</b>	<b>253,136,845.09</b>	<b>252,655,162.46</b>
<b>Balance as at January 1<sup>st</sup>, 2011</b>	<b>253,136,845.09</b>	<b>252,655,162.46</b>
Additions	25,554,126.70	25,554,126.70
Adjustment at fair value carried directly to reserves	(116,666,382.82)	(116,466,761.31)
Sales/impairment/maturity	(27,338,658.49)	(27,338,658.49)
Premium / discount	(6,419,477.86)	(6,419,477.86)
Foreign exchange differences	1,540.94	1,540.94
<b>Balance as at December 31<sup>st</sup>, 2011</b>	<b>128,267,993.56</b>	<b>127,985,932.44</b>

<b>Impairment on Greek Government Bonds of Available for Sale portfolio</b>		<b>GROUP</b>		
<b>(Amounts in €)</b>		<b>31/12/2011</b>		
	<b>Amortized Cost</b>	<b>AFS Reserve (before impairment)</b>	<b>AFS Reserve recycled to P&amp;L</b>	<b>Fair Value</b>
Eligible Greek Government Bonds	148,766,488.50	(105,897,985.77)	105,897,985.77	42,868,502.73
Non eligible Greek Government Bonds (including Treasury Bills)	100,200,000.00	(49,599,000.00)	0.00	50,601,000.00
<b>Total</b>	<b>248,966,488.50</b>	<b>(155,496,985.77)</b>	<b>105,897,985.77</b>	<b>93,469,502.73</b>

<b>Impairment on Greek Government Bonds of Available for Sale portfolio</b>		<b>BANK</b>		
<b>(Amounts in €)</b>		<b>31/12/2011</b>		
	<b>Amortized Cost</b>	<b>AFS Reserve (before impairment)</b>	<b>AFS Reserve recycled to P&amp;L</b>	<b>Fair Value</b>
Eligible Greek Government Bonds	148,249,046.11	(105,649,046.11)	105,649,046.11	42,600,000.00
Non eligible Greek Government Bonds (including Treasury Bills)	100,200,000.00	(49,599,000.00)	0.00	50,601,000.00
<b>Total</b>	<b>248,449,046.11</b>	<b>(155,248,046.11)</b>	<b>105,649,046.11</b>	<b>93,201,000.00</b>

The Available for Sale reserve of € 105.9 million, as stated in the above table, has been recycled to the income statement as impairment provision and is referred to the Greek Government Bonds valuation performed by the Group as at 31/12/2011, which has been charged to the special reserve account (Note 19).

**21. INVESTMENTS HELD TO MATURITY**

(Amounts in €)				
CLASSIFICATION BY TYPE AND MARKET	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Greek State bonds</b>	14,571,188.00	49,783,225.39	14,571,188.00	49,783,225.39
<b>Corporate Listed Bonds- Foreign</b>	19,756,215.47	19,428,615.35	19,756,215.47	19,428,615.35
<b>Bonds</b>	<b>34,327,403.47</b>	<b>69,211,840.74</b>	<b>34,327,403.47</b>	<b>69,211,840.74</b>
<b>Investments held to maturity</b>	<b>34,327,403.47</b>	<b>69,211,840.74</b>	<b>34,327,403.47</b>	<b>69,211,840.74</b>

Held to maturity investment securities are carried at amortized cost. Their fair value as at 31/12/2011 taking into account the reclassifications that took place during the year was € 33,848 thousands, while at 31/12/2010 the fair value was € 54,571 thousands since that date no reclassification took place.

Additionally, taking under consideration the current condition in the financial markets and particularly during the second quarter of 2010 with the peak of the Greek fiscal crisis, the Bank having adopted the amendments of the International Accounting Standard (I.A.S.) 39 and International Financial Reporting Standard (I.F.R.S.) 7, on 01/04/2010 transferred bonds from "Trading Portfolio" to "Held to Maturity portfolio" of a book value of € 70,030,000.00 and fair value of € 69,383,911.31.

The fair value of the securities that were transferred from "Trading portfolio securities" to "Held-to-maturity securities" as at 01/04/2010 amounted to € 69,192,475.00. If the Bank had not proceeded to the reclassification of the securities, the losses from the fair value valuation of the aforementioned bonds, amounted to € 21,252,279.00 would be charged the income statement the year ended at 2011. This amount is analyzed as follows: € 13,835,743.00 losses of the first nine months of 2011 and € 7,416,536.00 loss of the fourth quarter of the same year.

(amounts in €)		
Change in held to maturity portfolio		
	GROUP	BANK
<b>Balance as at January 1<sup>st</sup>, 2010</b>	<b>6,960,797.04</b>	<b>6,960,797.04</b>
Additions	68,959,364.00	68,959,364.00
Impairment /maturity	(7,000,000.00)	(7,000,000.00)
Premium / discount	291,679.70	291,679.70
<b>Balance as at December 31<sup>st</sup>, 2010</b>	<b>69,211,840.74</b>	<b>69,211,840.74</b>
<b>Balance as at January 1<sup>st</sup>, 2011</b>	<b>69,211,840.74</b>	<b>69,211,840.74</b>
Additions	1,276,864.00	1,276,864.00
Impairment /maturity	(36,498,061.38)	(36,498,061.38)
Premium / discount	336,760.11	336,760.11
<b>Balance as at December 31<sup>st</sup>, 2011</b>	<b>34,327,403.47</b>	<b>34,327,403.47</b>

Impairment on Greek Government Bonds of Held to Maturity portfolio			
(Amount in €)			
	GROUP		
	Amortized cost before impairment	31/12/2011 Cumulative impairment/Charge for the period	Carrying amount after impairment
Eligible Greek Government Bonds	49,792,385.38	(35,583,865.38)	14,208,520.00
Non-eligible Greek Government Bonds	1,276,864.00	(914,196.00)	362,668.00
<b>Total</b>	<b>51,069,249.38</b>	<b>(36,498,061.38)</b>	<b>14,571,188.00</b>

Impairment on Greek Government Bonds of Held to Maturity portfolio		BANK	
(Amount in €)		31/12/2011	
	Amortized cost before impairment	Cumulative impairment/Charge for the period	Carrying amount after impairment
Eligible Greek Government Bonds	49,792,385.38	(35,583,865.38)	14,208,520.00
Non-eligible Greek Government Bonds	1,276,864.00	(914,196.00)	362,668.00
<b>Total</b>	<b>51,069,249.38</b>	<b>(36,498,061.38)</b>	<b>14,571,188.00</b>

The Group proceeded to a provision for impairment amounted to € 36.5 million, due to the signs for impairment of Greek Government Bonds (Note 19).

## 22. INVESTMENTS IN SUBSIDIARIES

(Amounts in €)

Company	Country of incorporation	Number of shares	Holding percentage %	31/12/2011		
				Equity (% holding of the owner)	Acquisition cost	Carrying amount
1. Attica Wealth Management S.A.	Greece	198,300	100.00%	3,004,691.96	2,326,059.00	2,326,059.00
2. Attica Ventures S.A.	Greece	15,000	99.99%	1,053,435.73	599,960.00	599,960.00
3. Attica Finance S.A.	Greece	382,166	55.00%	1,705,780.23	1,699,564.80	1,699,564.80
4. Attica Funds PLC	United Kingdom	17,500	99.99%	483,921.00	20,950.26	20,950.26
5. Attica Bancassurance Agency S.A.	Greece	10,000	99.90%	1,649,222.34	99,900.00	99,900.00
6. AtticaBank Properties S.A.	Greece	70,600	100.00%	7,186,785.82	7,060,000.00	7,060,000.00
7. Stegasis Mortgage Finance PLC	United Kingdom	-	-	-	-	-
<b>Investments in subsidiaries</b>					<b>11,806,434.06</b>	<b>11,806,434.06</b>

Company	Country of incorporation	Number of shares	Holding percentage %	31/12/2010		
				Equity (% holding of the owner)	Acquisition cost	Carrying amount
1. Attica Wealth Management S.A.	Greece	198,300	100.00%	3,074,919.93	2,326,059.00	2,326,059.00
2. Attica Ventures S.A.	Greece	15,000	99.99%	951,915.53	599,960.00	599,960.00
3. Attica Finance S.A.	Greece	382,166	55.00%	1,698,506.27	1,699,564.80	1,699,564.80
4. Attica Funds PLC	United Kingdom	17,500	99.99%	415,882.00	20,330.82	20,330.82
5. Attica Bancassurance Agency S.A.	Greece	10,000	99.90%	1,110,934.93	99,900.00	99,900.00
6. AtticaBank Properties S.A.	Greece	70,600	100.00%	6,955,104.16	7,060,000.00	7,060,000.00
7. Stegasis Mortgage Finance PLC	United Kingdom	-	-	-	-	-
<b>Investments in subsidiaries</b>					<b>11,805,814.62</b>	<b>11,805,814.62</b>

A share capital increase of € 2,646,753.10 on the Bank's subsidiary, ATTICA CONSULTING S.A., took place in October 2010 of the comparative period, while amending the statute regarding the name, purpose of the company and its expansion into new business areas. The company ATTICA FINANCE S.A., as renamed after the decision of Extraordinary General Assembly held on 18/10/2010, is the sequel and successor of ATTICA CONSULTING S.A. The company "Dinamiki AXEPEY" holds the 45% of ATTICA FINANCE S.A. share capital and the Bank holds a percentage of 55%.

A share capital increase of € 6 million took place in the subsidiary "AtticaBank Properties S.A." in the comparative period of 2010, that was fully covered by the Bank. The Bank's participation share in the subsidiary did not change compared to the previous year after the share capital increase.

### 23. INVESTMENTS IN ASSOCIATES

31/12/2011		
Company Name	Country of incorporation	% Participation
Zaitech Innovation Venture Capital Fund I	Greece	50.00%
Zaitech Innovation Venture Capital Fund II	Greece	92.00%

31/12/2010		
Company Name	Country of incorporation	% Participation
Zaitech Innovation Venture Capital Fund I	Greece	50.00%
Zaitech Innovation Venture Capital Fund II	Greece	92.00%

Zaitech Innovation Venture Capital Funds I and II have been recognized as associate according to I.A.S. 28 'Investment in Associates' and it was consolidated under the equity method of accounting for both year end periods as at 31.12.2011 and 31.12.2010.

The Bank as the main shareholder of Zaitech Innovation Venture Capital Fund exercises significant influence on the investing committee of the Venture Capital that has the exclusive responsibility for the investments made as well as for their liquidation.

This significant influence is the result of an agreement between the Bank that is the trustee and its subsidiary "Attica Ventures S.A." that has the management of the Capital Fund and the shareholders of the Fund, "Attica Bank S.A." and the New Economy Development Fund (TANEO).

The participating interest of the Bank as at 31/12/2011 in Zaitech Innovation Venture Capital Fund I amounted to € 15,851,591.46, ενώ while for Zaitech Innovation Venture Capital Fund II, established during last year, the respective participating interest amounts to € 4,294,100.00. The percentage of loss in the income statement from the consolidation under equity method for the aforementioned mutual fund amounted to € 535,548.11.

**24. INTANGIBLE ASSETS**

(Amounts in €) DESCRIPTION	GROUP Software	BANK Software
<b>Opening balance</b>		
Cost	26,599,055.61	26,356,101.80
Accumulated Depreciation and Impairment	(12,210,164.79)	(11,996,088.18)
<b>Net Book Value 01/01/2010</b>	<b>14,388,890.82</b>	<b>14,360,013.62</b>
<b>Plus:</b>		
Acquisitions	2,333,174.48	2,330,644.48
<b>Less:</b>		
Depreciation charge for the year	(2,365,089.05)	(2,349,506.69)
<b>Net Book Value 31/12/2010</b>	<b>14,356,976.25</b>	<b>14,341,151.41</b>
Cost	28,932,230.09	28,686,746.28
Accumulated Depreciation and Impairment	(14,575,253.84)	(14,345,594.87)
<b>Net Book Value 01/01/2011</b>	<b>14,356,976.25</b>	<b>14,341,151.41</b>
<b>Plus:</b>		
Acquisitions	8,060,759.80	8,049,346.80
<b>Less:</b>		
Depreciation charge for the year	(2,856,753.65)	(2,842,030.27)
<b>Net Book Value 31/12/2011</b>	<b>19,560,982.40</b>	<b>19,548,467.94</b>
Cost	36,992,989.89	36,736,093.08
Accumulated Depreciation and Impairment	(17,432,007.49)	(17,187,625.14)
<b>Net Book Value 31/12/2011</b>	<b>19,560,982.40</b>	<b>19,548,467.94</b>

Intangible assets of the Group consist of software programs, which at 31/12/2011 amounted to € 19,560,982.40 (31/12/2010: € 14,356,976.25).

As at 31/12/2011, development programs of intangible assets, for which the Bank is legally bound, were still in progress and they amounted to € 1,033,746.

As it concerns the subsidiaries at 31/12/2011, there were no significant contractual commitments that legally bound them, to purchase any intangible assets and that have not been disclosed in their books.

## 25. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	GROUP					
	(Amounts in €)	Land	Buildings	Motor Vehicles	Furniture and other Equipment	Leasehold improvement on third party
<b>Opening net book amount</b>						
Cost	15,514,418.56	12,894,966.81	22,429.57	27,924,941.83	20,582,620.71	149,641.33
Accumulated Depreciation and Impairment	(59,418.56)	(1,287,607.59)	(19,584,578.26)	(9,419,479.18)	-	-
<b>Net Book Value 01/01/2010</b>	<b>15,455,000.00</b>	<b>11,607,359.22</b>	<b>305.32</b>	<b>8,340,363.57</b>	<b>11,163,141.53</b>	<b>149,641.33</b>
<b>Plus:</b>						
Acquisitions	519,756.55			1,574,075.55	1,355,906.23	
<b>Less:</b>						
Depreciation charge	(262,302.97)		(305.32)	(2,393,386.65)	(1,589,333.85)	
Transfers				59,500.00		(59,500.00)
<b>Net Book value 31/12/2010</b>	<b>15,455,000.00</b>	<b>11,864,812.80</b>	<b>0.00</b>	<b>7,580,552.47</b>	<b>10,929,713.91</b>	<b>90,141.33</b>
<b>Cost</b>	<b>15,514,418.56</b>	<b>13,414,723.36</b>	<b>22,429.57</b>	<b>29,558,517.38</b>	<b>21,938,526.94</b>	<b>90,141.33</b>
Accumulated Depreciation and Impairment	(59,418.56)	(1,549,910.56)	(22,429.57)	(21,977,964.91)	(11,008,813.03)	-
<b>Net Book Value 31/12/2010</b>	<b>15,455,000.00</b>	<b>11,864,812.80</b>	<b>0.00</b>	<b>7,580,552.47</b>	<b>10,929,713.91</b>	<b>90,141.33</b>
<b>Plus:</b>						
Acquisitions	328,980.80			742,744.30	665,626.23	
Revaluations	(1,630,000.00)					
Transfer of accumulated depreciation at cost due to revaluations						
<b>Less:</b>						
Depreciation charge	(1,452,156.90)			(2,101,405.26)	(1,630,423.54)	
Impairment/sales charge	(275,164.86)					
Transfer of accumulated depreciation at cost due to revaluations	1,452,156.90					
Other	1.13					
Transfers				474.17	(474.17)	
<b>Net Book value 31/12/2011</b>	<b>13,825,000.00</b>	<b>11,237,735.10</b>	<b>0.00</b>	<b>6,222,365.68</b>	<b>9,964,017.22</b>	<b>90,141.33</b>
<b>Cost</b>	<b>13,884,418.56</b>	<b>11,605,932.49</b>	<b>22,429.57</b>	<b>30,301,261.68</b>	<b>22,608,873.17</b>	<b>90,141.33</b>
Accumulated Depreciation and Impairment	(59,418.56)	(368,197.39)	(22,429.57)	(24,078,896.00)	(12,644,855.95)	0.00
<b>Net Book value 31/12/2011</b>	<b>13,825,000.00</b>	<b>11,237,735.10</b>	<b>0.00</b>	<b>6,222,365.68</b>	<b>9,964,017.22</b>	<b>90,141.33</b>

It should be noted that for 31/12/2011, there were no significant contractual commitments that legally bound the Bank and its subsidiaries to purchase any property, plant and equipment and which have not been disclosed in their books.

**PROPERTY, PLANT AND EQUIPMENT**

(Amounts in €)

DESCRIPTION	BANK						Under Construction	Total
	Land	Buildings	Motor Vehicles	Furniture and other Equipment	Leasehold improvement on third party			
<b>Opening net book amount</b>								
Cost	15,514,418.56	12,890,246.81	22,429.57	27,749,839.37	20,582,620.71	149,641.33		<b>76,909,196.35</b>
Accumulated Depreciation and Impairment	(59,418.56)	(1,282,887.59)	(22,124.25)	(19,423,704.79)	(9,419,479.18)	-		<b>(30,207,614.38)</b>
<b>Net Book Value 01/01/2010</b>	<b>15,455,000.00</b>	<b>11,607,359.22</b>	<b>305.32</b>	<b>8,326,134.58</b>	<b>11,163,141.53</b>	<b>149,641.33</b>		<b>46,701,581.97</b>
<b>Plus:</b>								
Acquisitions		519,756.55		1,565,752.09	1,355,906.23			<b>3,441,414.87</b>
Impairment/Sales								
Revaluations								
<b>Less:</b>								
Depreciation charge		(262,302.97)	(305.32)	(2,382,655.46)	(1,589,333.85)			<b>(4,234,597.60)</b>
Impairment/sales charge								
Adjustment of depreciation due to revaluation								
Transfers				59,500.00		(59,500.00)		<b>0.00</b>
<b>Net Book value 31/12/2010</b>	<b>15,455,000.00</b>	<b>11,864,812.80</b>	<b>0.00</b>	<b>7,568,731.21</b>	<b>10,929,713.91</b>	<b>90,141.33</b>		<b>45,908,399.24</b>
Cost	15,514,418.56	13,410,003.36	22,429.57	29,375,091.46	21,938,526.94	90,141.33		80,350,611.22
Accumulated Depreciation and Impairment	(59,418.56)	(1,545,190.56)	(22,429.57)	(21,806,360.25)	(11,008,813.03)	-		(34,442,211.98)
<b>Net Book Value 31/12/2010</b>	<b>15,455,000.00</b>	<b>11,864,812.80</b>	<b>0.00</b>	<b>7,568,731.21</b>	<b>10,929,713.91</b>	<b>90,141.33</b>		<b>45,908,399.24</b>
<b>Plus:</b>								
Acquisitions		328,980.80		657,990.94	531,130.68			<b>1,518,102.42</b>
Revaluations	(1,630,000.00)	(680,894.77)						<b>(2,310,894.77)</b>
Transfer of accumulated depreciation at cost due to revaluations		(1,452,156.90)						<b>(1,452,156.90)</b>
<b>Less:</b>								
Depreciation charge		(275,164.86)		(2,084,167.26)	(1,623,593.44)			<b>(3,982,925.56)</b>
Transfer of accumulated depreciation at cost due to revaluations		1,452,156.90			(425.21)			<b>1,452,156.90</b>
Other		1.13			(474.17)			<b>(424.08)</b>
Transfers				474.17				<b>0.00</b>
<b>Net Book value 31/12/2011</b>	<b>13,825,000.00</b>	<b>11,237,735.10</b>	<b>0.00</b>	<b>6,143,029.06</b>	<b>9,836,351.77</b>	<b>90,141.33</b>		<b>41,132,257.25</b>
Cost	13,825,000.00	11,605,932.49	22,429.57	30,033,082.40	22,469,657.62	90,141.33		78,046,243.40
Accumulated Depreciation and Impairment	0.00	(368,197.39)	(22,429.57)	(23,890,053.34)	(12,633,305.85)	0.00		(36,913,986.15)
<b>Net Book value 31/12/2011</b>	<b>13,825,000.00</b>	<b>11,237,735.10</b>	<b>0.00</b>	<b>6,143,029.06</b>	<b>9,836,351.77</b>	<b>90,141.33</b>		<b>41,132,257.25</b>

It should be noted that for 31/12/2011, there were no significant contractual commitments that legally bound the Bank and its subsidiaries to purchase any property, plant and equipment and which have not been disclosed in their books.

**26. INVESTMENT PROPERTY**

(Amounts in €)		GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
<b>Opening Balance</b>	<b>43,769,410.10</b>	<b>34,333,097.15</b>	<b>43,769,410.10</b>	<b>34,333,097.15</b>	
Additions	4,473,969.13	8,877,237.81	4,473,969.13	8,877,237.81	
Sales	(69,000.00)	0.00	(69,000.00)	0.00	
Revaluation at fair value	(1,067,603.31)	559,075.14	(1,067,603.31)	559,075.14	
<b>Opening Balance</b>	<b>47,106,775.92</b>	<b>43,769,410.10</b>	<b>47,106,775.92</b>	<b>43,769,410.10</b>	

Investment property is carried at fair value. The valuation was performed by an independent valuer on an annual basis.

There were additions concerning the year end period 2011 amounted to € 4,473,969.13 out of which the amount of € 192,909.44 concerns improvement expenses of investment property that already existed as at 31/12/2010. For comparative period 2010, improvement expenses of investment property amounted to € 2,047.50.

The positive fair value of the investment property which was acquired in the year end period 2011, and 2010, is presented in 'Other Income' category in the consolidated income statement.

Income from investment property rents in 2011 amounts to € 398,513.44 and € 506,106.82 for the comparative period of 2010.

**27. OTHER ASSETS**

(Amounts in €)		GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
Prepaid expenses	599,465.65	2,910,241.65	29,054.18	2,324,695.41	
Tax advances and other tax receivables	10,431,521.32	6,664,587.90	10,204,850.52	6,367,346.11	
Accrued interest and commissions	44,489,167.93	37,157,448.01	44,982,820.51	37,657,448.01	
Other receivables from public sector	5,311,323.33	6,530,739.41	5,311,323.33	6,530,739.41	
Stationery	178,493.61	628,744.48	178,493.61	628,744.48	
Other payable	8,616,345.97	6,040,903.21	8,616,345.97	6,040,903.21	
Guarantees	3,777,098.56	3,703,300.47	3,777,098.56	3,703,300.47	
Advances to employees	140,075.64	164,277.30	140,075.64	164,277.30	
Advances for finance lease investment products	165,744.32	7,088,349.90	165,744.32	7,088,349.90	
Doubtful accounts other than loans	8,967,910.03	9,119,342.52	8,967,910.03	9,119,342.52	
Receivables from mortgages securitization	32,557,835.42	48,205,651.49	32,557,835.42	48,205,651.49	
Contribution to HDGF	47,337,477.29	33,351,657.07	47,337,477.29	33,351,657.07	
Prepaid interest of term deposits	13,653,488.38	14,138,078.34	13,653,488.38	14,138,078.34	
Due from clients for public register of lands fees	15,259.70	620,179.54	15,259.70	620,179.54	
Other	11,661,602.43	12,174,603.64	8,385,375.15	10,531,981.99	
<b>Other Assets</b>	<b>187,902,809.58</b>	<b>188,498,104.94</b>	<b>184,323,152.61</b>	<b>186,472,695.25</b>	

Other doubtful accounts apart from loans include an amount of € 8.3 million pertaining to irregularities in the Bank network branches that took place in the previous years.

The Bank has made a sufficient provision for the above amount as in compliance with the expertise of the Legal Services.

The category of "Receivables from securitization of mortgages" includes the amounts that the Bank has deposited as collateral for the mortgages securitization plan that was carried out within the year 2008.

The category "Contribution to Deposit Guarantee Fund" includes the additional contribution paid by the Bank to Deposit Guarantee Fund (TEKE) in compliance with the Law 3746/2009.

## 28. DUE TO OTHER FINANCIAL INSTITUTIONS

(Amounts in €)		GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
Sight deposits	10,108,807.24	11,544,731.59	10,108,807.24	11,544,731.59	
Interbank term deposits	645,000,000.00	750,000,000.00	645,000,000.00	750,000,000.00	
Term deposits other than interbank	15,527,728.72	16,508,681.23	15,527,728.72	16,508,681.23	
<b>Due to other financial institutions</b>	<b>670,636,535.96</b>	<b>778,053,412.82</b>	<b>670,636,535.96</b>	<b>778,053,412.82</b>	

## 29. DUE TO CUSTOMERS

(Amounts in €)		GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010	
Current accounts	20,021,670.45	32,120,871.85	20,021,670.45	32,120,871.85	
Saving accounts	368,853,401.52	515,631,605.24	368,853,401.52	515,631,605.24	
Term deposits	1,508,068,533.43	1,790,106,070.57	1,508,068,533.43	1,790,106,070.57	
Blocked	809.27	5,309.27	809.27	5,309.27	
<b>Deposits from individuals</b>	<b>1,896,944,414.67</b>	<b>2,337,863,856.93</b>	<b>1,896,944,414.67</b>	<b>2,337,863,856.93</b>	
Sight accounts	157,586,485.16	179,348,887.16	159,440,456.94	184,549,620.10	
Term deposits	345,216,454.73	333,227,176.71	356,176,454.73	341,777,176.71	
Blocked	145,048,339.94	113,673,268.42	145,048,339.94	113,673,268.42	
<b>Deposits from corporates</b>	<b>647,851,279.83</b>	<b>626,249,332.29</b>	<b>660,665,251.61</b>	<b>640,000,065.23</b>	
Sight accounts	69,453,744.48	41,930,641.10	69,453,744.48	41,930,641.10	
Term deposits	448,797,587.02	281,718,406.26	448,797,587.02	281,718,406.26	
Blocked	172,554.10	206,727.89	172,554.10	206,727.89	
<b>Public sector deposits</b>	<b>518,423,885.60</b>	<b>323,855,775.25</b>	<b>518,423,885.60</b>	<b>323,855,775.25</b>	
Sight accounts	4,339,261.63	6,755,242.39	4,339,261.63	6,755,242.39	
Saving accounts	2,206,155.27	1,801,801.81	2,206,155.27	1,801,801.81	
<b>Other deposits</b>	<b>6,545,416.90</b>	<b>8,557,044.20</b>	<b>6,545,416.90</b>	<b>8,557,044.20</b>	
<b>Other due to customers</b>	<b>20,083,873.56</b>	<b>20,752,437.19</b>	<b>20,083,873.56</b>	<b>20,752,437.19</b>	
<b>Due to customers</b>	<b>3,089,848,870.56</b>	<b>3,317,278,445.86</b>	<b>3,102,662,842.34</b>	<b>3,331,029,178.80</b>	

**30. ISSUED BONDS**

(Amounts in €)		GROUP		
		31/12/2011		31/12/2010
DESCRIPTION	Average interest	Carrying amount	Average interest	Carrying amount
SUBORDINATED LOAN (LOWER TIER II)	3.94%	94,689,000.00	3.04%	94,689,000.00
<b>Issued bonds</b>		<b>94,689,000.00</b>		<b>94,689,000.00</b>

(Amounts in €)		BANK		
		31/12/2011		31/12/2010
DESCRIPTION	Average interest	Carrying amount	Average interest	Carrying amount
SUBORDINATED LOAN (LOWER TIER II)	3.94%	94,428,408.59	3.04%	94,359,863.98
<b>Issued bonds</b>		<b>94,428,408.59</b>		<b>94,359,863.98</b>

The amount of interest that charged the results of the closing year for the purposes of the aforementioned bond loan was € 3,859,266.17. The charge in the consolidated income statement amounts to € 3,742,562.17.

Under the article 2 of L.3723/2008 and relatively to the 2nd Pillar of measures for the enhancement of liquidity of the economy, the Bank at 30.06.2010 issued under the Greek State's guarantee, through the EMTN program (Medium Term Note) a bond loan of a total face value of € 215,000,000, 3 years duration, with floating rate Euribor plus 5% spread, which is separated in 2,150 bonds with a face value of € 100,000 per bond. Furthermore, through the same program, the Bank issued in 30/12/2010, another bond loan of a total face value of € 285,000,000, with floating rate Euribor plus 4.75% spread, which is separated in 2,850 bonds with a face value of € 100,000 per bond. The Bank acquired bonds at their issuance cost and can proceed to the sale or cancellation of the bonds at any time but not after their maturity date. Because of its nature and purpose the specific bond loan does not appear in the category "Issued Bonds". Until the aforementioned sale or cancellation, the bonds could be used as guarantee for the direct raise of funds from European system, in accordance with the current Greek and European Banking legislation or to be used for other purposes. The commission that the Bank was charged from its participation in the program and that should be paid to the Greek State has been determined to 75 b.p. for the first bond loan and 140 b.p. for the second.

**31. DEFERRED TAX ASSETS - LIABILITIES**

(Amounts in €)				
	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Provision for impairment of loan losses	0.00	1,677,840.00	0.00	1,677,840.00
Employee retirement benefits	72,629.26	611,455.47	0.00	577,532.97
Available for sale securities	16,802,848.28	15,590,342.61	16,802,848.28	15,590,342.61
Deferred Tax on G.G.B. impairment	15,353,520.21	0.00	15,353,520.21	0.00
Tax-free reserves from securities' sales for offsetting losses	0.00	2,717,368.34	0.00	2,717,368.34
Other temporary differences	4,195,935.23	12,018,107.68	3,799,348.73	10,889,101.70
<b>Deferred tax Assets</b>	<b>36,424,932.99</b>	<b>32,615,114.10</b>	<b>35,955,717.23</b>	<b>31,452,185.62</b>
Revaluation of intangible assets	(927,273.46)	(923,879.48)	(927,273.46)	(923,879.48)
Revaluation of property, plant and equipment	(868,049.18)	(1,304,419.84)	(868,049.18)	(1,304,419.84)
Employee retirement benefits	(854,363.36)	0.00	(854,363.36)	0.00
Provisions for contingent liabilities	0.00	(600,000.00)	0.00	(600,000.00)
Other temporary differences	(96,504.69)	(177,878.24)	(52,118.28)	(78,992.65)
<b>Deferred tax Liabilities</b>	<b>(2,746,190.69)</b>	<b>(3,006,177.56)</b>	<b>(2,701,804.28)</b>	<b>(2,907,291.97)</b>
<b>Deferred Tax Asset, net</b>	<b>33,678,742.30</b>	<b>29,608,936.54</b>	<b>33,253,912.95</b>	<b>28,544,893.65</b>

Deferred income tax is calculated, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled. If the tax rate changes at the year that deferred tax asset is realized or deferred tax liability is settled, then the difference is recognized in the income statement, except from the temporary tax differences that are recorded directly in equity.

The estimations of deferred tax assets and liabilities are calculated at the rate of tax applicable during the fiscal years that these temporary differences are expected to be resolved. Deferred tax assets are calculated using an income tax rate of 20%.

Based on the L. 4046/14.02.2012, the losses raised from the impairment of Greek Government Bonds, may be offset in equal parts over the next 30 years, since the year starting at 01/01/2013 and therefore for these losses are not applicable the terms of the Article 31 of the Income Tax Code, based on which it is not allowed to offset losses beyond five years from the year that they are actually occurred. However, given that the validity of the above law starts from the year 2012, deferred tax assets in approximately 50% over the total amount, attributable to the aforementioned impairment, have been recognized, which is estimated to be recovered in the next five years. The remaining balance will be recognized in the financial statements of 2012.

No deferred tax assets have been calculated for the other losses of the tax statement for the year starting 01/01/2011 and ending 31/12/2011, due to the uncertainty created by the economic environment and the recession of the Greek economy, as its ability to recover them. The Bank reserves the right to recognize the losses and the corresponding tax assets in the future, considering that the economic conditions permit that.

## 32. PROVISIONS FOR RETIREMENT BENEFIT OBLIGATION

The table below presents the total amount of pension obligations which is recognized in the Financial Statements:

(Amounts in €)		GROUP			
	Note	Balance sheet	Income statement	Balance sheet	Income statement
		31/12/2011	1/1-31/12/2011	31/12/2010	1/1-31/12/2010
Defined benefit plan (supplementary pension)	32.1	0.00	2,400,000.00	0.00	1,800,000.00
Defined benefit plan (lump-sum payment)	32.2	1,291,704.61	6,182,085.19	(2,776,761.47)	2,175,636.00
Retirement benefits according to employment regulation	32.3	5,862,294.58	3,767,973.25	5,331,264.33	1,541,902.24
<b>Total</b>		<b>7,153,999.19</b>	<b>12,350,058.44</b>	<b>2,554,502.86</b>	<b>5,517,538.24</b>

(Amounts in €)		BANK			
	Note	Balance sheet	Income statement	Balance sheet	Income statement
		31/12/2011	1/1-31/12/2011	31/12/2010	1/1-31/12/2010
Defined benefit plan (supplementary pension)	32.1	0.00	2,400,000.00	0.00	1,800,000.00
Defined benefit plan (lump-sum payment)	32.2	1,291,704.61	6,182,085.19	(2,776,761.47)	2,175,636.00
Retirement benefits according to employment regulation	32.3	5,697,384.60	3,751,178.74	5,183,148.86	1,521,820.00
<b>Total</b>		<b>6,989,089.21</b>	<b>12,333,263.93</b>	<b>2,406,387.39</b>	<b>5,497,456.00</b>

### 32.1 DEFINED BENEFIT PLAN (SUPPLEMENTARY PENSION)

The Extraordinary General Meeting of the shareholders of the Bank, held on 16<sup>th</sup> September 2005, as it arises from its minutes decided the rescission of the Group insurance contract between the Bank, the Employees' Association and Ethniki General Insurance Co S.A., concerning the section Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), and its subject to the regulations of L. 3371/2005. In the frame of this decision the Bank recognized in the Financial Statements of 1 January 2004 (making use of the relevant option of IFRS 1), a liability of EUR 26,958 thousand, which was directly charged to Equity. During the period from 1.1 to 31/12/2004 the additional charge of the Bank through the Income Statement amounted to EUR 644 thousand. For the six month period of 2005, the plan existing at the Bank for defined benefits, the charge of the results amounted to EUR 220 thousand.

The above amounts arose from a special financial study realized by a group of independent actuaries. The accounting treatment followed is in accordance with L. 3371/2005, which enabled the credit institutions to present in the financial statements of 2005 the financial result of the subject to these provisions of law.

Upon resolution of the aforementioned Extraordinary General Meeting, the BoD of the Bank at its session held on 14/12/2005, preceded in an appeal against the relative contract. Afterwards, in accordance with its appeal of 28/04/2006, the Bank required the subject of the account for Insurance

Cover of the employees of the Bank to the Unified Fund of Bank Employees Insurance (ETAT) as well as to Law 3371/2005, as it is applied following the amendment of the Law 3455/2006.

The Law 3554/2007 as taking into account the content of Article 9, publicized on April 16, 2007, regulated in the particular way the requirements due concerning the insured and retired employees of Attica Bank. In compliance with the aforementioned Article, those insured until 31/12/1992, as well as those retired who are subject to the same category belonging to Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), are introduced as from 1.1.2007 to the Unified Fund of Bank Employees Insurance (ETAT). The relevant decision of ETAT N. 67 of the 61<sup>st</sup> session as at 8/5/2007 was publicized.

In accordance with the aforementioned, the Bank deposited to ETAT up to 31/12/2011 the amount of its five first installments, an amount of € 7,625,000.00 for each year. There were further deposited by the Bank to E.T.A.T. the lump sum amounting to € 770 thousand that pertains to the return of tax contributions of 01/01/1993 insured in L.A.K. In the first quarter of 2012 the Bank deposited to E.T.A.T the sixth installment. The aforementioned amounts arose from the special financial research carried out by the Ministry of Economy and Finance.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into ETAT, there was made a reversal claim Num. 4686/2006 by the Association of Attica Bank Employees as against the Num. 22/23/17-5-2006 decision of ETAT.

Furthermore, there were made reversal claims Num 4635/2007 by the Greek Association of Attica Bank Pensioners as against the decision of E.T.A.T. 61/8-5-2007 and 4693/2007 reversal claim by the Capital Management of Additional Insurance and Complementary Pension Benefits as against the decision of E.T.A.T. 61/8-5-2007. The aforementioned reversal claims were heard in the Supreme Court of the Council of State on 26/9/2008 and the decision is pending.

Furthermore, there are pending reversal claims made by the associations of employees of third party banks as against the PD 209/2006 making provisions for the ETAT operation. The Bank has exercised the claim in favor of the PD on ETAT. The aforementioned claims were also heard in the Supreme Court of the Council of State on 26/9/2008 and the decision is pending.

For the aforementioned legal cases, the Supreme Court of the Council of State publicized the 2197-2202/2010 decision. According to the provisions of the decision, the introduction of Complementary Pension Funds (including LAK I) in E.T.A.T has been finalized as legally sound and constitutional, provided that it is a temporary measure for the management of insurance and pension cases until the civil courts to decide upon the decomposition of Complementary Pension Funds and release the Banks from their relative obligations. Consequently, the decision of the Council of State is considered as temporary and the permanent decision will be heard by the civil courts.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into ETAT claim made by the Association of Attica Bank Employees etc, it was overruled following Num. 2970/2008 decision of the First Instance Court of Athens. An appeal (10508/2010) against the decision 2970/2008 has been made, after the decision heard by the Supreme Court of the Council of State, with identification number 2954/2010 and is going to be discussed in the Court of Appeal as at 18/09/2012.

In addition, reference is made to the related legal case of the Commercial Bank of Greece concerning the submission of its Pension Benefit Plan to ETAT Fund in which under the No. 4009/2009 decision of the Athens Court of Appeal the formation of ETAT and the submission of Pension Plans of Banks to ETAT was decided as unconstitutional. The Commercial Bank of Greece made an appeal which has been discussed and the respective decision is pending. The result of this specific case will have an impact on the case of Attica Bank.

Consequently, the legal issues of the introduction of L.A.K into ETAT will be finalized by the Court of Appeal of Athens. However, the arising legal issues are novel and particularly difficult, since there is no possibility of reliable estimate for the final outcome of the proceedings.

The amount charged to the income statement amounted to € 2.4 million for the current period and € 1.8 million for the comparative period, refers to the financial cost that has arisen for the integration of the Account for Insurance Cover of the employees of the Bank to ETAT.

### 32.2 DEFINED BENEFIT PLAN (LUMP-SUM PAYMENT)

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Balance sheet</b>				
Present value of defined benefit obligation	16,442,155.21	16,636,921.59	16,442,155.21	16,636,921.59
(Fair value of plan assets)	(15,150,450.60)	(19,413,683.06)	(15,150,450.60)	(19,413,683.06)
<b>Total Balance Sheet obligation</b>	<b>1,291,704.61</b>	<b>(2,776,761.47)</b>	<b>1,291,704.61</b>	<b>(2,776,761.47)</b>

The change in the current value of liabilities is analyzed as follows:

(Amounts in €)	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Opening balance</b>	<b>16,636,921.59</b>	<b>15,267,283.59</b>	<b>16,636,921.59</b>	<b>15,267,283.59</b>
Service cost	1,003,084.47	803,050.00	1,003,084.47	803,050.00
Interest expenses	1,064,763.01	977,106.00	1,064,763.01	977,106.00
Actuarial (gains)/losses	4,146,015.11	500,208.00	4,146,015.11	500,208.00
Contributions paid within the year	(6,408,628.97)	(910,726.00)	(6,408,628.97)	(910,726.00)
<b>Closing Balance</b>	<b>16,442,155.21</b>	<b>16,636,921.59</b>	<b>16,442,155.21</b>	<b>16,636,921.59</b>

The change in the fair value of liabilities is analyzed as follows:

(Amounts in €)	GROUP		BANK	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
<b>Opening Balance</b>	<b>19,413,683.06</b>	<b>17,954,028.21</b>	<b>19,413,683.06</b>	<b>17,954,028.21</b>
Expected performance	640,652.00	538,621.00	640,652.00	538,621.00
Contributions	2,113,619.11	2,265,652.85	2,113,619.11	2,265,652.85
Actuarial (gains)/losses	(608,874.60)	(433,893.00)	(608,874.60)	(433,893.00)
Contributions paid within the year	(6,408,628.97)	(910,726.00)	(6,408,628.97)	(910,726.00)
<b>Closing Balance</b>	<b>15,150,450.60</b>	<b>19,413,683.06</b>	<b>15,150,450.60</b>	<b>19,413,683.06</b>
<b>Balance Sheet liabilities</b>	<b>1,291,704.61</b>	<b>(2,776,761.47)</b>	<b>1,291,704.61</b>	<b>(2,776,761.47)</b>

The amounts charged the Group and the Bank are as follows:

(Amounts in €)	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Service cost	1,003,084.47	803,050.00	1,003,084.47	803,050.00
Interest expenses	1,064,763.01	977,106.00	1,064,763.01	977,106.00
Expected performance	(640,652.00)	(538,621.00)	(640,652.00)	(538,621.00)
<b>Charge to the income statement</b>	<b>1,427,195.48</b>	<b>1,241,535.00</b>	<b>1,427,195.48</b>	<b>1,241,535.00</b>
Actuarial (gains)/losses	4,754,889.71	934,101.00	4,754,889.71	934,101.00
<b>Total charge</b>	<b>6,182,085.19</b>	<b>2,175,636.00</b>	<b>6,182,085.19</b>	<b>2,175,636.00</b>

It concerns lump sum benefit plans, which are granted by the Account Insurance Cover. According to the resolution of the Extraordinary General Meeting held on 16<sup>th</sup> September 2005, the specific plan which concerns lump sum benefit plans that are granted to the Banks' employees during the time of their retirement continues to operate as a defined benefit plan according to that set in IAS 19.

**32.3 RETIREMENT BENEFITS ACCORDING TO EMPLOYMENT REGULATION**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Balance sheet</b>				
Present value of non defined benefit obligation	5,862,294.58	5,331,264.33	5,697,384.60	5,183,148.86
<b>Total</b>	<b>5,862,294.58</b>	<b>5,331,264.33</b>	<b>5,697,384.60</b>	<b>5,183,148.86</b>

The change in the current value of liabilities is analyzed as follows:

	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Opening balance</b>	<b>5,331,264.33</b>	<b>4,819,933.78</b>	<b>5,183,148.86</b>	<b>4,691,900.55</b>
Service cost	361,266.69	372,515.24	352,782.14	352,433.00
Interest expenses	336,109.87	300,282.00	331,721.54	300,282.00
Actuarial (gains)/losses	3,070,596.69	869,105.00	3,066,675.06	869,105.00
Contributions paid within the year	(3,236,943.00)	(1,030,571.69)	(3,236,943.00)	(1,030,571.69)
<b>Closing Balance</b>	<b>5,862,294.58</b>	<b>5,331,264.33</b>	<b>5,697,384.60</b>	<b>5,183,148.86</b>

The amounts charged the Group and the Bank are as follows:

	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Service cost	361,266.69	372,515.24	352,782.14	352,433.00
Interest expenses	336,109.87	300,282.00	331,721.54	300,282.00
<b>Charge to the income statement</b>	<b>697,376.56</b>	<b>672,797.24</b>	<b>684,503.68</b>	<b>652,715.00</b>
Actuarial (gains)/losses	3,070,596.69	869,105.00	3,066,675.06	869,105.00
<b>Total charge</b>	<b>3,767,973.25</b>	<b>1,541,902.24</b>	<b>3,751,178.74</b>	<b>1,521,820.00</b>

The above items concern, based on the Bank's Regulations, the expected employee retirement obligation as well as the liability arising from L. 2112/1920.

The size of the obligation of the above benefit plans was determined based on an actuarial valuation, which has been prepared by independent actuaries.

The main assumptions made in order to carry out the actuarial valuations are presented on the following table:

	31/12/2011	31/12/2010
Discount rate	<b>5.1%</b>	<b>5.3%</b>
Expected returns on plan's assets	<b>3.3%</b>	<b>3.0%</b>
Future salary increase	<b>0.0%</b>	<b>0.7%</b>

The Group for the year 2011 recognized actuarial gains / losses, arising from defined benefit plans that concern the employees of the Bank, in the comprehensive income statement with direct entry to the respective equity accounts, modifying its accounting policy compared to previous years. Other costs related to these programs continue to be recorded in the accounts of the Income Statement. The accounting policy applied by the Bank for the year 2011 is considered to provide more reliable and accurate information and is compatible with the procedures described in the revised IAS 19 which will be effective from 1/1/2013.

**33. OTHER PROVISIONS**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Provision for tax audit differences	4,256,521.30	3,629,230.97	4,203,280.97	3,603,280.97
Provision for litigious claims	1,300,508.24	800,508.24	1,300,508.24	800,508.24
Provisions for extraordinary losses coverage	4,636,571.08	4,000,000.00	4,636,571.08	4,000,000.00
Other provisions	4,350,359.22	1,406,152.35	4,350,359.22	1,406,152.35
<b>Total</b>	<b>14,543,959.84</b>	<b>9,835,891.56</b>	<b>14,490,719.51</b>	<b>9,809,941.56</b>

**34. OTHER LIABILITIES**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Taxes and duties payable	1,390,240.18	3,945,762.29	1,052,832.38	3,369,880.85
Dividends payable	591,273.91	591,273.91	33,273.91	33,273.91
Creditors and suppliers	4,393,124.93	6,582,808.19	4,527,554.87	6,816,183.20
Liabilities to insurance institutions	2,400,211.06	2,455,239.69	2,321,814.64	2,425,918.37
Expenses payable	2,915,571.15	3,008,427.18	2,896,015.65	3,062,911.64
Commissions and interest payable	24,422,335.25	19,878,437.80	24,442,358.87	19,892,725.72
Liabilities due to collection on behalf of public sector	633,464.71	641,392.35	633,464.71	641,392.35
Liabilities due to collection on behalf of third parties	(323,043.09)	158,470.56	(331,157.44)	150,353.67
Accrued Income	146,183.51	199,999.65	0.00	0.00
Other	459,749.68	4,175,709.64	444,696.20	4,133,361.19
<b>Other Liabilities</b>	<b>37,029,111.29</b>	<b>41,637,521.26</b>	<b>36,020,853.79</b>	<b>40,526,000.90</b>

**35. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES, RESERVES, ACCUMULATED PROFIT AND NON CONTROLLING INTEREST.**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Paid up (common shares)	85,709,950.55	85,709,950.55	85,709,950.55	85,709,950.55
Paid up (preference shares)	100,199,999.90	100,199,999.90	100,199,999.90	100,199,999.90
<b>Share Capital</b>	<b>185,909,950.45</b>	<b>185,909,950.45</b>	<b>185,909,950.45</b>	<b>185,909,950.45</b>
<b>Share premium (paid up)</b>	<b>362,112,778.18</b>	<b>362,112,778.18</b>	<b>362,112,778.18</b>	<b>362,112,778.18</b>
<b>Reserves (Note 36)</b>	<b>(56,286,075.45)</b>	<b>(42,863,537.92)</b>	<b>(56,461,174.84)</b>	<b>(43,004,047.04)</b>
<b>Accumulated profit</b>	<b>(234,009,497.80)</b>	<b>15,780,940.13</b>	<b>(237,664,020.65)</b>	<b>15,778,566.76</b>
<b>Non controlling interest</b>	<b>1,395,467.33</b>	<b>1,389,952.37</b>	-	-
<b>Total Equity</b>	<b>259,122,622.71</b>	<b>522,330,083.21</b>	<b>253,897,533.14</b>	<b>520,797,248.35</b>

The share capital of the Bank amounts to EUR 185,909,950.45, it is divided into a) 244,885,573 common, registered shares of nominal value € 0.35 each and b) 286,285,714 preference shares of nominal value of € 0.35 each.

**A) Preference Shares**

The preference shares are taken by the Greek State under the L. 3723/2008. The shares of this category offer a fixed non-cumulative rate of return of 10%, provided the minimum capital adequacy ratios set by the Bank of Greece, as well as the existence of profits that their distribution is allowed, in accordance with the provisions of the Article 44a of L. 2190/1920, and of course after the approval of the General Assembly of common shareholders of the Bank.

In case that 5 years after the issuance date of the preference shares, the capital adequacy ratios do not meet the standards set by Bank of Greece, the preference shares of this category may be converted into ordinary shares upon approval of the Bank of Greece and the Ministry of Economy & Finance.

According to the provisions of the recent Law (3723/2008 and 3756/2009) "On the enhancement of the liquidity of the economy", Banks participating in this plan are not allowed to distribute dividends in the form of common shares, but only in the form of shares, excluding treasury shares. Total dividends paid cannot exceed 35% of distributable profits.

In the absence of distributable profits for the year 2011, within the provisions of L. 2190/1920, the Bank will not distribute dividend for both common and preference shares.

#### B) Treasury Shares

As at 31st December 2011, the Bank held 52,482 treasury shares of total book value € 97,332.30. These treasury shares represent the 0.0214% of the total number of common shares bearing voting rights as at the same date. The rest companies of the Group, that are included in the consolidation, do not hold any shares of the Bank as at 31 December 2011.

According to Article 28 of Law 3756/2009 «Intangible Securities System, concerning capital markets, tax and other provisions», all banks participating under the terms of the liquidity plan of the Ministry of Economy and Finance of Law 3723/2008, are not allowed to buy treasury shares during the period of their participation in the program. For this reason, the last purchase of treasury shares within the nine-month period of 2009, took place on 18/02/2009.

According to decision 1/503/13.3.2009 of the Board of Directors of the Capital Market Commission, which was published in the first quarter of 2009, the purchase of own shares and any future share acquisition of other company is considered as an acceptable market practice.

### **36. RESERVES**

(Amounts in €)	GROUP		BANK	
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Statutory reserve	6,948,366.00	6,930,973.33	6,773,266.61	6,773,266.61
Taxed reserves	15,233,652.64	15,233,652.64	15,233,652.64	15,233,652.64
Securities sales and securities valuation reserve	(8,198,799.51)	(8,198,799.51)	(8,198,799.51)	(8,198,799.51)
Available for sale portfolio revaluation reserve (after tax)	(67,211,348.58)	(62,378,568.03)	(67,211,348.58)	(62,361,370.43)
Treasury Shares reserve	97,332.30	97,332.30	97,332.30	97,332.30
Reserve from actuarial gains/(losses) on defined contribution plans	(4,791,091.80)	2,265,469.47	(4,791,091.80)	2,265,469.47
Reserve for revaluation of property, plant and equipment	1,635,813.50	3,186,401.88	1,635,813.50	3,186,401.88
<b>Reserves</b>	<b>(56,286,075.45)</b>	<b>(42,863,537.92)</b>	<b>(56,461,174.84)</b>	<b>(43,004,047.04)</b>

According to article 44 of the Codified Law 2190/1920 the Bank is required to appropriate at least 5% of its net annual profits to a legal reserve until this reserve equals or is maintained at a level equal to at least one-half of the Bank's share capital according to the Bank's statute. Concerning the reserves that have been taxed, the Bank can proceed to their distribution or capitalisation without any further tax burden.

**Changes in Available for sale revaluation reserves**

(Amounts in €)	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Opening balance for the year</b>	<b>(62,378,568.03)</b>	<b>(12,321,492.89)</b>	<b>(62,361,370.43)</b>	<b>(12,321,492.89)</b>
Net gains/(losses) from changes in fair value	(93,405,151.12)	(50,383,426.40)	(93,173,409.05)	(50,366,228.80)
Reserves carried to profit and loss	88,572,370.56	326,351.26	88,323,430.90	326,351.26
<b>Closing balance for the year</b>	<b>(67,211,348.59)</b>	<b>(62,378,568.03)</b>	<b>(67,211,348.58)</b>	<b>(62,361,370.43)</b>

**37. CASH AND CASH EQUIVALENTS**

(Amounts in €)	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>DESCRIPTION</b>				
Cash and balances with Central Bank	69,776,533.70	86,820,294.82	69,255,584.41	86,366,515.37
Due from other financial institutions	120,329,499.89	304,921,555.60	119,815,288.51	304,910,934.01
<b>Cash and cash equivalents</b>	<b>190,106,033.59</b>	<b>391,741,850.42</b>	<b>189,070,872.92</b>	<b>391,277,449.38</b>

**38. OPERATING LEASES**

On the one hand it concerns liabilities for leased buildings, which are used by the Bank either as branches or for administrative purposes, and on the other hand concerns leased buildings used by the other companies of the Group for administrative purposes.

The table below presents the total of future minimum lease payments of the both the Group and the Bank:

(Amounts in €)	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>DESCRIPTION</b>				
Future minimum lease payments of the Group/Bank as lessee:				
Up to 1 year	6,693,737.66	6,721,740.84	6,578,806.36	6,721,740.84
1 to 5 years	22,183,256.55	20,610,532.58	21,696,337.70	20,610,532.58
More than 5 years	14,610,329.23	16,904,437.41	13,942,495.39	16,904,437.41
<b>Total future minimum lease payments</b>	<b>43,487,323.44</b>	<b>44,236,710.83</b>	<b>42,217,639.45</b>	<b>44,236,710.83</b>

The total amount which is charged to the income statement for 2011, and refers to lease payments is € 6,893,830.70 for the Group and € 6,768,430.05 for the Bank. The corresponding amount of the comparative year 2010 amounts to € 6,997,072.95 for both the Group and the Bank.

**39. RELATED PARTY TRANSACTIONS**

DESCRIPTION	GROUP		BANK	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>A. RELATED PARTY TRANSACTIONS</b>				
A1. Receivables	0.00	0.00	46,082,611.32	49,254,666.53
Liabilities	374,003,700.90	15,198,322.49	481,646,850.03	123,840,816.30
A2. Income	0.00	0.00	125,748.59	671,034.65
Expenses	4,051,914.21	93,456.09	13,043,861.88	5,106,778.41
<b>B. TRANSACTIONS WITH MEMBERS OF THE MANAGEMENT</b>				
B1. Receivables (Loans)	673,603.98	703,482.68	414,986.12	428,827.02
Liabilities (Deposits)	2,639,027.36	636,323.47	2,616,430.37	610,539.22
B2. Interest income	26,423.81	25,294.40	16,325.57	16,327.11
Interest expenses	9,639.05	5,205.33	9,444.46	5,065.36
B3. Salaries and wages	1,297,137.29	1,141,261.93	603,784.95	541,670.72
Directors' fees	302,260.70	280,190.41	167,193.68	158,102.87
<b>Total fees of members of the Bank's management</b>	<b>1,599,397.99</b>	<b>1,421,452.34</b>	<b>770,978.63</b>	<b>699,773.59</b>

**40. COMPANIES OF THE GROUP**

Below are listed the companies of the Group, included in the consolidated financial statements under full consolidation method for the closing period ended 31/12/2011, as well as for the comparative period.

**31/12/2011**

Company	Country of incorporation	% Participation
- ATTICA WEALTH MANAGEMENT S.A.	Greece	100.00%
- ATTICA VENTURES S.A.	Greece	99.99%
- ATTICA FINANCE	Greece	55.00%
- ATTICA BANCASSURANCE AGENCY S.A.	Greece	99.90%
- ATTICA FUNDS PLC	United Kingdom	99.99%
- ATTICABANK PROPERTIES S.A.	Greece	100.00%
- STEGASIS MORTGAGE FINANCE PLC	United Kingdom	-

**31/12/2010**

Company	Country of incorporation	% Participation
- ATTICA WEALTH MANAGEMENT S.A.	Greece	100.00%
- ATTICA VENTURES S.A.	Greece	99.99%
- ATTICA FINANCE	Greece	55.00%
- ATTICA BANCASSURANCE AGENCY S.A.	Greece	99.90%
- ATTICA FUNDS PLC	United Kingdom	99.99%
- ATTICABANK PROPERTIES S.A.	Greece	100.00%
- STEGASIS MORTGAGE FINANCE PLC	United Kingdom	-

The companies included in the consolidated financial statements, under full consolidation method, for the closing period ended 31/12/2011, are the same included in the closing period 31/12/2010.

The company ATTICA FINANCE S.A., as renamed after the decision of Extraordinary General Assembly held on 18/10/2010, is the sequel and successor of ATTICA CONSULTING S.A. The company "Dinamiki AXEPEY" holds the 45% of ATTICA FINANCE S.A. share capital and the Bank holds a percentage of 55%.

"Stegasis Mortgage Finance plc" whose registered office is in the United Kingdom, is a special purpose entity in which the Bank has no direct interest. The company was established on June of 2008 and is included in the consolidated financial statements of the closing year, using full consolidation method. The participation of the Bank of GBP 12,499.50 has taken place through the company Wilmington Trust SP Services (London) Limited which has been financed by the Bank to cover the share capital. The purpose of the entity was the securitization of part of the mortgage loan portfolio. The entity has started its operations in November 2008, when the first securitization of mortgage loans of the Bank was completed successfully.

## 41. CONTINGENT LIABILITIES AND COMMITMENTS

### 41.1 OFF BALANCE SHEET LIABILITIES AND PLEDGED ASSETS

(Amounts in €)				
		GROUP		BANK
DESCRIPTION	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b>Contingent liabilities</b>				
Letters of guarantee	400,664,282.91	446,513,823.41	400,664,282.91	446,513,823.41
Letters of credit	3,996,382.40	11,116,341.87	3,996,382.40	11,116,341.87
Contingent liabilities from forward contracts	491,880,495.17	212,238,939.98	491,880,495.17	212,238,939.98
	<b>896,541,160.48</b>	<b>669,869,105.26</b>	<b>896,541,160.48</b>	<b>669,869,105.26</b>
<b>Unused credit limits</b>				
- Up to 1 year maturity	475,903,518.76	484,792,598.35	475,903,518.76	484,792,598.35
- Over 1 year maturity	17,252,815.01	20,355,584.77	17,252,815.01	20,355,584.77
	<b>493,156,333.77</b>	<b>505,148,183.12</b>	<b>493,156,333.77</b>	<b>505,148,183.12</b>
<b>Pledged assets</b>				
<u>Central Bank</u>				
- Available for sale securities	0.00	6,500,000.00	0.00	6,500,000.00
<u>European Central Bank</u>				
- Trading securities	0.00	2,716,000.00	0.00	2,716,000.00
- Available for sale securities	240,433,000.00	237,400,000.00	240,433,000.00	237,400,000.00
- Held to maturity securities	51,047,000.00	69,900,000.00	51,047,000.00	69,900,000.00
- Securities of "Loans & advances to customers" portfolio	194,415,948.00	120,000,000.00	194,415,948.00	120,000,000.00
- Bond from mortgages' securitization	133,905,000.00	0.00	133,905,000.00	0.00
- Bond issued by Attica Bank (EMTN)	0.00	310,640,000.00	0.00	310,640,000.00
- Greek Government Bond	500,000,000.00	215,000,000.00	500,000,000.00	215,000,000.00
<u>ADECH</u>				
- Trading securities	0.00	200,000,000.00	0.00	200,000,000.00
- Available for sale securities	0.00	300,000.00	0.00	300,000.00
- Held to maturity securities	9,617,000.00	4,615,000.00	9,617,000.00	4,615,000.00
	230,000.00	100,000.00	230,000.00	100,000.00
	<b>1,129,647,948.00</b>	<b>1,167,171,000.00</b>	<b>1,129,647,948.00</b>	<b>1,167,171,000.00</b>
<b>Contingent liabilities</b>	<b>2,519,345,442.25</b>	<b>2,342,188,288.38</b>	<b>2,519,345,442.25</b>	<b>2,342,188,288.38</b>

Out of the pledged assets an amount of € 9,847,000.00 relates to government bonds pledged to secure the insurance margin to the Athens Derivatives Exchange Clearing House S.A. (ADECH) in connection with transactions on derivatives. In addition, an amount of € 485,895,948.00 concerns bonds pledged to European Central Bank for liquidity reasons and an amount of € 133,905,000.00 concerns corporate margin accounts. Amount of € 500,000,000.00 concerns bonds issued by the Attica Bank through EMTN program, under the provisions of Law 3723/2008.

### 41.2 TAX LIABILITIES

Attica Bank S.A. has been audited by the tax authorities for the years up to and including 2008. For the tax unaudited fiscal years a provision amounted to € 4,203,280.97 has been made.

The rest of the Group's subsidiaries have been audited by the tax authorities under the L. 3888/2010 about the "voluntary settlement of tax obligations", and therefore the tax books have been finalized until 2009 (fiscal year 2010).

For the tax unaudited fiscal years 2010 and 2011 the companies of the Group have made a provision of € 53 thousands approximately.

For the year 2011, all the companies of the Group, using the provisions of introduced by the Article 21 of L. 3943/2011 can be audited regarding their tax obligations by their Certified Auditors. Since 18 months elapsed from the receipt of the respective certificate, which can be examined by the tax authorities, the tax year will be considered as completed as contemplated in the Article 6 of POL. 1159/22.7.2011.

### **41.3 LEGAL CASES**

The amount expected to arise from litigious cases against the Group, according to Legal Department is € 1,300,508.24 for which a relevant provision has been recorded. The respective amount as at 31/12/2010 was € 800,508.24.

### **41.4 OTHER PROVISIONS**

As far as this category is concerned, the provision made amounts to € 8,986,930.30, out of which the amount of € 4,636,571.08 pertains to coverage of extraordinary losses that arose in branches of the Bank's network. The remaining amount of € 4,350,359.22 pertains to coverage of extraordinary losses that might arise from other losses from doubtful accounts apart from loans.

## **42. RISK MANAGEMENT**

The Group is exposed to a variety of risks the most important of which are credit risk, market risk which refers to the exchange rate risk and interest rate risk, operational risk and liquidity risk. The Group has established various control mechanisms in order to identify, measure and monitor these risks and avoid undue risk concentrations.

The Group operates an independent Risk Management Direction while its participation is institutionalized in various committees relative to risk analysis and management. Its main responsibility is to monitor all risks which the Group may be engaged to and the retention of the level of entrepreneurial risk taking within the prescribed limits.

The Board of Directors is responsible for approving and periodically reviewing the risk profile assumed by the group (risk-appetite). More specifically, the Board monitors the overall risk, it selects individuals and institutions that have responsibility for managing the risks that the Group is facing and assign to committees and departments the responsibility to adopt policies and risk management practices.

### **CREDIT RISK**

Credit risk is the most significant risk for the Bank. For that reason Group's main target is the risk monitoring as well as the effective management. For the purpose of better management of the credit risk, there is a constant reassessment of the Group credit policies and monitoring of compliance of the corresponding service departments with the above policies.

As far as consumer and mortgage loans are concerned, a system of customers' creditworthiness evaluation is implemented - credit scoring - that covers the credit cards and credit products. The credit rating system consists of 7-grade scaling (A/B/C/D/E/F/G) and classifies the customers under creditworthiness rating scales. The revaluation of customers' creditworthiness is taking place every year through the validation of the models.

Main attention is paid to portfolio quality assessment in the domain of corporate loans as well as in the domain of consumer loans and mortgages. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on quality and quantity criteria, the credit risks involved are evaluated and faced in a timely and efficient way.

As far as corporate loans are concerned, there are taken into account the external credit evaluations of the ICAP Group S.A. that was recognized by the Bank of Greece following the decision 262/8/26.6.2008. The particular way of assessment classifies the companies into eleven creditworthiness rating categories (AA/A/BB/B/C/D/E/F/G/H/NR/NC/NT), thus assisting sound evaluation in view of the undertaken risk. The reassessment of the creditability of creditors is conducted at the end of each semester.

Responsible for the approval of loan portfolio are the Medium and Large Enterprises Credit Department, the SME Credit Department and the Consumer Credit Department that are independent from the Bank's business units. Loans and advances that exceed the approval limits of the aforementioned departments are approved by the Bank's Credit Committee or the BoD.

### **Impairment risk**

Provisions for impairment risks of loans provided to beneficiaries are made when there is objective evidence that a payment of a part or a total of the amounts due is doubtful. The trigger events that give grounds for impairment tests are as follows:

- failure to meet contractual loan obligations by the customers,
- renegotiating the loan based on the terms that the Bank would not have considered under normal circumstances
- event that will affect non-regular handling of loans (worsening of the financial position of the debtor, bankruptcy declaration, etc)
- loan collateral active market cessation.

In order to measure the impairments of the grants, the Group carries out an impairment test on every date of financial statements preparation. It is examined whether there are reliable indications of potential losses to the client receivables portfolio as well as to other receivables and the provision for impairment of receivables is made. Collectability of grants is assessed per debtor for all the loans regarded as significant. The assessment is carried out based on the financial position of the debtor, operating maintenance sources, repayment records, liquidating value of collaterals and possibility of support rendered by sound guarantors.

Concerning the loans, the sample examination of which did not present impairment as well as concerning the loans of smaller value, the potential losses are examined and assessed as a total. For such lending, loans and receivables are classified into groups with similar credit risk characteristics that are examined for impairment based on the Group's assessment of historic experience of losses presented by the above groups.

In the current fiscal year the individually assessed loans amounted to € 390.3 million and concern mainly loans provided to enterprises, whereas the collectively assessed loans amounted to € 181.5 million.

### **Concentration risk**

The definition of the limits in the Bank Portfolio is made following the criterion of sound allocation of the Group capital for the purposes of avoiding of capital concentration in a certain geographical region or type of business, taking into account as follows:

- Segment surveys pertaining to credit danger rate in order to locate endangered segments where credit expansion shall be limited.
- Assessment of concentration risk that can arise from spreads towards particular customers or groups of customers and/or spreads to subcontractors groups standing high possibility of failing contractual loan obligations arising from factors, such as: macroeconomic environment, geographical position, operating segment, currency, use of risk decreasing tools.
- Carrying out stress tests and using their results under definition of limits system.

### **MARKET RISK**

The Group is exposed to market risk arising because of adverse changes in the fair value of financial instruments due to changes in equity prices, interest rates, foreign exchange rates, commodity prices or other market factors.

The Group has established internal procedures for the negotiation margin pertaining to market risk control. Within the scope of market risk management special activities are adopted for market risk hedging. Furthermore the Bank monitors the effectiveness of hedging and the effectiveness of reducing market risk which refers to the policy and the management of the limits that have been determined by the Assets Liabilities Committee (ALCO).

Transaction portfolio includes investments held for trading. The items in question include securities purchased for the purposes of direct profit arising from short term increases/decreases of prices. Bank's portfolio includes also the available for sale investments.

For the currency risk management a designated limits framework has been approved by the Assets Liabilities Committee (ALCO). This framework includes profit and loss limits, nominal limits (by currency, in total, daily, overnight etc).

As it concerns the interest rate risk, the measurement methods that have been used are associated with the repricing risk, the yield curve risk, the basis risk and the optionality.

In addition, the Bank periodically makes extreme scenario tests and sensitivity analysis to change the economic value of the portfolio that will occur in various scenarios of changes in yield curves.

## **LIQUIDITY RISK**

The objective of the Group through liquidity risk management is to ensure, to the best possible extent, the availability of satisfactory liquidity level so that it could meet its payment obligations, including the due course obligations and those that arise in extreme circumstances without incurring major additional costs.

The Group gives priority to customers' deposits and tries to maintain them as the major source of finances through the policy it applies.

The liquidity management is applied by the Treasury Department according to policies and procedures which are investigated and approved by ALCO. Furthermore at a regular basis various simulated extreme scenarios are applied according to special characteristics of the Group as well as the changes in characteristics and market conditions.

Specifically with regard to liquidity risk, the Bank according to the PD/BOG 2614/07.04.2009, it developed documented Liquidity policy that has been submitted to the Bank of Greece. Moreover under the above Act, the Bank has developed and submitted to the regulatory body, internal liquidity limits and a plan to address liquidity crisis (contingency funding plan) taking into account the existence of binding limits from other credit institutions and the impact on financing costs due to a reduction in whole market's liquidity or a deterioration of the Group.

## **OPERATIONAL RISK**

Operational risk is the risk arising from inadequate internal processes or violations of these processes, human behavior, systems or external factors. Legal risk is a part of Operational risk.

In order to implement more sophisticated approaches to measurement, recognition and management of operational risk, the Group is developing procedures regarding the use by operational units of the Group and the Risk Management Direction:

- Reports of internal and external audit.
- Operational Risk Ratios.
- Database for recording and monitoring risks.

Besides the future planning for operational risk, it is also given, at this stage, great importance in the management of procedures, the staff training, the creation of limits and emergency plans.

### **CAPITAL ADEQUACY**

The Risk Management Department monitors the capital adequacy at regular time intervals and presenting the results of their calculations every three months to the Bank of Greece that acts as a regulatory body of all Credit Institutions.

The Capital Adequacy Ratio is defined as the proportion between regulatory Equity and the assets as well as off balance sheet items weighted as against the risk involved.

The basic aim of the Group is to maintain its capital receivables in compliance with the regulatory framework as it is set by the regulatory authorities of the country so that Attica Bank is capable of continuing the course of its normal operation and maintaining its capital basis at such a level that does not prevent the realization of its business plan.

Apart from minimal capital requirements, the Group has at its disposal reliable, efficient and complete strategies and procedures for the purposes of assessing and maintaining at constant basis the sizes, organization and allocation of equity regarded as adequate in order to cover the nature and the extent of the risks it undertakes (internal capital).

Within the frame of this The Internal Capital Adequacy Assessment Process (ICAAP) there are examined from the quality and quantity point of view the following items:

1. Level, structure and stability of regulatory capital
2. Profitability and maintenance
3. Credit risk component of concentration risk
4. Market risk
5. Interest rate risk
6. Liquidity risk
7. Operating risk
8. Legal compliance risk
9. Level and allocation of internal capital

## 42.1 LIQUIDITY RISK

"Liquidity risk" is the risk that the Group is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity. This risk includes the possibility that the bank may have to raise funding at cost or sell assets on a discount. The monitoring of liquidity risk is concentrated on the managing of the time lag between cash inflows and outflows, as well as to ensure the existence of adequate cash reserves for the day-to-day transactions. The regulatory authorities have defined liquidated indexes, on their own criteria, in order to control liquidated gap. The following tables depict a Liquidity Gap Analysis, providing an idea for the expected cash flows of assets and liabilities for each period. In those instances that there is no contractual expiration of the assets and liabilities then these are classified in the up to one month category. For pumping extra liquidity the Bank commits financial assets as collateral to the Bank of Greece (note 41.1 of the financial statements).

LIQUIDITY RISK (Amounts in €)	GROUP 31/12/2011				
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>DESCRIPTION</b>					<b>Total</b>
Cash and balances with Central Bank	69,776,533.70				69,776,533.70
Due from other financial institutions	119,818,444.98	511,054.91			120,329,499.89
Derivative financial instruments - assets		778,445.05			778,445.05
Financial assets at fair value through profit and loss		994.00		18,750.00	19,744.00
Loans and advances to customers (net of impairment)	204,805,913.77	271,128,556.80	982,145,856.84		1,458,130,227.41
Financial assets available for sale	803,612.67		12,161,734.35	731,290,770.32	1,279,539,145.14
Investments held to maturity			19,756,215.47	73,478,532.76	41,824,113.78
Investments in associates				11,722,668.00	2,848,520.00
Property, plant and equipment				47,106,775.92	21,128,302.37
Investment property					41,339,259.33
Intangible assets					47,106,775.92
Deferred tax assets			1,268,759.03	22,873,357.79	19,560,982.40
Other assets	20,874,818.38	26,145,931.50	33,411,464.71	101,934,917.42	12,282,816.17
<b>Total Assets</b>	<b>416,079,323.50</b>	<b>298,564,982.26</b>	<b>1,048,734,030.40</b>	<b>988,425,772.21</b>	<b>1,424,087,885.16</b>
Due to other financial institutions	155,108,807.24	265,527,728.72		250,000,000.00	670,636,535.96
Due to customers	1,923,435,073.72	785,390,805.51	381,007,744.22	15,247.11	3,089,848,870.56
Derivative financial instruments - liabilities		131,703.29			131,703.29
Issued bonds				94,689,000.00	94,689,000.00
Provisions for retirement benefits	16,722.20	33,444.40	126,243.65	1,106,601.17	7,153,999.19
Other provisions for risks and liens	3,344.44	6,688.88	164,672.00	14,543,959.84	14,543,959.84
Deferred tax liabilities	30,856,045.20	7,429,186.10	25,809.51	837,480.24	2,746,190.69
Other liabilities				(1,307,133.60)	37,029,111.29
<b>Total Liabilities</b>	<b>2,109,419,992.80</b>	<b>1,058,519,556.90</b>	<b>381,324,469.38</b>	<b>359,885,154.74</b>	<b>3,916,779,370.82</b>
<b>Liquidity Gap</b>	<b>(1,693,340,669.30)</b>	<b>(759,954,574.64)</b>	<b>667,419,561.02</b>	<b>628,540,617.47</b>	<b>259,122,622.71</b>

LIQUIDITY RISK (Amounts in €)	GROUP 31/12/2010				
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>DESCRIPTION</b>					<b>Total</b>
Cash and balances with Central Bank	86,820,294.82				86,820,294.82
Due from other financial institutions	304,921,555.60				304,921,555.60
Derivative financial instruments - assets		5,716.23			5,716.23
Financial assets at fair value through profit and loss	1,886,355.40	79,265.00	3,027,689.40	51,750.00	5,104,642.07
Loans and advances to customers (net of impairment)					59,582.27
Financial assets available for sale	131,154,501.00	55,044,985.48	1,342,149,424.98	925,098,808.87	3,709,703,505.59
Investments held to maturity	803,612.67	3,635,019.00	28,544,493.43	122,026,685.12	253,136,845.09
Investments in associates				59,383,895.82	69,211,840.74
Property, plant and equipment					16,165,157.30
Investment property				43,769,410.10	45,920,220.51
Intangible assets					43,769,410.10
Deferred tax assets	3,651.09	7,302.18	2,357,464.50	29,945,735.07	14,356,976.25
Other assets	25,342,550.50	44,798,898.96	35,657,965.55	77,471,473.23	32,615,114.10
<b>Total Assets</b>	<b>550,932,521.08</b>	<b>103,571,186.86</b>	<b>1,411,737,037.86</b>	<b>1,257,747,758.20</b>	<b>4,770,229,383.34</b>
Due to other financial institutions					778,053,412.82
Due to customers	261,544,731.59	516,508,681.23			3,317,278,445.86
Derivative financial instruments - liabilities	1,995,100,603.69	593,905,953.62	728,265,904.55	5,984.00	844,348.21
Issued bonds					94,689,000.00
Provisions for retirement benefits		30,425.77	114,849.13	991,894.36	2,554,502.86
Other provisions for risks and liens	15,212.88			9,835,891.56	9,835,891.56
Deferred tax liabilities			194,268.37	1,243,523.78	3,006,177.56
Other liabilities	35,955,051.08	5,524,326.38	27,395.56	115,802.34	41,637,521.26
<b>Total Liabilities</b>	<b>2,292,615,599.24</b>	<b>1,116,813,735.21</b>	<b>728,602,417.61</b>	<b>106,882,096.04</b>	<b>4,247,899,300.13</b>
<b>Liquidity Gap</b>	<b>(1,741,683,078.17)</b>	<b>(1,013,242,548.35)</b>	<b>683,134,620.25</b>	<b>1,150,865,662.17</b>	<b>522,330,083.21</b>



LIQUIDITY RISK (Amounts in €)	BANK 31/12/2011				
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>DESCRIPTION</b>					<b>Total</b>
Cash and balances with Central Bank	69,255,584.41				69,255,584.41
Due from other financial institutions	119,815,288.51				119,815,288.51
Derivative financial instruments - assets		778,445.05			819,284.49
Financial assets at fair value through profit and loss		994.00		18,750.00	29,068.40
Loans and advances to customers (net of impairment)	204,805,913.77	271,128,556.80	982,145,856.84	731,290,770.32	1,279,539,145.14
Financial assets available for sale	803,612.67		12,161,734.35	73,464,974.37	41,555,611.05
Investments held to maturity			19,756,215.47	11,722,668.00	2,848,520.00
Investments in subsidiaries					11,806,434.06
Investments in associates					20,145,691.46
Property, plant and equipment					41,132,257.25
Investment property				47,106,775.92	47,106,775.92
Intangible assets					19,548,467.94
Deferred tax assets			1,268,759.03	22,404,142.03	12,282,816.17
Other assets	18,813,878.17	25,706,883.76	33,389,086.59	100,877,626.52	5,535,677.57
<b>Total Assets</b>	<b>413,494,277.53</b>	<b>297,614,879.61</b>	<b>1,048,721,652.28</b>	<b>986,885,707.16</b>	<b>1,435,242,973.53</b>
Due to other financial institutions					670,636,535.96
Due to customers	155,108,807.24	265,527,728.72		250,000,000.00	3,102,662,842.34
Derivative financial instruments - liabilities	1,936,249,045.50	785,390,805.51	381,007,744.22	15,247.11	131,703.29
Issued bonds					94,428,408.59
Provisions for retirement benefits	16,722.20	33,444.40	126,243.66	94,428,408.59	5,722,375.79
Other provisions for risks and liens				1,090,303.17	6,989,089.21
Deferred tax liabilities	3,344.44	6,688.88	157,716.37	14,490,719.51	14,490,719.51
Other liabilities	30,723,690.63	6,639,628.32	(82,535.65)	800,049.46	2,701,804.28
<b>Total Liabilities</b>	<b>2,122,101,610.01</b>	<b>1,057,729,999.12</b>	<b>381,209,168.59</b>	<b>359,553,844.23</b>	<b>36,020,853.79</b>
<b>Liquidity Gap</b>	<b>(1,708,607,332.48)</b>	<b>(760,115,119.51)</b>	<b>667,512,483.68</b>	<b>627,331,862.94</b>	<b>253,897,533.14</b>

LIQUIDITY RISK		BANK				
(Amounts in €)		31/12/2010				
DESCRIPTION	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total
Cash and balances with Central Bank	86,366,515.37					86,366,515.37
Due from other financial institutions	304,910,934.01					304,910,934.01
Derivative financial instruments - assets		5,716.23			4,378,702.99	4,384,419.22
Financial assets at fair value through profit and loss	1,886,355.40	79,265.00	3,027,689.40	51,750.00	59,582.27	5,104,642.07
Loans and advances to customers (net of impairment)	131,154,501.00	55,044,985.48	1,342,149,424.98	925,098,808.87	1,256,255,785.26	3,709,703,505.59
Financial assets available for sale	803,612.67	3,635,019.00	28,544,493.43	122,009,000.73	97,663,036.63	252,655,162.46
Investments held to maturity				59,383,895.82	9,827,944.92	69,211,840.74
Investments in subsidiaries					11,805,814.62	11,805,814.62
Investments in associates					14,646,998.28	14,646,998.28
Property, plant and equipment					45,908,399.24	45,908,399.24
Investment property				43,769,410.10		43,769,410.10
Intangible assets					14,341,151.41	14,341,151.41
Deferred tax assets	3,651.09	7,302.18	2,357,464.50	28,782,806.59	300,961.26	31,452,185.62
Other assets	24,129,755.15	44,230,178.27	35,654,414.76	77,231,130.38	5,227,216.69	186,472,695.25
<b>Total Assets</b>	<b>549,255,324.69</b>	<b>103,002,466.17</b>	<b>1,411,733,487.07</b>	<b>1,256,326,802.48</b>	<b>1,460,415,593.57</b>	<b>4,780,733,673.98</b>
Due to other financial institutions						778,053,412.82
Due to customers	261,544,731.59	516,508,681.23				3,331,029,178.80
Derivative financial instruments - liabilities	2,008,851,336.63	593,905,953.62	728,265,904.55	5,984.00		844,348.21
Issued bonds						94,359,863.98
Provisions for retirement benefits	15,212.88	30,425.77	114,849.13	94,359,863.98	1,254,005.25	2,406,387.39
Other provisions for risks and items				991,894.36		9,809,941.56
Deferred tax liabilities			131,982.78	1,206,923.78	1,568,385.41	2,907,291.97
Other liabilities	35,794,050.57	4,607,817.94	(20,115.85)	133,552.34	10,695.90	40,526,000.90
<b>Total Liabilities</b>	<b>2,306,205,331.67</b>	<b>1,115,897,226.77</b>	<b>728,492,620.61</b>	<b>106,508,160.02</b>	<b>2,833,086.56</b>	<b>4,259,936,425.63</b>
<b>Liquidity Gap</b>	<b>(1,756,950,006.98)</b>	<b>(1,012,894,760.60)</b>	<b>683,240,866.46</b>	<b>1,149,818,642.47</b>	<b>1,457,582,507.01</b>	<b>520,797,248.35</b>



The liquidity analysis table below, presents the financial assets that contain Greek Government Bonds and is based on the remaining duration from the Financial Statements date until their maturity date.

LIQUIDITY RISK (Amounts in €)	GROUP 31/12/2011				
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>DESCRIPTION</b>					
<b>Eligible Greek Government Bonds</b>					
Available for Sale financial assets				5,680,000.00	37,188,502.73
Investments held to maturity				11,360,000.00	2,848,520.00
Financial assets at fair value through profit or loss				18,750.00	8,068.40
<b>Non eligible Greek Government Bonds (including Treasury Bills)</b>					
Available for Sale financial assets				50,601,000.00	50,601,000.00
Investments held to maturity				362,668.00	362,668.00
Financial assets at fair value through profit or loss		994.00			
<b>Total</b>	<b>0.00</b>	<b>994.00</b>	<b>0.00</b>	<b>68,022,418.00</b>	<b>40,045,091.13</b>
					<b>108,068,503.13</b>

LIQUIDITY RISK (Amounts in €)	BANK 31/12/2011				
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years
<b>DESCRIPTION</b>					
<b>Eligible Greek Government Bonds</b>					
Available for Sale financial assets				5,680,000.00	36,920,000.00
Investments held to maturity				11,360,000.00	2,848,520.00
Financial assets at fair value through profit or loss				18,750.00	8,068.40
<b>Non eligible Greek Government Bonds (including Treasury Bills)</b>					
Available for Sale financial assets				50,601,000.00	50,601,000.00
Investments held to maturity				362,668.00	362,668.00
Financial assets at fair value through profit or loss		994.00			
<b>Total</b>	<b>0.00</b>	<b>994.00</b>	<b>0.00</b>	<b>68,022,418.00</b>	<b>39,776,588.40</b>
					<b>107,800,000.40</b>

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## **42.2 MARKET RISK**

Market Risk is the risk of losses arising because of adverse changes in the value of derivatives due to changes in current prices of stocks and other securities. As a rule, the Group invests in Stock Exchange securities which are classified for the investment purposes into the corresponding portfolio (trading or investing).

The Group estimates the risk by calculating the adverse effects on annual financial results by any change in equity prices. The parameters used in the sensitivity analysis are similar to those used in the reporting to the Regulatory Bodies.

According to the relevant calculations of the Group on the account balances as at 31/12/2011, it was estimated that a decrease in equity prices per 30% implies a loss of € 465 thousand for the Group and € 461 thousand for the Bank respectively.

Correspondingly, concerning the comparative year 2010, in the event the share prices had decrease by 30%, the Group would have suffered losses amounting to € 1,059 thousand and the Bank € 1,054 thousand.

**42.2.1 FOREIGN EXCHANGE RISK**

As "foreign exchange risk" is defined the investment risk that arises from the exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group/ the Bank has set limits on the level of exposure by currency and in total both overnight and intra-day positions, which are monitored daily. The Group often hedges the largest part of this risk, by maintaining corresponding liabilities in the same currency. In the tables below is shown, categorized by currency, the level of exposure of the Group to foreign exchange risk.

FOREIGN EXCHANGE RISK (Amounts in €) DESCRIPTION	GROUP 31/12/2011					Total
	EUR	USD	GBP	JPY	OTHER	
Cash and balances with Central Bank	69,536,892.26	102,696.63	40,302.88	21,327.36	75,314.57	69,776,533.70
Due from other financial institutions	117,178,194.00	1,724,300.72	143,027.50	247,044.12	1,036,933.55	120,329,499.89
Derivative financial instruments - assets	(56,784,654.88)	64,903,396.04	8,688,648.01	(1,121,407.01)	(14,907,537.11)	778,445.05
Financial assets at fair value through profit and loss	48,812.40					48,812.40
Loans and advances to customers (net of impairment)	3,440,707,548.60	6,542,827.47		1,069,195.04	20,590,671.76	3,468,910,242.87
Financial assets available for sale	128,261,903.32		6,090.24			128,267,993.56
Investments held to maturity	34,327,403.47					34,327,403.47
Investments in associates	21,128,302.37					21,128,302.37
Property, plant and equipment	41,339,259.33					41,339,259.33
Investment property	47,106,775.92					47,106,775.92
Intangible assets	19,560,982.40					19,560,982.40
Deferred tax assets	36,424,932.99					36,424,932.99
Other assets	186,043,035.73	1,795,452.31	3,267.62	8,558.99	52,494.94	187,902,809.58
<b>Total Assets</b>	<b>4,084,879,387.90</b>	<b>75,068,673.17</b>	<b>8,881,336.25</b>	<b>224,718.50</b>	<b>6,847,877.71</b>	<b>4,175,901,993.53</b>
Due to other financial institutions	670,555,533.02	81,002.94				670,636,535.96
Due to customers	2,999,046,993.93	74,988,517.61	8,842,798.58	202,596.98	6,767,963.46	3,089,848,870.56
Derivative financial instruments - liabilities	131,703.29					131,703.29
Issued bonds	94,689,000.00					94,689,000.00
Provisions for retirement benefits	7,153,999.19					7,153,999.19
Other provisions for risks and liens	14,543,959.84					14,543,959.84
Deferred tax liabilities	2,746,190.69					2,746,190.69
Other liabilities	36,444,930.49	384,530.25	52,100.76	21,952.44	125,597.35	37,029,111.29
<b>Total Liabilities</b>	<b>3,825,312,310.45</b>	<b>75,454,050.80</b>	<b>8,894,899.34</b>	<b>224,549.42</b>	<b>6,893,560.81</b>	<b>3,916,779,370.82</b>
<b>Net exchange position</b>	<b>259,567,077.45</b>	<b>(385,377.63)</b>	<b>(13,563.09)</b>	<b>169.08</b>	<b>(45,683.10)</b>	<b>259,122,622.71</b>

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2011 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of € 18 thousand for the Group.

FOREIGN EXCHANGE RISK (Amounts in €) DESCRIPTION	GROUP 31/12/2010					Total
	EUR	USD	GBP	JPY	OTHER	
Cash and balances with Central Bank	86,585,434.05	55,937.85	19,192.58	13,345.61	146,384.73	86,820,294.82
Due from other financial institutions	293,358,896.35	2,120,897.52	8,376,488.39	128,261.38	937,011.96	304,921,555.60
Derivative financial instruments - assets	5,104,642.07	5,716.23				5,716.23
Financial assets at fair value through profit and loss	3,679,931,577.42	6,180,976.74		2,046,120.03	21,544,831.40	3,709,703,505.59
Loans and advances to customers (net of impairment)	253,125,402.55		11,442.54			253,136,845.09
Financial assets available for sale	69,211,840.74					69,211,840.74
Investments held to maturity	16,165,157.30					16,165,157.30
Investments in associates	45,920,220.51					45,920,220.51
Property, plant and equipment	43,769,410.10					43,769,410.10
Investment property	14,356,976.25					14,356,976.25
Intangible assets	32,615,114.10					32,615,114.10
Deferred tax assets	186,760,461.57	1,690,187.59	27,532.56	19,885.69	37.53	188,498,104.94
Other assets						
<b>Total Assets</b>	<b>4,726,905,133.01</b>	<b>10,053,715.93</b>	<b>8,434,656.07</b>	<b>2,207,612.71</b>	<b>22,628,265.62</b>	<b>4,770,229,383.34</b>
Due to other financial institutions	777,893,439.77	159,973.05				778,053,412.82
Due to customers	3,236,730,566.40	67,170,015.46	8,545,087.19	4,824.00	4,827,952.81	3,317,278,445.86
Derivative financial instruments - liabilities	37,689,778.70	(56,630,238.95)		2,205,086.47	17,579,721.99	844,348.21
Issued bonds	94,689,000.00					94,689,000.00
Provisions for retirement benefits	2,554,502.86					2,554,502.86
Other provisions for risks and liens	9,835,891.56					9,835,891.56
Deferred tax liabilities	3,006,177.56					3,006,177.56
Other liabilities	41,213,935.12	338,719.47	56,700.23	576.47	27,589.97	41,637,521.26
<b>Total Liabilities</b>	<b>4,203,613,291.97</b>	<b>11,038,469.03</b>	<b>8,601,787.42</b>	<b>2,210,486.94</b>	<b>22,435,264.77</b>	<b>4,247,899,300.13</b>
<b>Net exchange position</b>	<b>523,291,841.04</b>	<b>(984,753.09)</b>	<b>(167,131.35)</b>	<b>(2,874.23)</b>	<b>193,000.85</b>	<b>522,330,083.21</b>

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2010 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of € 86 thousand for the Group.



FOREIGN EXCHANGE RISK (Amounts in €)	BANK 31/12/2011					Total
	DESCRIPTION	EUR	USD	GBP	JPY	
	Cash and balances with Central Bank	69,015,942.97	102,696.63	40,302.88	21,327.36	69,255,584.41
	Due from other financial institutions	116,663,982.62	1,724,300.72	143,027.50	247,044.12	119,815,288.51
	Derivative financial instruments - assets	(55,965,370.39)	64,903,396.04	8,688,648.01	(1,121,407.01)	1,597,729.54
	Financial assets at fair value through profit and loss	48,812.40				48,812.40
	Loans and advances to customers (net of impairment)	3,440,707,548.60	6,542,827.47		1,069,195.04	3,468,910,242.87
	Financial assets available for sale	127,979,842.20		6,090.24		127,985,932.44
	Investments held to maturity	34,327,403.47				34,327,403.47
	Investments in subsidiaries	11,785,483.80		20,950.26		11,806,434.06
	Investments in associates	20,145,691.46				20,145,691.46
	Property, plant and equipment	41,132,257.26				41,132,257.25
	Investment property	47,106,775.92				47,106,775.92
	Intangible assets	19,548,467.94				19,548,467.94
	Deferred tax assets	35,955,717.23				35,955,717.23
	Other assets	182,463,378.75	1,795,452.31	3,267.62	8,558.99	184,323,152.61
	<b>Total Assets</b>	<b>4,090,915,934.22</b>	<b>75,068,673.17</b>	<b>8,902,286.51</b>	<b>224,718.50</b>	<b>4,181,959,490.11</b>
	Due to other financial institutions	670,555,533.02	81,002.94			670,636,535.96
	Due to customers	3,011,860,965.71	74,988,517.61	8,842,798.58	202,596.98	3,102,662,842.34
	Derivative financial instruments - liabilities	131,703.29				131,703.29
	Issued bonds	94,428,408.59				94,428,408.59
	Provisions for retirement benefits	6,989,089.21				6,989,089.21
	Other provisions for risks and liens	14,490,719.51				14,490,719.51
	Deferred tax liabilities	2,701,804.28				2,701,804.28
	Other liabilities	35,436,672.99	384,530.25	52,100.76	21,952.44	36,020,853.79
	<b>Total Liabilities</b>	<b>3,836,594,896.60</b>	<b>75,454,050.80</b>	<b>8,894,899.34</b>	<b>224,549.42</b>	<b>3,928,061,956.97</b>
	<b>Net exchange position</b>	<b>254,321,037.62</b>	<b>(385,377.63)</b>	<b>7,387.17</b>	<b>169.08</b>	<b>253,897,533.14</b>

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31/12/2011 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of € 18 thousand for the Bank.

FOREIGN EXCHANGE RISK (Amounts in €)	BANK 31/12/2010					Total
	DESCRIPTION	EUR	USD	GBP	JPY	
	Cash and balances with Central Bank	86,131,654.60	55,937.85	19,192.58	13,345.61	86,366,515.37
	Due from other financial institutions	293,348,274.76	2,120,897.52	8,376,488.39	128,261.38	304,910,934.01
	Derivative financial instruments - assets	4,378,702.99	5,716.23			4,384,419.22
	Financial assets at fair value through profit and loss	5,104,642.07				5,104,642.07
	Loans and advances to customers (net of impairment)	3,679,931,577.42	6,180,976.74		2,046,120.03	3,709,703,505.59
	Financial assets available for sale	252,643,719.92		11,442.54		252,655,162.46
	Investments held to maturity	69,211,840.74				69,211,840.74
	Investments in subsidiaries	11,785,483.80		20,330.82		11,805,814.62
	Investments in associates	14,646,998.28				14,646,998.28
	Property, plant and equipment	45,908,399.24				45,908,399.24
	Investment property	43,769,410.10				43,769,410.10
	Intangible assets	14,341,151.41				14,341,151.41
	Deferred tax assets	31,452,185.62				31,452,185.62
	Other assets	184,735,051.88	1,690,187.59	27,532.56	19,885.69	186,472,695.25
	<b>Total Assets</b>	<b>4,737,389,092.83</b>	<b>10,053,715.93</b>	<b>8,454,986.89</b>	<b>2,207,612.71</b>	<b>4,780,733,673.98</b>
	Due to other financial institutions	777,893,439.77	159,973.05			778,053,412.82
	Due to customers	3,250,481,299.34	67,170,015.46	8,545,087.19	4,824.00	3,331,029,178.80
	Derivative financial instruments - liabilities	37,689,778.70	(56,630,238.95)		2,205,086.47	844,348.21
	Issued bonds	94,359,863.98				94,359,863.98
	Provisions for retirement benefits	2,406,387.39				2,406,387.39
	Other provisions for risks and liens	9,809,941.56				9,809,941.56
	Deferred tax liabilities	2,907,291.97				2,907,291.97
	Other liabilities	40,102,414.76	338,719.47	56,700.23	576.47	40,526,000.90
	<b>Total Liabilities</b>	<b>4,215,650,417.47</b>	<b>11,038,469.03</b>	<b>8,601,787.42</b>	<b>2,210,486.94</b>	<b>4,259,936,425.63</b>
	<b>Net exchange position</b>	<b>521,738,675.36</b>	<b>(984,753.09)</b>	<b>(146,800.53)</b>	<b>(2,874.23)</b>	<b>520,797,248.35</b>

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31/12/2010 in case of a change by plus (+) minus (-) 6% for the main currencies and a change by plus (+) minus (-) 20% for the secondary currencies, will result to a loss of € 86 thousand for the Bank.

#### 42.2.2 INTEREST RATE RISK

As "interest rate risk" is defined the investment risk that arises from the changes in market interest rates. Such changes in interest rates can affect the financial position of the Group, since it can change also:

- The net interest rate result
- The value of income and expenses, sensitive to interest rate changes
- The value of Assets and Liabilities. The present value of future cash flows (and often the cash flows itself) is changed since the interest rates change.

The Group/The Bank follows on a systematic basis the interest rate risk and uses various derivative financial instruments for its hedging.

The attached table presents the Group's exposure to interest rate risks with the analysis of the interest rate gap.

INTEREST RATE RISK (Amounts in €)	GROUP 31/12/2011					Accounts no subject to interest rate risk	Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years		
<b>DESCRIPTION</b>							
Cash and balances with Central Bank	12,777,291.49					56,999,242.21	69,776,533.70
Due from other financial institutions	117,405,354.44		803,451.68			2,120,693.77	120,329,499.89
Derivative financial instruments - assets						778,445.05	778,445.05
Financial assets at fair value through profit and loss		21,994.00		18,750.00	8,068.40		48,812.40
Loans and advances to customers (net of impairment)							
Financial assets available for sale	2,795,210,563.07	570,551,178.72	257,566,880.04	45,980,113.98	56,403,571.95	(256,802,064.89)	3,468,910,242.87
Investments held to maturity	4,971,112.67	620,000.00	73,895,851.48	9,939,005.00	14,468,502.73	24,373,521.68	128,267,993.56
Investments in associates		362,668.00	19,756,215.47	11,360,000.00	2,848,520.00		34,327,403.47
Property, plant and equipment						21,128,302.37	21,128,302.37
Investment property						41,339,259.33	41,339,259.33
Intangible assets						47,106,775.92	47,106,775.92
Deferred tax assets						19,560,982.40	19,560,982.40
Other assets	19,363,828.91	83,010,445.14	2,095,404.09	1,318,066.01	2,411,713.05	36,424,932.99	36,424,932.99
<b>Total Assets</b>	<b>2,949,728,150.58</b>	<b>654,566,285.86</b>	<b>354,117,802.76</b>	<b>68,615,934.99</b>	<b>76,140,376.13</b>	<b>72,733,443.20</b>	<b>4,175,901,993.53</b>
Due to other financial institutions	654,728,239.87		15,527,728.72			380,567.37	670,636,535.96
Due to customers	1,903,351,200.16	785,390,805.51	381,007,744.22	15,247.11		20,083,873.56	3,089,848,870.56
Derivative financial instruments - liabilities						131,703.29	131,703.29
Issued bonds							
Provisions for retirement benefits						7,153,999.19	94,689,000.00
Other provisions for risks and liens						14,543,959.84	14,543,959.84
Deferred tax liabilities						2,746,190.69	2,746,190.69
Other liabilities	20,225,484.12	4,428,745.02	42,610.05	16,290.33		12,315,981.79	37,029,111.29
<b>Total liabilities</b>	<b>2,578,304,924.15</b>	<b>884,508,550.53</b>	<b>396,578,082.99</b>	<b>31,537.44</b>	<b>0.00</b>	<b>57,356,275.73</b>	<b>3,916,779,370.82</b>
<b>Interest rate risk gap</b>	<b>371,423,226.43</b>	<b>(229,942,264.67)</b>	<b>(42,460,280.23)</b>	<b>68,584,397.55</b>	<b>76,140,376.13</b>	<b>15,377,167.47</b>	<b>259,122,622.71</b>

The Group estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2011, in case of interest rate increase by 100 basis point, the gains for the Group will reach € 423 thousand.

INTEREST RATE RISK (Amounts in €)	GROUP 31/12/2010					Accounts no subject to interest rate risk	Total
	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years		
<b>DESCRIPTION</b>							
Cash and balances with Central Bank	27,749,767.55					59,070,527.27	86,820,294.82
Due from other financial institutions	302,014,041.63		873,824.85			2,033,689.12	304,921,555.60
Derivative financial instruments – assets						5,716.23	5,716.23
Financial assets at fair value through profit and loss	1,886,355.40	175,415.00	3,027,689.40		15,182.27		5,104,642.07
Loans and advances to customers (net of impairment)							
Financial assets available for sale	2,791,060,071.03	732,667,238.77	243,475,486.12	69,574,397.38	55,247,476.75	(182,321,164.46)	3,709,703,505.59
Investments held to maturity	12,668,612.67	7,880,395.96	149,139,100.00	6,085,000.00	46,317,998.24	31,045,738.22	253,136,845.09
Investments in associates				59,383,895.82	9,827,944.92		69,211,840.74
Property, plant and equipment						16,165,157.30	16,165,157.30
Investment property						45,920,220.51	45,920,220.51
Intangible assets						43,769,410.10	43,769,410.10
Deferred tax assets						14,356,976.25	14,356,976.25
Other assets	15,486,101.92	83,535,963.09	1,302,331.24	2,548,635.98	3,014,040.19	32,615,114.10	32,615,114.10
<b>Total Assets</b>	<b>3,150,864,950.20</b>	<b>824,259,012.82</b>	<b>397,818,431.61</b>	<b>137,591,929.18</b>	<b>114,422,642.37</b>	<b>145,272,417.15</b>	<b>4,770,229,383.34</b>
Due to other financial institutions						1,182,207.63	778,053,412.82
Due to customers	260,362,523.96	516,508,681.23		5,984.00		20,752,437.19	3,317,278,445.86
Derivative financial instruments - liabilities	1,974,348,166.50	593,905,953.62	728,265,904.55			844,348.21	844,348.21
Issued bonds							94,689,000.00
Provisions for retirement benefits						2,554,502.86	2,554,502.86
Other provisions for risks and liens						9,835,891.56	9,835,891.56
Deferred tax liabilities						3,006,177.56	3,006,177.56
Other liabilities	16,295,393.36	3,519,981.81	76,613.92	7,500.00		21,738,032.17	41,637,521.26
<b>Total liabilities</b>	<b>2,251,006,083.82</b>	<b>1,208,623,616.66</b>	<b>728,342,518.47</b>	<b>13,484.00</b>	<b>0.00</b>	<b>59,913,597.18</b>	<b>4,247,899,300.13</b>
<b>Interest rate risk gap</b>	<b>899,858,866.38</b>	<b>(384,364,603.84)</b>	<b>(330,524,086.86)</b>	<b>137,578,445.18</b>	<b>114,422,642.37</b>	<b>85,358,819.97</b>	<b>522,330,083.21</b>

The Group estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2010, in case of interest rate increase by 100 basis point, the gains for the Group will reach € 1.47 million.

INTEREST RATE RISK (Amounts in €)		BANK 31/12/2011					Accounts no subject to interest rate risk	Total
DESCRIPTION	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years			
Cash and balances with Central Bank	12,777,291.49					56,478,292.92	69,255,584.41	
Due from other financial institutions	116,891,143.06		803,451.68			2,120,693.77	119,815,288.51	
Derivative financial instruments – assets		819,284.49				778,445.05	1,597,729.54	
Financial assets at fair value through profit and loss		21,994.00		18,750.00	8,068.40		48,812.40	
Loans and advances to customers (net of impairment)								
Financial assets available for sale	2,795,210,563.07	570,551,178.72	257,566,880.04	45,980,113.98	56,403,571.95	(256,802,064.89)	3,468,910,242.87	
Investments held to maturity	4,971,112.67	620,000.00	73,895,851.48	9,939,005.00	14,200,000.00	24,359,963.29	127,985,932.44	
Investments in subsidiaries		362,668.00	19,756,215.47	11,360,000.00	2,848,520.00		34,327,403.47	
Investments in associates						11,806,434.06	11,806,434.06	
Property, plant and equipment						20,145,691.46	20,145,691.46	
Investment property						41,132,257.25	41,132,257.25	
Intangible assets						47,106,775.92	47,106,775.92	
Deferred tax assets						19,548,467.94	19,548,467.94	
Other assets	16,635,928.96	82,616,374.87	2,095,404.09	1,318,066.01	2,411,713.05	35,955,717.23	35,955,717.23	
Total Assets	2,946,486,039.25	654,991,500.08	354,117,802.76	68,615,934.99	75,871,873.40	81,876,339.62	4,181,959,490.11	
Due to other financial institutions	654,728,239.87		15,527,728.72			380,567.37	670,636,535.96	
Due to customers	1,916,165,171.94	785,390,805.51	381,007,744.22	15,247.11		20,083,873.56	3,102,662,842.34	
Derivative financial instruments - liabilities						131,703.29	131,703.29	
Issued bonds		94,428,408.59					94,428,408.59	
Provisions for retirement benefits						6,989,089.21	6,989,089.21	
Other provisions for risks and liens						14,490,719.51	14,490,719.51	
Deferred tax liabilities						2,701,804.28	2,701,804.28	
Other liabilities	20,107,534.60	4,312,041.61	42,610.05			11,558,667.53	36,020,853.79	
Total Liabilities	2,591,000,946.41	884,131,255.71	396,578,082.99	15,247.11	0.00	56,336,424.75	3,928,061,956.97	
Interest rate risk gap	355,485,092.84	(229,139,755.63)	(42,460,280.23)	68,600,687.88	75,871,873.40	25,539,914.87	253,897,533.14	

The Bank estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2011, in case of interest rate increase by 100 basis point, the gain for the Group will reach € 298 thousand.

INTEREST RATE RISK (Amounts in €)		BANK					Accounts no subject to interest rate risk	Total
		31/12/2010						
	DESCRIPTION	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years		
	Cash and balances with Central Bank	27,749,767.55					58,616,747.82	86,366,515.37
	Due from other financial institutions	302,003,420.04		873,824.85			2,033,689.12	304,910,934.01
	Derivative financial instruments – assets		4,378,702.99				5,716.23	4,384,419.22
	Financial assets at fair value through profit and loss	1,886,355.40	175,415.00	3,027,689.40		15,182.27		5,104,642.07
	Loans and advances to customers (net of impairment)							
	Financial assets available for sale	2,791,060,071.03	732,667,238.77	243,475,486.12	69,574,397.38	55,247,476.75	(182,321,164.46)	3,709,703,505.59
	Investments held to maturity	12,668,612.67	7,880,395.96	149,139,100.00	6,085,000.00	45,854,000.00	31,028,053.83	252,655,162.46
	Investments in subsidiaries				59,383,895.82	9,827,944.92		69,211,840.74
	Investments in associates						11,805,814.62	11,805,814.62
	Property, plant and equipment						14,646,998.28	14,646,998.28
	Investment property						45,908,399.24	45,908,399.24
	Intangible assets						43,769,410.10	43,769,410.10
	Deferred tax assets						14,341,151.41	14,341,151.41
	Other assets	13,539,415.19	83,001,495.65	1,302,331.24	2,548,635.98	3,014,040.19	31,452,185.62	31,452,185.62
	<b>Total Assets</b>	<b>3,148,907,641.88</b>	<b>828,103,248.37</b>	<b>397,818,431.61</b>	<b>137,591,929.18</b>	<b>113,958,644.13</b>	<b>154,353,778.81</b>	<b>4,780,733,673.98</b>
	Due to other financial institutions						1,182,207.63	778,053,412.82
	Due to customers	260,362,523.96	516,508,681.23		5,984.00		20,752,437.19	3,331,029,178.80
	Derivative financial instruments - liabilities	1,988,098,899.44	593,905,953.62	728,265,904.55			844,348.21	844,348.21
	Issued bonds		94,359,863.98					94,359,863.98
	Provisions for retirement benefits						2,406,387.39	2,406,387.39
	Other provisions for risks and liens						9,809,941.56	9,809,941.56
	Deferred tax liabilities						2,907,291.97	2,907,291.97
	Other liabilities	16,185,968.41	3,469,287.87	76,613.92			20,794,130.70	40,526,000.90
	<b>Total Liabilities</b>	<b>2,264,647,391.81</b>	<b>1,208,243,786.70</b>	<b>728,342,518.47</b>	<b>5,984.00</b>	<b>0.00</b>	<b>58,696,744.65</b>	<b>4,259,936,425.63</b>
	<b>Interest rate risk gap</b>	<b>884,260,250.07</b>	<b>(380,140,538.33)</b>	<b>(330,524,086.86)</b>	<b>137,585,945.18</b>	<b>113,958,644.13</b>	<b>95,657,034.16</b>	<b>520,797,248.35</b>

The Bank estimates the extent of interest rate risk by measuring the negative effect of the interest rate curve fluctuations on its annual results for all currencies. According to the measurements performed by the Group on the balances of the accounts as at 31/12/2010, in case of interest rate increase by 100 basis point, the gain for the Group will reach € 1.34 million.



#### 42.3 CREDIT RISK

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit exposures from related accounts are aggregated and are monitored on a consolidated basis. The methods for evaluating the credit rating of the counterparties differ depending on the categories of the borrowers and rely on quantity as on quality data. Portfolio monitoring is carried out on the basis of customers' creditworthiness, sector of the economy and guarantees from the customers and is regularly audited by Credit Department and Risk Management Department. The Group's credit risk is spread out in various sectors of the economy. The Group's general policy is to require from its customers as guarantee certain types of collaterals such as mortgages over real estate, pledges and assignment of receivables.

The main types of collateral accepted by the Group in accordance with the policy of lending can be divided in the following categories:

1. Bills of exchange and checks from customers
2. Assigned export shipping documents.
3. Cash or Deposits.
4. Guarantees from the Greek government, banks and the guarantee fund for small and very small enterprises (TEMPME).
5. Mortgages to real estate of greater value than the amount of funding.
6. Pledged goods in the State Repositories.
7. Pledged accrued claims based on invoices from contracts with the government, public organizations, or public entities.
8. Pledge of mutual funds' shares.
9. Pledge on securities:
  - (a) Bank shares.
  - (b) Bank Bonds, government bonds, treasury bills and bonds of the public entities DEI and OTE.
  - (c) Shares of listed companies, insurance companies and several large sociétés anonymes companies
10. Maritime liens.

During the year 2011 the Group has taken over properties of total value of € 4,473,969.13.

#### 42.3.1 HIGHEST EXPOSURE TO CREDIT RISK PRIOR TO CALCULATION OF COLLATERALS & OTHER CREDIT RISK PROTECTION MEASURES

The table below presents the highest exposure of the Group to credit risk for the year ended as at 31/12/2011 as well as for the comparative year 2010. It is noted that there have not been taken into account collaterals or other credit risk protection measures.

<b>Highest exposure to credit risk</b>				
<b>(Amounts in €)</b>				
	<b>GROUP</b>		<b>BANK</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
<b>Exposure to credit risk of the Balance Sheet items</b>				
Due from other financial institutions	120,329,499.89	304,921,555.60	119,815,288.51	304,910,934.01
Loans and advances to customers (net of impairment)				
Loans to private individuals:				
-Loan current accounts for individuals	107,784,172.38	123,508,377.06	107,784,172.38	123,508,377.06
-Credit cards	40,458,663.63	46,919,401.68	40,458,663.63	46,919,401.68
-Statutory maturity loans	92,478,164.59	104,262,566.83	92,478,164.59	104,262,566.83
-Mortgages (including corporate mortgage loans)	568,723,013.64	597,135,785.80	568,723,013.64	597,135,785.80
Corporate loans:				
-Large entities	1,066,988,699.82	1,086,720,271.54	1,066,988,699.82	1,086,720,271.54
-Small & medium entities	943,828,364.73	1,081,931,096.36	943,828,364.73	1,081,931,096.36
-Other	648,649,164.08	669,226,006.32	648,649,164.08	669,226,006.32
Trading portfolio				
- Bonds	48,812.40	5,104,642.07	48,812.40	5,104,642.07
Derivative financial instruments	778,445.05	5,716.23	1,597,729.54	4,384,419.22
Investment portfolio				
-Bonds	138,221,875.55	291,302,947.61	137,953,372.82	290,838,949.37
Other assets	187,902,809.58	188,498,104.94	184,323,152.61	186,472,695.25
<b>Exposure to credit risk pertaining to off Balance Sheet items is as follows:</b>				
Letters of guarantee	400,664,282.91	446,513,823.41	400,664,282.91	446,513,823.41
Credit guarantees	3,996,382.40	11,116,341.87	3,996,382.40	11,116,341.87
Unused credit limits	493,156,333.77	505,148,183.12	493,156,333.77	505,148,183.12
<b>Total as at December, 31<sup>st</sup></b>	<b>4,814,008,684.42</b>	<b>5,462,314,820.43</b>	<b>4,810,465,597.82</b>	<b>5,464,193,493.91</b>

#### 42.3.2 LOANS AND ADVANCES - GROUP

(Amounts in €)	GROUP			
	31/12/2011			31/12/2010
	Loans and advances to customers	Due from other financial institutions	Loans and advances to customers	Due from other financial institutions
Loans without impairment	3,113,748,773.29	120,329,499.89	3,468,252,697.47	304,921,555.60
Loans and receivables delayed more than 1 day without impairment	40,140,870.52	-	60,075,485.68	-
Loans and receivables with impairment	571,822,663.95	-	363,696,486.90	-
<b>Total before impairment</b>	<b>3,725,712,307.76</b>	<b>120,329,499.89</b>	<b>3,892,024,670.05</b>	<b>304,921,555.60</b>
Less: Allowance for impairment losses	(256,802,064.89)	-	(182,321,164.46)	-
<b>Total net of impairment</b>	<b>3,468,910,242.87</b>	<b>120,329,499.89</b>	<b>3,709,703,505.59</b>	<b>304,921,555.60</b>

#### A) Loans net of impairment

Loans and advances to customers										
(Amounts in €)		Loans to individuals					Corporate loans			Total loans and advances to customers
		Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgage loans	Large entities	Small & Medium entities	Other entities		
31-Dec-11										
Grading										
High	20,715,374.04	6,293,589.64	16,487,621.85	287,653,567.71	502,337,911.01	45,772,080.49	329,245.66		879,589,390.40	
Medium	36,125,483.11	10,975,373.46	28,752,717.85	168,197,291.72	225,240,135.44	308,680,866.93	239,446,932.07		1,017,418,800.58	
Low	31,875,948.14	9,684,311.60	25,370,460.52	53,992,401.31	226,168,039.38	416,514,685.55	251,046,572.59		1,014,652,419.09	
Special control	2,675,950.90	1,351,410.77	3,144,661.51	9,551,603.20	87,510,245.42	72,198,305.19	25,655,986.24		202,088,163.23	
Total	91,392,756.19	28,304,685.47	73,755,461.72	519,394,863.94	1,041,256,331.25	843,165,938.16	516,478,736.56		3,113,748,773.29	
31-Dec-10										
Grading										
High	21,674,221.79	7,365,644.85	18,272,252.48	345,589,059.30	590,051,657.88	108,879,326.22	3,572,788.28		1,095,404,950.79	
Medium	61,103,294.76	20,764,997.82	51,512,568.25	172,877,697.24	348,446,486.99	533,310,831.25	379,333,756.93		1,567,349,633.23	
Low	19,555,919.66	6,645,773.04	16,486,437.43	35,983,843.97	122,925,613.63	381,025,635.05	200,022,512.93		782,645,735.72	
Special control	2,219,832.93	1,236,210.07	3,906,992.03	5,027,746.16	35,745.85	1,643,805.92	8,782,044.77		22,852,377.73	
Total	104,553,269.13	36,012,625.78	90,178,250.19	559,478,346.67	1,061,459,504.35	1,024,859,598.44	591,711,102.91		3,468,252,697.47	

The "SPECIAL CONTROL" category concerns loans whose borrowers had occurred inability to meet their contractual obligations, restructures were made during the last 12 months and are, at the time, performed properly.

Due from other financial institutions (Amounts in €)	
	31-Dec-11
<b>Grading</b>	
Exceptional	18,611,152.07
High	20,476,640.76
Adequate	81,241,707.06
<b>Total</b>	<b>120,329,499.89</b>
	31-Dec-10
<b>Grading</b>	
Exceptional	43,711,152.86
High	211,084,400.62
Adequate	50,126,002.12
<b>Total</b>	<b>304,921,555.60</b>

#### B) Loans and advances to customers – delayed more than 1 day without impairment

(Amounts in €)	Loans to individuals				Corporate loans			Total loans and advances to customers
	Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgage loans	Large entities	Small & Medium entities	Other entities	
	31-Dec-11							
Up to 30 days	3,947,105.37	2,448,597.27	124,287.92	312,928.12	1,683,877.86	2,899,762.71	2,057,874.13	13,474,433.38
30 - 60 days	3,302,206.01	1,592,554.44	186,235.69	484,914.39	1,327,367.97	2,288,434.03	1,619,385.93	10,801,098.46
60 - 90 days	2,442,910.08	1,251,622.27	229,703.23	653,024.54	2,862,063.77	4,933,139.08	3,492,875.71	15,865,338.68
<b>Total</b>	<b>9,692,221.46</b>	<b>5,292,773.98</b>	<b>540,226.84</b>	<b>1,450,867.05</b>	<b>5,873,309.60</b>	<b>10,121,335.82</b>	<b>7,170,135.77</b>	<b>40,140,870.52</b>
Collateral fair value			<b>583,444.99</b>	<b>1,946,338.15</b>	<b>9,221,096.07</b>	<b>12,044,389.63</b>	<b>7,743,746.63</b>	<b>31,539,015.46</b>
	31-Dec-10							
Up to 30 days	6,642,336.16	3,509,636.74	148,107.11	289,540.26	4,463,032.46	8,628,672.06	8,303,465.47	31,984,790.26
30 - 60 days	3,405,188.40	1,712,956.84	178,709.71	319,703.47	957,702.63	1,707,209.04	1,499,012.82	9,780,482.91
60 - 90 days	2,711,263.05	1,290,077.02	316,941.43	723,486.07	2,677,932.18	5,324,047.39	5,266,465.37	18,310,212.51
<b>Total</b>	<b>12,758,787.61</b>	<b>6,512,670.60</b>	<b>643,758.25</b>	<b>1,332,729.80</b>	<b>8,098,667.27</b>	<b>15,659,928.49</b>	<b>15,068,943.66</b>	<b>60,075,485.68</b>
Collateral fair value			<b>695,258.91</b>	<b>1,787,857.03</b>	<b>10,852,214.14</b>	<b>17,539,119.91</b>	<b>17,781,353.52</b>	<b>48,655,803.51</b>

The collaterals referred to the mortgages, include properties for which the Bank has issued a 1<sup>st</sup> prenotice.

**C) Loans and advances to customers – with impairment**

(Amounts in €)		Loans to individuals					Corporate loans			Total loans and advances to customers
		Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgage loans	Large entities	Small & Medium entities	Other entities		
31-Dec-11										
Loans and advances to customers net of impairment		25,452,069.38	22,106,438.45	45,802,884.25	73,657,357.92	59,920,511.09	158,704,048.00	186,179,354.86		571,822,663.95
Collateral fair value		2,708,440.41		11,440,651.59	67,413,199.40	26,018,018.16	117,217,726.55	123,798,203.04		348,596,239.15
31-Dec-10										
Loans and advances to customers net of impairment		25,437,463.13	18,289,566.37	38,157,289.88	57,132,275.50	38,446,391.69	78,218,480.24	108,015,020.09		363,696,486.90
Collateral fair value					48,691,879.91	18,540,896.06	55,548,681.38	70,110,870.88		192,892,328.22

### 42.3.3 LOANS AND ADVANCES - BANK

		BANK			
(Amounts in €)		31/12/2011		31/12/2010	
		Loans and advances to customers	Due from other financial institutions	Loans and advances to customers	Due from other financial institutions
Loans without impairment		3,113,748,773.29	119,815,288.51	3,468,252,697.47	304,910,934.01
Loans and receivables delayed more than 1 day without impairment		40,140,870.52	-	60,075,485.68	-
Loans and receivables with impairment		571,822,663.95	-	363,696,486.90	-
<b>Total before impairment</b>		<b>3,725,712,307.76</b>	<b>119,815,288.51</b>	<b>3,892,024,670.05</b>	<b>304,910,934.01</b>
Less: Allowance for impairment losses		(256,802,064.89)	-	(182,321,164.46)	-
<b>Total net of impairment</b>		<b>3,468,910,242.87</b>	<b>119,815,288.51</b>	<b>3,709,703,505.59</b>	<b>304,910,934.01</b>

#### A) Loans without impairment

Loans and advances to customers									
(Amounts in €)		Loans to individuals				Corporate loans			Total loans and advances to customers
		Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgage loans	Large entities	Small & Medium entities	Other entities	
31-Dec-11									
Grading									
High	20,715,374.04	6,293,589.64	16,487,621.85	287,653,567.71	502,337,911.01	45,772,080.49	329,245.66		879,589,390.40
Medium	36,125,483.11	10,975,373.46	28,752,717.85	168,197,291.72	225,240,135.44	308,680,866.93	239,446,932.07		1,017,418,800.58
Low	31,875,948.14	9,684,311.60	25,370,460.52	53,992,401.31	226,168,039.38	416,514,685.55	251,046,572.59		1,014,652,419.09
Special control	2,675,950.90	1,351,410.77	3,144,661.51	9,551,603.20	87,510,245.42	72,198,305.19	25,655,986.24		202,088,163.23
Total	91,392,756.19	28,304,685.47	73,755,461.72	519,394,863.94	1,041,256,331.25	843,165,938.16	516,478,736.56		3,113,748,773.29
31-Dec-10									
Grading									
High	21,674,221.79	7,365,644.85	18,272,252.48	345,589,059.30	590,051,657.88	108,879,326.22	3,572,788.28		1,095,404,950.79
Medium	61,103,294.76	20,764,997.82	51,512,568.25	172,877,697.24	348,446,486.99	533,310,831.25	379,333,756.93		1,567,349,633.23
Low	19,555,919.66	6,645,773.04	16,486,437.43	35,983,843.97	122,925,613.63	381,025,635.05	200,022,512.93		782,645,735.72
Special control	2,219,832.93	1,236,210.07	3,906,992.03	5,027,746.16	35,745.85	1,643,805.92	8,782,044.77		22,852,377.73
Total	104,553,269.13	36,012,625.78	90,178,250.19	559,478,346.67	1,061,459,504.35	1,024,859,598.44	591,711,102.91		3,468,252,697.47

The "SPECIAL CONTROL" category concerns loans whose borrowers had occurred inability to meet their contractual obligations, modifications were made during the last 12 months and are, at the time, served properly.



Due from other financial institutions (Amounts in €)	
<b>31-Dec-11</b>	
<b>Grading</b>	
Exceptional	18,611,152.07
High	20,476,640.76
Adequate	80,727,495.68
<b>Total</b>	<b>119,815,288.51</b>
<b>31-Dec-10</b>	
<b>Grading</b>	
Exceptional	43,711,152.86
High	211,084,400.62
Adequate	50,115,380.53
<b>Total</b>	<b>304,910,934.01</b>

**B) Loans and advances to customers – delayed more than 1 day without impairment**

(Amounts in €)		Loans to individuals – satisfactory more than 1 day without impairment							Total loans and advances to customers		
		Loans to individuals				Corporate loans					
		Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgage loans	Large entities	Small & Medium entities	Other entities			
<b>31-Dec-11</b>											
Up to 30 days		3,947,105.37	2,448,597.27	124,287.92	312,928.12	1,683,877.86	2,899,762.71	2,057,874.13			13,474,433.38
30 - 60 days		3,302,206.01	1,592,554.44	186,235.69	484,914.39	1,327,367.97	2,288,434.03	1,619,385.93			10,801,098.46
60 - 90 days		2,442,910.08	1,251,622.27	229,703.23	653,024.54	2,862,063.77	4,933,139.08	3,492,875.71			15,865,338.68
<b>Total</b>		<b>9,692,221.46</b>	<b>5,292,773.98</b>	<b>540,226.84</b>	<b>1,450,867.05</b>	<b>5,873,309.60</b>	<b>10,121,335.82</b>	<b>7,170,135.77</b>			<b>40,140,870.52</b>
Collateral fair value				<b>583,444.99</b>	<b>1,946,338.15</b>	<b>9,221,096.07</b>	<b>12,044,389.63</b>	<b>7,743,746.63</b>			<b>31,539,015.46</b>
<b>31-Dec-10</b>											
Up to 30 days		6,642,336.16	3,509,636.74	148,107.11	289,540.26	4,463,032.46	8,628,672.06	8,303,465.47			31,984,790.26
30 - 60 days		3,405,188.40	1,712,956.84	178,709.71	319,703.47	957,702.63	1,707,209.04	1,499,012.82			9,780,482.91
60 - 90 days		2,711,263.05	1,290,077.02	316,941.43	723,486.07	2,677,932.18	5,324,047.39	5,266,465.37			18,310,212.51
<b>Total</b>		<b>12,758,787.61</b>	<b>6,512,670.60</b>	<b>643,758.25</b>	<b>1,332,729.80</b>	<b>8,098,667.27</b>	<b>15,659,928.49</b>	<b>15,068,943.66</b>			<b>60,075,485.68</b>
Collateral fair value				<b>695,258.91</b>	<b>1,787,857.03</b>	<b>10,852,214.14</b>	<b>17,539,119.91</b>	<b>17,781,353.52</b>			<b>48,655,803.51</b>

The collaterals referred to the mortgages, include properties for which the Bank has issued a 1<sup>st</sup> prenotice.

**C) Loans and advances to customers – with impairment**

C/ Loans and advances to customers – with impairment									
(Amounts in €)		Loans to individuals				Corporate loans			Total loans and advances to customers
		Loan current accounts for individuals	Credit cards	Statutory maturity loans	Mortgage loans	Large entities	Small & Medium entities	Large entities	
<b>31-Dec-11</b>									
Loans and advances to customers with impairment	25,452,069.38	22,106,438.45	45,802,884.25	73,657,357.92	59,920,511.09	158,704,048.00	186,179,354.86	<b>571,822,663.95</b>	
Collateral fair value	2,708,440.41	0.00	11,440,651.59	67,413,199.40	26,018,018.16	117,217,726.55	123,798,203.04	<b>348,596,239.15</b>	
<b>31-Dec-10</b>									
Loans and advances to customers with impairment	25,437,463.13	18,289,566.37	38,157,289.88	57,132,275.50	38,446,391.69	78,218,480.24	108,015,020.09	<b>363,696,486.90</b>	
Collateral fair value				48,691,879.91	18,540,896.06	55,548,681.38	70,110,870.88	<b>192,892,328.22</b>	



42.3.4 EXPOSURE TO CREDIT RISK OF ASSETS PER OPERATION SEGMENT

GROUP									
	Credit institutions	Industry	Shipping	Public sector	Commerce	Construction	Other Sectors	Private Individuals	Total
(Amounts in €)									
Due from other financial institutions	120,329,499.89								120,329,499.89
Loans and advances to customers (net of impairment):									
Loans to individuals:									
- Loan current accounts for individuals								107,784,172.38	107,784,172.38
-Credit cards								40,458,663.63	40,458,663.63
-Statutory maturity loans								92,478,164.59	92,478,164.59
-Mortgages								568,723,013.64	568,723,013.64
Corporate loans		370,182,127.17	18,179,887.05	38,840,286.99	536,234,795.55	510,710,707.45	1,185,318,424.42		2,659,466,228.63
Trading portfolio									
- Bonds	21,000.00			27,812.40					48,812.40
Derivative financial instruments	778,445.05								778,445.05
Investment portfolio									
-Bonds	28,802,720.67			108,040,690.73			803,612.67		138,221,875.55
Other assets	15,048,201.28			63,080,321.94			109,774,286.36		187,902,809.58
Total exposure as at 31.12.2011	164,979,866.89	370,182,127.17	18,179,887.05	209,989,112.06	536,234,795.55	511,514,320.12	1,295,667,562.26	809,444,014.24	3,916,191,685.34
Total exposure as at 31.12.2010	366,576,100.80	416,438,747.03	23,739,174.87	341,742,389.19	680,443,594.61	537,889,989.16	1,260,880,345.00	871,826,131.37	4,499,536,472.03

BANK							
(Amounts in €)	Credit institutions	Industry	Shipping	Public sector	Commerce	Construction	Other Sectors
Due from other financial institutions	119,815,288.51						
Loans and advances to customers (net of impairment):							
Loans to individuals:							
- Loan current accounts for individuals							107,784,172.38
-Credit cards							40,458,663.63
-Statutory maturity loans							92,478,164.59
-Mortgages							568,723,013.64
Corporate loans:		370,182,127.17	18,179,887.05	38,840,286.99	536,234,795.55	510,710,707.45	1,185,318,424.42
							2,659,466,228.63
Trading portfolio							
- Bonds	21,000.00			27,812.40			48,812.40
Derivative financial instruments	1,597,729.54						1,597,729.54
Investment portfolio							
-Bonds	28,802,720.67			107,772,188.00		803,612.67	574,851.48
Other assets	15,048,201.28			62,853,651.14			106,421,300.18
							137,953,372.82
							184,323,152.60
<b>Total exposure as at 31.12.2011</b>	<b>165,284,940.00</b>	<b>370,182,127.17</b>	<b>18,179,887.05</b>	<b>209,493,938.53</b>	<b>536,234,795.55</b>	<b>511,514,320.12</b>	<b>1,292,314,576.08</b>
<b>Total exposure as at 31.12.2010</b>	<b>370,944,182.20</b>	<b>416,438,747.03</b>	<b>23,739,174.87</b>	<b>340,981,149.16</b>	<b>680,443,594.61</b>	<b>537,889,989.16</b>	<b>1,259,152,177.11</b>
							871,826,131.37
							4,501,415,145.51

**42.3.5 Bonds and other securities**

The table below presents the analysis of the fair value of bonds and other securities of investment and trading portfolio. As far as the category of held to maturity is concerned, the fair value is considered as amortized cost. The value of investments held to maturity is included in investment portfolio. The categories of credit grading follow the classification of grading adopted by the internationally acknowledged companies (Moody's, Fitch).

Analysis of bonds and other securities per grading			
(amounts in €)	GROUP		
	Investment portfolio securities	Trading portfolio securities	Total
<b>31-Dec-11</b>			
AAA	-	-	-
AA- to AA+	-	-	-
A- to A+	3,312,500.00	-	3,312,500.00
Lower than A-	134,105,762.88	48,812.40	134,154,575.28
Non graded	803,612.67	-	803,612.67
<b>Total</b>	<b>138,221,875.55</b>	<b>48,812.40</b>	<b>138,270,687.95</b>

<b>31-Dec-10</b>			
AAA	-	-	-
AA- to AA+	-	-	-
A- to A+	14,260,000.00	-	14,260,000.00
Lower than A-	276,239,334.94	5,104,642.07	281,343,977.01
Non graded	803,612.67	-	803,612.67
<b>Total</b>	<b>291,302,947.61</b>	<b>5,104,642.07</b>	<b>296,407,589.68</b>

Analysis of bonds and other securities per grading			
(amounts in €)	BANK		
	Investment portfolio securities	Trading portfolio securities	Total
<b>31-Dec-11</b>			
AAA	-	-	-
AA- to AA+	-	-	-
A- to A+	3,312,500.00	-	3,312,500.00
Lower than A-	133,837,260.15	48,812.40	133,886,072.55
Non graded	803,612.67	-	803,612.67
<b>Total</b>	<b>137,953,372.82</b>	<b>48,812.40</b>	<b>138,002,185.22</b>

<b>31-Dec-10</b>			
AAA	-	-	-
AA- to AA+	-	-	-
A- to A+	14,260,000.00	-	14,260,000.00
Lower than A-	275,775,336.70	5,104,642.07	280,879,978.77
Non graded	803,612.67	-	803,612.67
<b>Total</b>	<b>290,838,949.37</b>	<b>5,104,642.07</b>	<b>295,943,591.44</b>

The table below analyses the credit risk exposure of the Group and the Bank to Greek Government Bonds and their credit ratings according to Moody's credit rating agency.

(Amounts in €)	DESCRIPTION	GROUP				Fair Value			
		Face Value		Book value		31/12/2011		31/12/2010	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2011	31/12/2010	31/12/2010
<b>Eligible Greek Government Bonds</b>									
	Available for Sale financial assets (Ca)	150,740,000.00	156,690,000.00	42,868,502.73	98,428,119.00	42,868,502.73	98,428,119.00	42,868,502.73	98,428,119.00
	Investments held to maturity (Ca)	50,030,000.00	50,030,000.00	14,208,520.00	49,783,225.39	18,518,524.00	36,560,803.00	18,518,524.00	36,560,803.00
	Financial assets at fair value through profit or loss (Ca)	73,000.00	23,000.00	26,818.40	15,182.30	26,818.40	15,182.30	26,818.40	15,182.30
<b>Non eligible Greek Government Bonds (including Treasury Bills)</b>									
	Available for Sale financial assets (Ca)	100,200,000.00	100,940,000.00	50,601,000.00	100,663,998.24	50,601,000.00	100,663,998.24	50,601,000.00	100,663,998.24
	Investments Held to Maturity (Ca)	1,277,000.00	0.00	362,668.00	0.00	529,955.00	0.00	529,955.00	0.00
	Financial assets at fair value through profit or loss (Ca)	1,000.00	5,059,000.00	994.00	4,993,309.77	994.00	4,993,309.77	994.00	4,993,309.77
<b>Total</b>		<b>302,321,000.00</b>	<b>312,742,000.00</b>	<b>108,068,503.13</b>	<b>253,883,834.70</b>	<b>112,545,794.13</b>	<b>240,661,412.31</b>	<b>112,545,794.13</b>	<b>240,661,412.31</b>

(Amounts in €)	DESCRIPTION	BANK				Fair Value			
		Face Value		Book value		31/12/2011		31/12/2010	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2011	31/12/2010	31/12/2010
<b>Eligible Greek Government Bonds</b>									
	Available for Sale financial assets (Ca)	150,000,000.00	156,690,000.00	42,600,000.00	98,428,119.00	42,600,000.00	98,428,119.00	42,600,000.00	98,428,119.00
	Investments held to maturity (Ca)	50,030,000.00	50,030,000.00	14,208,520.00	49,783,225.39	18,518,524.00	36,560,803.00	18,518,524.00	36,560,803.00
	Financial assets at fair value through profit or loss (Ca)	73,000.00	23,000.00	26,818.40	15,182.30	26,818.40	15,182.30	26,818.40	15,182.30
<b>Non eligible Greek Government Bonds (including Treasury Bills)</b>									
	Available for Sale financial assets (Ca)	100,200,000.00	100,200,000.00	50,601,000.00	100,200,000.00	50,601,000.00	100,200,000.00	50,601,000.00	100,200,000.00
	Investments Held to Maturity (Ca)	1,277,000.00	0.00	362,668.00	0.00	529,955.00	0.00	529,955.00	0.00
	Financial assets at fair value through profit or loss (Ca)	1,000.00	5,059,000.00	994.00	4,993,309.77	994.00	4,993,309.77	994.00	4,993,309.77
<b>Total</b>		<b>301,581,000.00</b>	<b>312,002,000.00</b>	<b>107,800,000.40</b>	<b>253,419,836.46</b>	<b>112,277,291.40</b>	<b>240,197,414.07</b>	<b>112,277,291.40</b>	<b>240,197,414.07</b>

**42.4 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The following table presents the book as well as the fair values of financial instruments (financial assets and liabilities) which are not measured at fair value in the Group's balance sheet.

Fair value of Balance Sheet items	GROUP			
	Book value		Fair value	
<b>Financial Assets</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Due from other financial institutions	120,329,499.89	304,921,555.60	120,329,499.89	304,921,555.60
Loans and advances to customers (net of impairment)	3,468,910,242.87	3,709,703,505.59	3,470,034,009.74	3,713,459,754.14
Investments held to maturity	34,327,403.47	69,211,840.74	33,848,479.00	54,570,803.00
	<b>Book value</b>		<b>Fair value</b>	
<b>Financial Liabilities</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Due to other financial institutions	670,636,535.96	778,053,412.82	670,636,535.96	778,053,412.82
Due to customers	3,089,848,870.56	3,317,278,445.86	3,089,848,870.56	3,317,278,445.86
Issued bonds	94,689,000.00	94,689,000.00	54,891,213.30	66,282,300.00

Fair value of Balance Sheet items	BANK			
	Book value		Fair value	
<b>Financial Assets</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Due from other financial institutions	119,815,288.51	304,910,934.01	119,815,288.51	304,910,934.01
Loans and advances to customers (net of impairment)	3,468,910,242.87	3,709,703,505.59	3,470,034,009.74	3,713,459,754.14
Investments held to maturity	34,327,403.47	69,211,840.74	33,848,479.00	54,570,803.00
	<b>Book value</b>		<b>Fair value</b>	
<b>Financial Liabilities</b>	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Due to other financial institutions	670,636,535.96	778,053,412.82	670,636,535.96	778,053,412.82
Due to customers	3,102,662,842.34	3,331,029,178.80	3,102,662,842.34	3,331,029,178.80
Issued bonds	94,428,408.59	94,359,863.98	54,891,213.30	66,282,300.00

The fair value of due from and due to other financial institutions carried at amortized cost does not substantially differ from the corresponding carrying amount since the maturity of the majority is less than one month.

The fair value of loans and advances to customers and due to customers is calculated discounting the expected future cash flows (outflows and inflows correspondingly). The interest rates used to discount cash flows for loans and customer liabilities were based on the curve of interest rates and are as follows:

31.12.2011	31.12.2010
1.024% - 6.020%	0.782% - 5.280%

The fair value of issued bonds represents the price at which the liability can be settled between knowledgeable contractual parties willing to carry out the transaction at fair price.

The fair values presented in the table above reflect the estimates as at financial statements preparation date. These estimated are subject, among others, to adjustments made in compliance with the market conditions that will be outstanding at the certain period of measurement. The above

calculations represent the best possible estimates and are based on particular provisions. Taking into account the fact that these calculations include the uncertainty element, it is probable that the fair values might not represent the price at which such financial instruments can be sold or settled in the future.

Practically, on the basis of going concern principle, the total value of the above financial instruments may not be settled through a direct transaction.

The table below analyzes the financial instruments according to their valuation method. The assigned levels are the following:

First level: market prices from stock markets

Second level: Identifiable inputs other than market prices of the first level.

Third level: values that do not derive from the market

GROUP				
31.12.2011	First Level	Second Level	Third Level	Total
Securities available for sale	123,600,126.52	3,312,500.00	1,355,367.04	<b>128,267,993.56</b>
Trading securities	48,812.40	0.00	0.00	<b>48,812.40</b>
Derivatives-assets	0.00	778,445.05	0.00	<b>778,445.05</b>
Derivatives-liabilities	0.00	131,703.29	0.00	<b>131,703.29</b>

31.12.2010	First Level	Second Level	Third Level	Total
Securities available for sale	242,216,172.84	9,600,000.00	1,320,672.25	<b>253,136,845.09</b>
Trading securities	5,104,642.07	0.00	0.00	<b>5,104,642.07</b>
Derivatives-assets	0.00	5,716.23	0.00	<b>5,716.23</b>
Derivatives-liabilities	0.00	844,348.21	0.00	<b>844,348.21</b>

BANK				
31.12.2011	First Level	Second Level	Third Level	Total
Securities available for sale	123,318,065.40	3,312,500.00	1,355,367.04	<b>127,985,932.44</b>
Trading securities	48,812.40	0.00	0.00	<b>48,812.40</b>
Derivatives-assets	0.00	1,597,729.54	0.00	<b>1,597,729.54</b>
Derivatives-liabilities	0.00	131,703.29	0.00	<b>131,703.29</b>

31.12.2010	First Level	Second Level	Third Level	Total
Securities available for sale	241,734,490.21	9,600,000.00	1,320,672.25	<b>252,655,162.46</b>
Trading securities	5,104,642.07	0.00	0.00	<b>5,104,642.07</b>
Derivatives-assets	0.00	4,384,419.22	0.00	<b>4,384,419.22</b>
Derivatives-liabilities	0.00	844,348.21	0.00	<b>844,348.21</b>

The second level of available for sale investments includes bonds of HYPO BAYERISCHE VEREINSBANK AG. Valuation prices are provided by the publisher. The third level of available for sale investments includes participations in a bond loan and in unlisted companies.



### **43. CAPITAL ADEQUACY**

The Group has established special services monitoring its capital adequacy at regular time intervals and presenting the results of their calculations every three months to the Bank of Greece that acts as a regulatory body of Credit Institutions.

The capital adequacy rate is defined as the proportion between regulatory equity and the assets as well as off balance sheet items weighted as against the risk involved.

The basic aim of the Bank is to maintain its capital receivables in compliance with the regulatory framework as it is set by the regulatory authorities of the country so that Attica Bank is capable of continuing the course of its normal operation and maintaining its capital basis at such a level that does not prevent the realization of its business plan.

In compliance with the decision of the Bank of Greece, the regulatory equity is divided into:

- Upper Tier I and
- Upper Tier II

The table below presents Upper Tier I and Upper Tier II as well as the adjustments they are subject to prior to the finalizing of their calculation.

(in thousand €)	GROUP		BANK	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
<b>Upper Tier I Capital</b>				
Share capital (Common shares)	85,709.95	85,709.95	85,709.95	85,709.95
Treasury shares	0.00	0.00	0.00	0.00
Share Premium	362,112.78	362,112.78	362,112.78	362,112.78
Reserves	(56,286.07)	(42,863.54)	(56,461.17)	(43,004.05)
Accumulated profit	(234,009.50)	15,780.94	(237,664.02)	15,778.57
Available for sale revaluation reserves (bonds reserve less deferred tax)	57,300.57	54,099.57	57,300.57	54,082.37
Provision for dividends	0.00	(10,020.00)	0.00	(10,020.00)
Proportion of actuarial deficit of defined benefit plans	0.00	2,756.38	0.00	2,756.38
Reserve of revaluation of property, plant and equipment at fair value	(1,635.81)	(3,186.40)	(1,635.81)	(3,186.40)
Non controlling interest	1,395.47	1,389.95	0.00	0.00
Hybrid securities & other assets equalized with share capital	100,200.00	100,200.00	100,200.00	100,200.00
<b>Equity subtraction items</b>				
Intangible assets unamortized value	(19,560.98)	(14,356.97)	(19,548.47)	(14,341.15)
Shares of credit & financial institutions over 10% of the institutions' capital that as an aggregate surpass 10% of equity of F.I.	(10,564.15)	(8,082.58)	(10,072.85)	(7,323.50)
<b>Tier I Capital</b>	<b>284,662.26</b>	<b>543,540.08</b>	<b>279,940.98</b>	<b>542,764.95</b>
<b>Upper Tier II Capital</b>				
Fair value adjustment of Investment property (45% of the fair value adjustment)	736.11	1,433.88	736.11	1,433.88
Proportion of actuarial deficit of defined benefit plans	0.00	(2,756.38)	0.00	(2,756.38)
<b>Lower Tier II Capital</b>				
Lower tier obligations of certain duration	75,751.20	94,689.00	75,542.73	94,359.86
<b>Less:</b>				
Shares of credit & financial institutions less than 10% of the institutions' capital that as an aggregate surpass 10% of equity of F.I.	(10,564.15)	(8,082.58)	(10,072.85)	(7,323.50)
<b>Tier II Capital</b>	<b>65,923.16</b>	<b>85,283.92</b>	<b>66,205.99</b>	<b>85,713.86</b>
<b>Total Regulatory Capital</b>	<b>350,585.42</b>	<b>628,824.00</b>	<b>346,146.97</b>	<b>628,478.81</b>
Weighted as against credit risk	2,854,513.00	2,896,421.50	2,862,657.00	2,906,485.25
Weighted as against market risk	129,520.00	134,850.75	129,479.00	134,804.13
Weighted as against operational risk	278,887.00	276,632.50	275,609.00	274,328.38
<b>TIER I RATIO</b>	<b>8.7%</b>	<b>16.4%</b>	<b>8.6%</b>	<b>16.4%</b>
<b>TOTAL CAPITAL ADEQUACY RATIO</b>	<b>10.7%</b>	<b>19.0%</b>	<b>10.6%</b>	<b>19.0%</b>

Data regarding the publication of regulatory disclosures about capital adequacy and risk management (Basel II, Pillar III – PD/BOG 2592/07), will be available at Bank's website.

**44. RESTATEMENT OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010**

During 2011, the Group re-examined its accounting policy regarding the recognition of actuarial gains and losses defined benefit plans. The published and the restated financial statements of 31<sup>st</sup> December 2010 are as follow:

**44.1 STATEMENT OF FINANCIAL POSITION**

(Amounts in €)	GROUP		BANK	
	31/12/2010	31/12/2010	31/12/2010	31/12/2010
	RESTATED	PUBLISHED	RESTATED	PUBLISHED
<b>ASSETS</b>				
Cash and balances with Central Bank	86,820,294.82	86,820,294.82	86,366,515.37	86,366,515.37
Due from other financial institutions	304,921,555.60	304,921,555.60	304,910,934.01	304,910,934.01
Derivative financial instruments – assets	5,716.23	5,716.23	4,384,419.22	4,384,419.22
Financial assets at fair value through profit or loss	5,104,642.07	5,104,642.07	5,104,642.07	5,104,642.07
Loans and advances to customers (net of impairment)	3,709,703,505.59	3,709,703,505.59	3,709,703,505.59	3,709,703,505.59
Available-for-sale financial assets	253,136,845.09	253,136,845.09	252,655,162.46	252,655,162.46
Investments held to maturity	69,211,840.74	69,211,840.74	69,211,840.74	69,211,840.74
Investments in subsidiaries	0.00	0.00	11,805,814.62	11,805,814.62
Investments in associates	16,165,157.30	16,165,157.30	14,646,998.28	14,646,998.28
Property, plant and equipment	45,920,220.51	45,920,220.51	45,908,399.25	45,908,399.24
Investment property	43,769,410.10	43,769,410.10	43,769,410.10	43,769,410.10
Intangible assets	14,356,976.25	14,356,976.25	14,341,151.41	14,341,151.41
Deferred tax assets	32,615,114.10	32,615,114.10	31,452,185.62	31,452,185.62
Other assets	188,498,104.94	188,498,104.94	186,472,695.25	186,472,695.25
<b>Total Assets</b>	<b>4,770,229,383.34</b>	<b>4,770,229,383.34</b>	<b>4,780,733,673.98</b>	<b>4,780,733,673.98</b>
<b>LIABILITIES</b>	<b>RESTATED</b>	<b>PUBLISHED</b>	<b>RESTATED</b>	<b>PUBLISHED</b>
Due to financial institutions	778,053,412.82	778,053,412.82	778,053,412.82	778,053,412.82
Due to customers	3,317,278,445.86	3,317,278,445.86	3,331,029,178.80	3,331,029,178.80
Derivative financial instruments – liabilities	844,348.21	844,348.21	844,348.21	844,348.21
Debt securities issued	94,689,000.00	94,689,000.00	94,359,863.98	94,359,863.98
Defined benefit obligations	2,554,502.86	2,554,502.86	2,406,387.39	2,406,387.39
Other provisions	9,835,891.56	9,835,891.56	9,809,941.56	9,809,941.56
Deferred tax liabilities	3,006,177.56	3,006,177.56	2,907,291.97	2,907,291.97
Other liabilities	41,637,521.26	41,637,521.26	40,526,000.90	40,526,000.90
<b>Total Liabilities</b>	<b>4,247,899,300.13</b>	<b>4,247,899,300.13</b>	<b>4,259,936,425.63</b>	<b>4,259,936,425.63</b>
<b>Equity</b>				
Share capital (common shares)	85,709,950.55	85,709,950.55	85,709,950.55	85,709,950.55
Share capital (preference shares)	100,199,999.90	100,199,999.90	100,199,999.90	100,199,999.90
Share premium	362,112,778.18	362,112,778.18	362,112,778.18	362,112,778.18
Less: treasury shares	0.00	0.00	0.00	0.00
Reserves	(42,863,537.92)	(45,129,007.39)	(43,004,047.04)	(45,269,516.51)
Retained earnings	15,780,940.13	18,046,409.60	15,778,566.76	18,044,036.23
<b>Equity attributable to parent owners</b>	<b>520,940,130.82</b>	<b>520,940,130.84</b>	<b>520,797,248.35</b>	<b>520,797,248.35</b>
<b>Minority Interests</b>	<b>1,389,952.37</b>	<b>1,389,952.37</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Equity</b>	<b>522,330,083.21</b>	<b>522,330,083.21</b>	<b>520,797,248.35</b>	<b>520,797,248.35</b>
<b>Total equity and liabilities</b>	<b>4,770,229,383.34</b>	<b>4,770,229,383.34</b>	<b>4,780,733,673.98</b>	<b>4,780,733,673.98</b>

**44.2 INCOME STATEMENT**

(Amounts in €)	GROUP		BANK	
	RESTATED	PUBLISHED	RESTATED	PUBLISHED
	31/12/2010	31/12/2010	31/12/2010	31/12/2010
Interest and similar income	232,262,847.72	232,262,847.72	232,257,862.62	232,257,862.62
<b>Less : Interest expense and similar expenses</b>	<b>(117,252,226.01)</b>	<b>(117,252,226.01)</b>	<b>(117,711,614.12)</b>	<b>(117,711,614.12)</b>
<b>Net interest income</b>	<b>115,010,621.71</b>	<b>115,010,621.71</b>	<b>114,546,248.50</b>	<b>114,546,248.50</b>
Fee and commission income	34,666,715.02	34,666,715.02	31,522,163.05	31,522,163.05
<b>Less: Fee and commission expenses</b>	<b>(3,043,490.87)</b>	<b>(3,043,490.87)</b>	<b>(4,127,857.47)</b>	<b>(4,127,857.47)</b>
<b>Net fee and commission income</b>	<b>31,623,224.15</b>	<b>31,623,224.15</b>	<b>27,394,305.58</b>	<b>27,394,305.58</b>
Profit / (loss) from trading activities	761,519.83	761,519.83	97,350.56	97,350.56
Profit / (loss) from investment portfolio	2,553,158.97	2,553,158.97	2,566,506.70	2,566,506.70
Other income	4,466,956.66	4,185,570.66	5,314,019.70	5,032,633.70
<b>Operating income</b>	<b>154,415,481.32</b>	<b>154,134,095.32</b>	<b>149,918,431.04</b>	<b>149,637,045.04</b>
Allowance for impairment losses	(42,524,135.23)	(42,524,135.23)	(42,524,135.23)	(42,524,135.23)
Personnel expenses	(65,988,208.76)	(67,510,028.76)	(64,556,749.76)	(66,078,569.76)
General operating expenses	(35,750,215.09)	(35,750,215.09)	(34,228,302.83)	(34,228,302.83)
Depreciation	(6,610,417.85)	(6,610,417.85)	(6,584,104.29)	(6,584,104.29)
<b>Total operating expenses</b>	<b>(150,872,976.93)</b>	<b>(152,394,796.93)</b>	<b>(147,893,292.11)</b>	<b>(149,415,112.11)</b>
Income from investments in associates	(474,123.41)	(474,123.41)	-	-
<b>Profit before income tax</b>	<b>3,068,380.98</b>	<b>1,265,174.98</b>	<b>2,025,138.93</b>	<b>221,932.93</b>
<b>Less : income tax</b>	<b>(8,811,926.70)</b>	<b>(8,379,157.26)</b>	<b>(8,022,130.06)</b>	<b>(7,589,360.62)</b>
<b>Profit for the year</b>	<b>(5,743,545.72)</b>	<b>(7,113,982.28)</b>	<b>(5,996,991.13)</b>	<b>(7,367,427.69)</b>
<b>Attributable to:</b>				
Owners of the Bank	(5,743,578.06)	(7,114,014.62)		
Non controlling interest	32.34	32.34		
Basic earnings/(loss) per share (in €)	(0.0546)	(0.0602)	(0.0556)	(0.0612)

**44.3 STATEMENT OF COMPREHENSIVE INCOME**

(Amounts in €)	GROUP		BANK	
	RESTATED	PUBLISHED	RESTATED	PUBLISHED
	31/12/2010	31/12/2010	31/12/2010	31/12/2010
<b>Losses for the year</b>	<b>(5,743,545.72)</b>	<b>(7,113,982.28)</b>	<b>(5,996,991.13)</b>	<b>(7,367,427.69)</b>
Change in available-for-sale securities reserve, net of tax	(50,057,075.14)	(50,057,075.14)	(50,039,877.54)	(50,039,877.54)
Actuarial gains (losses) on defined contribution plans, net of tax	(1,370,436.56)	0.00	(1,370,436.56)	0.00
Revaluation of property, plant and equipment, net of tax)	0.00	0.00	0.00	0.00
<b>Other comprehensive income, after income tax</b>	<b>(51,427,511.70)</b>	<b>(50,057,075.14)</b>	<b>(51,410,314.10)</b>	<b>(50,039,877.54)</b>
<b>Total comprehensive income, after income tax</b>	<b>(57,171,057.42)</b>	<b>(57,171,057.42)</b>	<b>(57,407,305.23)</b>	<b>(57,407,305.23)</b>
<b>Attributable to:</b>				
Owners of the Parent	(57,171,089.76)	(57,171,089.76)		
Non controlling interest	32.34	32.34		

**44.4 STATEMENT OF CHANGES IN EQUITY - GROUP**

(Amounts in €)	RESTATED	CHANGE	PUBLISHED
<b>Balance 01/01/2010</b>	<b>582,802,731.32</b>	<b>0.00</b>	<b>582,802,731.32</b>
Loss for the period	(5,743,545.72)	1,370,436.56	(7,113,982.28)
<b>Other comprehensive income</b>			
Change in available-for-sale securities reserve, net of tax	(50,057,075.14)		(50,057,075.14)
Actuarial gains / (losses) on defined contribution plans, net of tax	(1,370,436.56)	(1,370,436.56)	0.00
<b>Total comprehensive income net of tax</b>	<b>(57,171,057.42)</b>		<b>(57,171,057.42)</b>
Share capital increase by cash contribution	1,401,588.10		1,401,588.10
Share capital increase expenses	(95,693.72)		(95,693.72)
Reserve of treasury shares acquired in 2009	86,816.30		86,816.30
Dividends paid, net of tax	(4,694,301.37)		(4,694,301.37)
<b>Balance 31/12/2010</b>	<b>522,330,083.21</b>	<b>0.00</b>	<b>522,330,083.21</b>

**44.5 STATEMENT OF CHANGES IN EQUITY - BANK**

(Amounts in €)	RESTATED	CHANGE	PUBLISHED
<b>Balance 01/01/2010</b>	<b>582,812,038.65</b>	<b>0.00</b>	<b>582,812,038.65</b>
Loss for the period	(5,996,991.13)	1,370,436.56	(7,367,427.69)
<b>Other comprehensive income</b>			
Change in available-for-sale securities reserve, net of tax	(50,039,877.54)		(50,039,877.54)
Actuarial gains / (losses) on defined contribution plans, net of tax	(1,370,436.56)	(1,370,436.56)	0.00
<b>Total comprehensive income net of tax</b>	<b>(57,407,305.23)</b>		<b>(57,407,305.23)</b>
Reserve of treasury shares acquired in 2009	86,816.30		86,816.30
Dividends paid, net of tax	(4,694,301.37)		(4,694,301.37)
<b>Balance 31/12/2010</b>	<b>520,797,248.35</b>	<b>0.00</b>	<b>520,797,248.35</b>

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#### **45. EVENTS SUBSEQUENT TO 31<sup>st</sup> DECEMBER 2011**

According to the decisions of the EU Summits that took place in 21<sup>st</sup> July 2011 and 26<sup>th</sup> October 2011, the Greek Government Bonds exchange plan on a voluntary basis (PSI), has been completed at 12<sup>th</sup> March 2012 by crediting the respective accounts of the Bank with the new bonds. Based on this plan, where the Bank participated in, bonds of total nominal value of € 200,843,000.00 for the Group and € 200,103,000.00 for the Bank have been exchanged with new bonds as follows:

- a) New Greek Government Bonds of nominal value equal to 31.5% of the nominal value of the old bonds and maturing from the year 2023 to the year 2042.
- b) Securities issued by the European Financial Stability Fund (EFSF) with expiration date up to 2 years, with a nominal value equal to the 15% of the nominal value of existing bonds.
- c) Securities issued by the Hellenic Republic whose value is deemed equal to the nominal value of the new bonds.

The interest rates of the new bonds have a weighted average yield of 3.83% for the 30 years period, while as it concerns the securities that have been issued by the EFSF, the interest rates stood at 0.4% for instruments with a maturity of 1 year and 1% for instruments with a maturity of 2 years.

The participation in the exchange of Greek Government Bonds, and after the activation of the collective action clauses, was very high, reaching the levels of 95%. The activation of the collective action clauses forced the ISDA to consider the CAC's activation as a credit event, that in turn, it triggered the credit default swaps (CDS).

For the bonds that are governed by foreign law, the exchange will be completed in April 2012. According to the estimations, the total participation in the Hellenic Republic debt exchange program is expected to approach the 100%.

**attica bank**  
ATTICA BANK S.A.  
Company Registration Number : 6067/06/18/86/06  
Head office: 23 Omirou Street, 106-72 Athens

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1st JANUARY 2011 TO 31st DECEMBER 2011

Annual financial statements, aim at a general information for the financial position and results of Attica Bank S.A. and the Group of Attica Bank S.A. We therefore recommend the reader, prior to making any investment decision or other transaction concerning the companies of the Group of Attica Bank S.A., to visit the Bank's web site, where

COMPANY'S PROFILE	
Responsible Prefecture	Prefecture of Athens
Company's website:	<a href="http://www.atticabank.gr">www.atticabank.gr</a>
Date of approval by the Board of Directors of the annual financial statements (through which financial data and information was derived)	
Certified Auditors	
Audit Firm	Nick Vourasias
	COOP-101
Type of auditor's report	Harry Stroulis
	AE, S.O.E.I., 19971
Unqualified opinion / Emphasis of Matter	

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FINANCIAL POSITION INFORMATION (amounts reported in euro)				
	GROUP		BANK	
	31 Dec 2016	31 Dec 2010	31 Dec 2011	31 Dec 2010
<b>ASSETS</b>				
Cash and balances with Central Bank	69,776,533.70	86,820,294.82	69,255,594.41	86,366,515.37
Due from other financial institutions	120,329,499.89	304,921,555.60	119,815,288.51	304,910,934.01
Derivative financial instruments - assets	778,445.05	5,716.23	1,597,729.54	4,384,419.22
Financial assets at fair value through Profit or Loss	48,812.40	51,04,642.07	48,812.40	5,104,642.07
Loans and advances to customers (net of impairment)	3,468,910,242.87	3,709,703,935.59	3,468,910,242.87	3,709,703,505.59
Available for sale financial assets	128,267,993.56	253,136,945.09	127,985,932.44	252,655,162.46
Investments held to maturity	34,327,403.47	69,211,840.74	34,327,403.47	69,211,840.74
Investments in subsidiaries	0.00	0.00	11,806,434.06	11,805,814.62
Investments in associates	21,128,302.37	16,165,157.30	20,145,691.46	14,646,998.28
Property, plant and equipment	41,339,259.33	45,920,220.51	41,133,257.25	45,908,399.24
Investment property	47,106,775.92	43,769,410.10	47,106,775.92	43,769,410.10
Intangible assets	19,590,962.40	14,366,976.25	19,590,962.40	14,341,151.41
Deferred tax assets	36,424,932.99	32,615,114.10	35,955,717.23	31,452,185.62
Other assets	187,907,809.58	188,498,104.94	184,323,152.61	186,477,695.25
<b>Total Assets</b>	<b>4,175,901,993.53</b>	<b>4,770,220,383.34</b>	<b>4,181,959,490.11</b>	<b>4,780,733,673.98</b>
<b>LIABILITIES</b>				
Due to financial institutions	670,636,535.96	778,053,412.82	670,636,535.96	778,053,412.82
Due to customers	3,069,848,870.56	3,317,278,445.86	3,102,662,842.34	3,331,029,178.80
Derivative financial instruments - liabilities	131,703.29	844,348.21	131,703.29	844,348.21
Debt securities issued	94,689,000.00	94,689,000.00	94,428,408.59	94,359,863.98
Defined benefit obligations	7,153,999.19	2,554,502.86	6,989,089.21	2,406,387.39
Other provisions	14,543,959.84	9,835,891.56	14,490,719.51	9,809,941.56
Deferred tax liabilities	2,746,190.69	3,006,177.56	2,701,804.28	2,907,291.97
Other liabilities	37,029,111.29	41,637,521.26	36,020,853.79	40,526,000.90
<b>Total Liabilities</b>	<b>3,916,779,370.82</b>	<b>4,247,899,300.13</b>	<b>3,928,061,956.97</b>	<b>4,259,936,425.63</b>
<b>EQUITY</b>				
Share capital (common shares)	85,709,950.55	85,709,950.55	85,709,950.55	85,709,950.55
Share capital (preference shares)	100,199,999.90	100,199,999.90	100,199,999.90	100,199,999.90
Share premium	362,112,778.18	362,112,778.18	362,112,778.18	362,112,778.18
Other provisions	(56,286,075.45)	(42,863,537.92)	(56,461,174.84)	(43,004,047.04)
Retained earnings	(234,009,497.80)	15,780,940.13	(237,664,020.65)	15,778,566.76
<b>Equity attributable to owners of the Bank</b>	<b>257,777,155.38</b>	<b>520,940,130.84</b>	<b>253,897,533.14</b>	<b>520,797,248.35</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,175,901,993.53</b>	<b>4,770,220,383.34</b>	<b>4,181,959,490.11</b>	<b>4,780,733,673.98</b>
<b>Minority Interest</b>	1,395,467.33	1,389,957.37	0.00	0.00
<b>Total Equity</b>	<b>259,122,622.71</b>	<b>522,330,088.21</b>	<b>253,897,533.14</b>	<b>520,797,248.35</b>

STATEMENT OF CHANGES IN EQUITY INFORMATION (amounts reported in euro)				CASH FLOW STATEMENT INFORMATION (amounts reported in euro)			
	GROUP		BANK		GROUP		BANK
	1 Jan- 31 Dec 2011	1 Jan- 31 Dec 2010			31 Dec 2011	31 Dec 2010	
<b>Total Equity at the beginning of the year (01.01.2011 kai 01.01.2010 respectively)</b>	<b>522.330.083,21</b>	<b>582.802.731,32</b>	<b>520.797.248,35</b>	<b>582.812.038,65</b>			
Total comprehensive income for the period, net of tax	(263.207.460,50)	(57.171.057,42)	(266.898.715,21)	(57.407.305,23)	(189.001.879,82)	(245.586.457,09)	(237.402.409,60)
Share capital increase expenses	0,00	(95.693,72)	0,00	0,00	(12.633.937,01)	(122.313.947,26)	(129.166.930,12)
Change of participation percentage in subsidiary	0,00	1.401.588,10	0,00	0,00	0,00	(4.775.312,23)	0,00
Dividends paid	0,00	(4.694.301,37)	0,00	(4.694.301,37)			
Reserve for treasury shares	0,00	86.816,30	0,00	86.816,30			
<b>Total Equity at the end of the period (31.12.2011 kai 31.12.2010 respectively)</b>	<b>259.122.622,71</b>	<b>522.330.083,21</b>	<b>253.897.533,14</b>	<b>520.797.248,35</b>	<b>(201.635.816,83)</b>	<b>(372.675.716,58)</b>	<b>(202.206.576,46)</b>
Cash and cash equivalents at the beginning of the year	391.741.850,42	764.417.567,00	391.277.449,38	764.023.689,43			
<b>Cash and cash equivalents at the end of the year</b>	<b>190.106.033,59</b>	<b>391.741.850,42</b>	<b>189.070.872,92</b>	<b>391.277.449,38</b>			

# ADDITIONAL FIGURES AND INFORMATION

1. Employees of matter: a) The compliance of the account for Insurance Cover of the employees of the Bank (L.A.K.) with laws 3371/2005 and 3554/2007 as well as the probable impact that might arise for the Bank from the contingent future legal cases. For further analysis refer to note 32.1 of the financial statements at 31/12/2011. b) The retention, for the year 2012, of the capital adequacy ratio higher than the prescribed limits set by the supervisory authorities, due to the economic uncertainty as for the recapitalization and the smooth operation of the Bank. The Management of the Bank has considered and developed specific plans and ways, as well as actions to be taken, in order to achieve the above target (note 2.2).
2. The Bank and the Group have applied the same accounting principles under the International Financial Reporting Standards (IFRS), as at 31/12/2010, except from the accounting policy that concerns the actual gains / losses on defined benefit obligation plans, as stated in note 2.31.
3. The fixed assets of the Group are free from liens.
4. The consolidated financial statements of "Atica Bank S.A." are included in the consolidated financial statements prepared by "T.T. Hellenic Postbank S.A.", headquartered in Greece, under the equity method. As at 31/12/2011, "T.T. Hellenic Postbank S.A.", with the participating interest of 22.432%.
5. "Atica Bank S.A." has been inspected by the tax authorities up to and including the year 2009. As far as the unaudited tax years are concerned, the Bank and its subsidiaries have made a provision amounting to € 256.521,30 out of which an amount of € 4.203.280,97 concerns the Bank and the remaining concerns the Group companies. The aforementioned provision is provided in case of potential non incorporation of tax receivables from the Greek State due to the uncertainty for the development of Greek economy. Analytical information about unaudited tax years of the Bank and its subsidiaries is provided in note 41.2 of the financial statements.
6. The amount expected to arise from litigious cases against the Bank, according to the legal department, is € 1.300.508,24. The amount of the provision is expected to arise as a liability. No legal cases exist against other companies of the Group. As far as the provision made for other cases, apart from litigious cases and unutilized tax years, they amount to € 6.886.590,30 both for the Group and the Bank.
7. Notes 22, 23 and 40 of the financial statements present in detail the Group companies consolidated, their country of incorporation, the direct or indirect participation of the Bank in their share capital, as well as the consolidation method applied for each one of these companies.
8. In the consolidated financial statements of 31<sup>st</sup> December 2011 the same subsidiaries have been fully consolidated as in the consolidated financial statements of 31<sup>st</sup> December 2010. There are no companies which have not been included in the consolidation as at 31/12/2011, and there is no case of change in the consolidation method of a company for the current period, in comparison to the comparative period.
9. The number of staff employed by the companies of the Group at the end of the current period was 1.059 whereas for the Bank it was 1.121, whereas for the Bank it was 1.100
10. The Group's related party transactions comprising only members of the Management are as follows: a) with related companies: receivables € 734.003.700,39, expenses € 4.505.944,21 b) members of the Management: receivables € 2.839.027,36, income € 26.424,81, expenses € 1.599.397,99 refers to salaries and wages, while the remaining amount of € 1.000.000,00 refers to interest expenses. c) with related companies: receivables € 13.043.081,06, income € 125.748,39, expenses € 13.043.081,06, b) members of the Management: receivables € 1.043.086,31, income € 10.525,57, expenses € 780.643,59, out of which the amount of € 770.518,82 refers to salaries and wages, while the remaining amount of € 9.126,77 refers to interest expenses. c) with related companies: receivables € 1.043.086,31, income € 10.525,57, expenses € 780.643,59, out of which the amount of € 770.518,82 refers to salaries and wages, while the remaining amount of € 9.126,77 refers to interest expenses. c) with related companies: receivables € 1.043.086,31, income € 10.525,57, expenses € 780.643,59, out of which the amount of € 770.518,82 refers to salaries and wages, while the remaining amount of € 9.126,77 refers to interest expenses.
11. Other comprehensive income for the period, net of tax, of the Comprehensive Income Statement of the current as well as for the comparative period, for both the Group and the Bank, includes the following: a) gains / (losses) arising from the valuation of the Bank's Available for Sale portfolio amounting to € 906.889.978,49 and € (50.039.977,54) for the comparative period, and for the Group € (4.832.780,56) and € (10.039.977,54) for the comparative period. b) gains / (losses) arising from the valuation of the Bank's Available for Sale portfolio amounting to € 906.889.978,49 and € (50.039.977,54) for the comparative period, and for the Group € (4.832.780,56) and € (10.039.977,54) for the comparative period. c) gains / (losses) arising from the valuation of the Bank's Available for Sale portfolio amounting to € 906.889.978,49 and € (50.039.977,54) for the comparative period, and for the Group € (4.832.780,56) and € (10.039.977,54) for the comparative period.
12. As at 31<sup>st</sup> December 2011, the Bank held 52.482 treasury shares of total book value € 97.332,30. These treasury shares represent the 0.0214% of the total number of common shares bearing voting rights as at the same date. The rest companies of the Group, that are included in the consolidation, do not hold any shares of the Bank as at 31<sup>st</sup> December 2011.
13. Some of the prior year figures have been restated due to change in accounting policy concerning the provisions for staff retirement benefits. From the aforementioned change of accounting policy, there was no change in the turnover, the total comprehensive income after tax, as well as the equity attributable to the owners of the parent for the comparative period ended at 31/12/2010. On the contrary, after the above change, the results of the period are increased by € 1.370.086,56. The restated figures are presented in note 2.31 and 44 of the annual financial statements.
14. The Bank, having obtained the endorsements of the International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 3, on 01/01/2008 transferred shares listed in the Athens Stock Exchange from "Trading portfolio" to "Available for sale securities", and fair and book value of € 270.090,24 as at 31/12/2011. Additionally, taking under consideration the current condition in the financial markets and particularly during the second quarter of 2010 with the peak of the Greek fiscal crisis, the Bank having adopted the amendments of the International Accounting Standard (IAS) 39 and International Financial Reporting Standard (IFRS) 3, on 01/04/2010 transferred bonds from "Trading portfolio" to "Held to Maturity portfolio" of a book value of € 800.000,00 and fair value of € 69.383.913,31. For further analysis refer to note 20 and 21 of the financial statements at 31/12/2011.
15. The Bank, in accordance with the article 2 of L.3732/2008, issued at 30.06.2010 under the Greek State's guarantee, through the EMTN program (Medium Term Note) a bond loan of a total face value of € 215.000.000. Furthermore, through the same program, the Bank issued under the Greek State's Guarantee, a bond loan of a value € 235.000.000. For further analysis refer to note 30 of the financial statements as at 31/12/2011.
16. There have been no discontinued operations as far as both the Group and the Bank are concerned.
17. The Group participated in the voluntary Greek Government Bonds exchange plan (PS) as this determined based on the decision of the European Summit held on 23<sup>rd</sup> July 2011 and 26<sup>th</sup> October 2011, and proceeded to an impairment of the Greek Government Bonds portfolio of a net amount of € 113 million, that includes the benefit from deferred tax. The impairment before the calculation of the deferred tax amount to € 142 million.

THE CHAIRMAN OF THE BOARD  
AND CHIEF EXECUTIVE OFFICER

IOANNIS P. GANVILLIS  
I.D. No. A2 995770

ATHENS, 19 APRIL 2012  
THE VICE-PRESIDENT OF THE BOARD

ANASTASIOS G. ZAFIROPOULOS  
I.D. No. A2 048313

THE CHIEF FINANCIAL  
OFFICER (CFO)

CHRISTOS K. MARANTOS  
I.D. No. M 483553  
E.C.G. LICENCE No 17316/A CLASS

**Information of article 10 L. 3401/2005**

The corporate announcements of 2011 are available at Bank's website:

[http://www.atticabank.gr/index.asp?a\\_id=73](http://www.atticabank.gr/index.asp?a_id=73)

During 2011 the following announcements have been published:

Subject	Date
New Loan product - "Attica LOAN TO ENERGY INSPECTORS"	17.1.2011
Announcement as at 24/01/2011 - Nominations	24.1.2011
Decisions of Bank's Extraordinary General Assembly held on 28 <sup>th</sup> January 2011	28.1.2011
Transaction Disclosure	4.2.2011
Transaction Disclosure	7.2.2011
Transaction Disclosure	14.2.2011
Transactions Disclosure	18.2.2011
Announcement of 2010 Financial Results of Attica Bank Group	29.3.2011
Delegation of executive responsibilities to a member of B.o.D.	30.3.2011
Presentation of Listed Companies Financial Results for 2010	1.4.2011
Vote as at 7 <sup>th</sup> April 2011	7.4.2011
Participation of Attica Bank in the exhibition ECOTEC 2011	15.4.2011
Attica Bank : Adjustments on deposits' interest rates	16.5.2011
Announcement of Attica Bank Financial Results for the 1 <sup>st</sup> Quarter of 2011	24.5.2011
Invitation of Attica Bank S.A. shareholders to Ordinary General Assembly on 17/06/2011	24.5.2011
Presentation of Listed Companies Financial Results for 1 <sup>st</sup> Quarter 2011	1.6.2011
Transactions Disclosure	6.6.2011
Disclaimer of Publication	9.6.2011
Decisions of Bank's annual Ordinary General Assembly held on 17 <sup>th</sup> June 2011	20.6.2011
Announcement as at 19/07/2011 - Changes in the structure of the Board of Directors	19.7.2011
Attica Bank - Announcement as at 02/08/2011	2.8.2011
Attica Bank - Announcement as at 05/08/2011	5.8.2011
Attica Bank – First among the Greek Banks in terms of capital adequacy, according to The Banker magazine	8.8.2011
Attica Bank - Financial Results of the first semester of 2011	30.8.2011
Changes in the structure of the B.o.D.	26.10.2011
Transaction Disclosure	15.11.2011
Press Release as at 16/11/2011	16.11.2011
Attica Bank - Financial Results of Q3 2011	29.11.2011
Attica Bank - Donations	29.12.2011

**Availability of Annual Financial Report**

The Annual Financial Report which includes the:

- Statement of the Members of the Board
- Board of Directors' Annual Management Report
- Board of Directors' Explanatory Report
- Annual Financial Statements of the Group and the Bank
- Financial Data and Information of the Group and the Bank,

It is available at the Bank's website: <http://www.atticabank.gr>

(Section "Group/Investor Information/ Financial Results/ Attica Bank/2011")

## NOTES

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