NBG Securities

ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR FROM JANUARY 1 TO DECEMBER 31 2012

In compliance with International Financial Reporting Standards

Athens

25th of February 2013

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MANAGEMENT REPORT

By the Board of Directors of Public Limited Company

NBG Securities S.A.

HEADQUARTERS: ATHENS, ABN: 17210/06/B/88/02

24th Fiscal Year 1.1.2012-31.12.2012

Dear Shareholders,

We have the honour to submit, attached to the present report, the financial statements, pursuant to the International Financial Reporting Standards, of the 24th fiscal year 1.1.2012-31.12.2012.

The financial statements of NBG Securities S.A. (hereinafter the Company) present an analytical view of the assets, liabilities and of the equity, as well as the financial position of the Company.

For individual items of the Assets and Liabilities in the statement of financial position, detailed and full explanations shall be given, where needed, in the notes which constitute an integral part of the financial statements.

The Company and the Economic-Labour and Real Environment

The continuation and intensification of the economic crisis affected significantly the Greek stock exchange market also in 2012, since both the average daily trading volume as well as the Athex composite share price index of Athens Stock Exchange collapsed, especially in the first eight months of the year. In more detail, the average daily trading volume for 2012 amounted to €51.9 million, exhibiting a fall by 37.01% compared to 2011. More specifically, on the basis of this eight month period (Jan- Aug/2012) it amounted to €45.0 million while in the past four months (Sep-Dec/2012) it amounted to €65.7 million. The Athex (Athens Stock Exchange) composite share price index was shaped at 907.90 units at the end of the year exhibiting an increase by 33.43% compared with the closing of the previous year, but reached very low levels in the course of the year, let us, only indicatively, mention that it amounted to 476.36 units on 6/6/2012.

Worth noting is the significantly reduced activity of foreign institutional investors, who held 29.01% of ASE, compared with 42.42% in 2011, as well as the significant fall in the activity of the remote members in ASE, which accounted for 14.07% of trading, against 19.15% in the previous year.

The factors above had a negative impact on the turnover from stock exchange activities. Despite the unfavourable trend, NBG Securities ranked second (against the third place it held in 2011), with a total value of trading at €3.18 billion and a market share of 12.32%.

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Given the great correlation of company revenue with the level of prices for shares listed at ASE, as well as the possibility of the continuation of the economic crisis the Company continued the important operating cost rationalisation programme it initiated in 2010.

The Company continued to operate as a market maker for all listed derivative products as well as all key shares which bear on the price of Athex, having gained high market shares, but also qualitative evaluations, offering uninterrupted liquidity and facilitative the greater market.

Investing interest in the derivatives market also shrunk intensely throughout the first semester of 2012, albeit exhibiting a slight increase in the course of the 2nd semester. Transactions on future contracts for shares continued to monopolize the investors' interest against the FTSE/ASE Large Cap. Despite the adverse trend exhibited also in this year, NBG Securities ranked second with respect to the total FTSE20 market share, with a percentage of 23.14%

In 2012, the analysis department reinforced its quality and the scope of the offered products. Today it offers strategic market analysis, while its daily briefing has been enriched with information and secondary analysis on the international markets. Furthermore, it has increased contact and communication with foreign institutional investors in order to increase the penetration of the Company's products in this customer category.

Projected course

Since early 2013, the Investment Banking Department has been incorporated in the Company, aiming to utilize the potential ensuing synergies to the maximum.

The principal objectives for the new year are to increase the company's market share, to improve and increase the company's fundamentals and profitability, to expand its international presence by establishing a branch in Bucharest and to improve the services rendered, by investing in the modernization of its systems and offering new investment tools.

Accounting Principles

The accounting principles observed by the company for the preparation of its financial statements for fiscal year 2012, as well as other useful information concerning their compilation, are cited in the notes to the Financial Statements, which constitute an integral part thereof.

The company, being a Public Limited Company for the provision of Investment Services must draft Financial Statements pursuant to the International Accounting Principles adopted by the European Union, as foreseen by Article 18, Law 3606/2007.

Business Development and Company Performance

Net income from fees and commissions amounted to €9,712,062 in 2012, against €12,983,540 in 2011, exhibiting a fall of 25.20%. Total income from operating activities amounted to €10,681,959 in 2012, against €14,308,569 in 2011, exhibiting a fall of 25.35%.

It is worth noting that the corresponding fall in the volume of transactions in ASE was 37.55% (25,834,673,896 in 2012 against 41,370,041,423 in 2011).

Total expenditure from operating activities amounted to €15,782,879 in 2012, against €21,604,686 in 2011, exhibiting a fall of 26.94%. This decrease is attributed to both the fall in the volume of transactions in ASE as well as the attempt for cost rationalization.

The net result from financial transactions amounted to €(20,889) for 2012, against €670,578 for 2011, while income from dividends amounted to €178,444 in 2012, against €262,138 in 2011. The company is an active Special Market Maker both in the securities as well as the derivatives markets.

Net result from interest related income-expenses amounted to €936,816 for 2012, against €1,381,940 for 2011.

Losses for the fiscal year before Taxes amounted to (€4,164,105) for 2012, against (€5,914,177) for 2011.

Annual Losses after taxes amounted to (€3,227,271) for 2012, against €(6,715,988) for 2011.

Financial position of the Company

With respect to capital composition:

- The company's equity capital remained fixed and amounted to the sum of €11,674,101.
- The total of reserves amounted to €46,185,730 in 2012, against €49,269,379 in 2011.

Total Equity amounted to €69,705,539 in 2012, against €72,932,810 in 2011, exhibiting a decrease by 4.42%.

Financial Indexes

INDEX	2012	2011	NOTES
GrossProfit Margin (Net result of operating activities / Income from operating activities)	(47.75%)	(50.99%)	N1) The observed improvement in this index is principally attributed to the significantly lower Impairment of the Value of Greek Government Bonds due to the PSI: -€193,755 in 2012 against -€1,245,235 in 2011. Also contributing to this (improvement) was Other Operating Income which amounted to €812,341 in 2012, against €392,313 in 2011.
Percentage of Operating Expenses to Net Fees and Commissions (Administrative operation and distribution expenditures / Net Income from Fees and Commissions)	26.78%	25.31%	N2) Despite the decrease of the expenses in question by 20.87%, the decrease in Net Income was greater and amounted to 25.20%. The company pursues the program

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			to cut its operating expenses with greater intensity.
Pre Tax Profit Percentage (Net Result before taxes / Income from Operating Activities)	(38.98%)	(41.33%)	N3) For the reasons leading to the improvement of this index see (N1).
Return on Equity (Annual Profits after taxes / Total Equity)	(4.63%)	(9.21%)	N4) For the reasons leading to the improvement of this index see (N1).
Liquidity ratio (Total Current Assets / Total Current Liabilities)	2.91	2.94	In high levels for both fiscal uses.

Risks

Risks and Financial Instruments

In the context of its business activities, the company acknowledges that due to the nature of its activities, it assumes and confronts serious risks.

The company has instituted procedures and policies to deal with all the risks assumed.

The company calculates the capital demands for the risks it faces, in compliance with the current legislative / regulatory framework and computes, on a monthly basis, the Capital Adequacy Index, which, in 2012, fluctuated between 37.84% and 61.26%.

Price fluctuation Risk

Subject to the risk in question are €29,863,524 in Shares and €148,293 in Other Securities. With respect to Trading Portfolio Shares amounting to €182,178, the ensuing risk is countered by means of the daily calculation of VaR (Value at Risk). For the remainder of the Trading Portfolio Shares, amounting to €29,681,345, these originate from company activities as a type B' market maker in the derivatives market and, therefore, this position is offset by the derivatives one.

Credit Risk

The credit risk is the existing or future risk concerning the profits and the capital and resulting from the inability of the counterparty to settle, in whole or in part, any sum due to the Company or, in general, to accord with the terms and obligations ensuing from any kind of contract entered with the Company.

The Company keeps appropriate procedures for the support, measurement and monitoring of claims on a continuous basis, taking into account also the regulative provisions of the Supervisory Authorities.

Subject to this risk are Claims from Clients, Stockbrokers and the Stock Exchange, amounting to €15,697,238. Claims from private customers are subject to daily rigorous credit control.

Sight and Time Deposits, amounting to a total of €28,732,712 and Claims from Securities with Repurchase Agreements, of total amount €15,105,352 are also subject to credit risk. The resultant credit risk essentially regards the credit risk of the banks with which such deposits are kept, and is countered by the procedure of the approved limits per counterparty.

In addition, subject to credit risk are also the participation in the Guarantee Fund, amounting to €2,493,962 and the participation in the Auxiliary Fund, amounting to €951,461.

Liquidity Risk

This risk describes the probability that the company might not be able to perform its obligations. The company is in a position to cover its short-term liabilities, by means of the Circulating Capital, since the General Liquidity Index is 2.91. Taking account also of the fact that on 31/12/12 the company had a total of financing lines amounting to €30,000,000, we deem that liquidity risk is limited.

Cash flow Risk (Interest rate Risk)

Loans with variable interest rate are subject to this risk. The Company was not subject to this risk for fiscal year 2012, since its short-term borrowing was essentially zero.

Market Risk

Market risk is the existing or future risk for the profits and the capital resulting from adverse changes to the prices of items in own portfolio. This risk follows from activities related to the operation of market making on shares and derivative financial instruments and the sale and purchase of titles for short-term profit (trading).

The Company has established risk limits while the Value at Risk index is monitored on a daily basis for all own positions, but also for the individual parts thereof. Additionally, individual position limits are also monitored, as well as several sensitivity indexes.

With respect to the level of assumed market risks, as this ensues from the VaR index values, in 2012 its value ranged from €59,714 to €671,656, while its average amounted to €158,119.

Distribution of Profits

Profit and loss of the Company for 2012 was negative and amounted to (€3,227,271).

The Board of Directors proposes not to distribute dividend for fiscal year 2012, as happened also in fiscal year 2011.

Other information

a) On December 31, 2012 the Company had Financial assets at fair value through profit and loss €30,011,817.
b) The company has seven (7) branches in the following regions: Agrinio, Iraklion, Thessaloniki, Larissa, Lamia, Nicosia and London.
c) From the end of the fiscal year and until today, there were no substantial damages incurred, nor has the possibility for such damages arisen.

d) The company does not face labour or environmental problems.

Shareholders,

Based on the aforementioned we call upon you to approve the annual financial statements for fiscal year 2012 (1/1/2012 – 31/12/2012).

Athens, February 25, 2013

For the Board of Directors

The Chairman to the BoD and CEO	Deputy CEO
Panos Goutakis ID. No. AK121294	Petros Katsoulas ID. No. AK159881

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Deloitte.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "NBG SECURITIES S.A."

Report on Financial Statements

We have audited the accompanying financial statements of Company "NBG SECURITIES S.A."(the "Company") which comprise of the statement of financial position as at December 31, 2012, the income statements, the statements of changes in equity and cash flow for the fiscal year that has ended on this date, as well as a summary of significant accounting principles and methods and other explanatory notes.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union, as well as for the internal control that the management implements as necessary in order to render the preparation of the financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in compliance with International Auditing Standards. Such Standards require that we comply with ethical requirements, as well as to plan and perform the audit aiming to obtain reasonable assurance whether the financial statements are free of material misstatement.

The audit involves the performance of procedures to obtain audit evidence, regarding the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor shall examine the internal control with respect to the preparation and fair presentation of the financial statements, in order to design auditing procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. The audit also includes the evaluation of the suitability of accounting principles and methods employed and the reasonableness of the accounting estimates made by the management, as well as the evaluation of the overall presentation of the financial statements.

We believe that the auditing evidence we have obtained is sufficient and suitable to provide the foundations for our auditing opinion.

Opinion

In our opinion, the attached financial statements give a true and fair view of the financial position of the Company, as of December 31, 2012, of its financial performance and its cash flows for the fiscal year then ended, in compliance with International Financial Reporting Standards, as such have been adopted by the European Union.

Report on other Legal and Regulatory Issues

We have confirmed the agreement and correspondence of the contents of the Board of Director's Report with the attached financial statements, in the scope of the provisions of articles 43a and 37 of Codified Law 2190/1920.

Athens, February 28, 2013
THE INDEPENDENT AUDITOR ACCOUNTANT

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SOEL Reg. No.: 14161
Deloitte.
Hadjipavlou, Sofianos & Cabanis S.A.
Chartered Surveyors & Business Consultants
Fragokklisias 3a 7 Granikou, 151 25 Chalandri
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COMPREHENSIVE INCOME STATEMENT			Amounts in Euro
	NOTE	01.01-31.12.2012	01.01-31.12.2011
Net income from fees/commissions	5	9,712,062	12,983,540
Dividend income		178,444	262,138
Net trading income/ (loss)	6	(20,889)	670,578
Other operating income		812,341	392,313
Income from operating activities		**10,681,958**	**14,308,569**
Cost for the provision of services	7	(12,544,164)	(16,788,726)
Administrative expenses	8	(2,546,251)	(3,218,165)
Selling expenses	9	(54,532)	(68,453)
Other operating expenses	10	(444,177)	(284,107)
Impairment of Greek Government bonds	11	(193,755)	(1,245,235)
Expenses from operating activities		**(15,782,879)**	**(21,604,686)**
Interest Income		1,347,268	1,652,439
Less: Interest expense		(410,452)	(270,499)
Net result from interest income/expenses		**936,816**	**1,381,940**
Loss (before tax)		**(4,164,105)**	**(5,914,177)**
Income tax	12	936,834	(801,811)
(Loss) for the period		(3,227,271)	(6,715,988)
Total comprehensive (expense) for the year		**(3,227,271)**	**(6,715,988)**

The attached notes (pp. 17-52) comprise an integral part of the financial statements.

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FINANCIAL POSITION STATEMENT			Amounts in Euro
	NOTE		
ASSETS		**31.12.2012**	**31.12.2011**
Non-current assets			
Intangible assets	14	115,542	194,968
Tangible assets	15	411,323	1,131,433
Investment portfolio and investments in associates	16	174,244	710,000
Deferred tax assets	17	1,458,292	494,477
Other long-term assets	18	3,617,165	4,850,746
		5,776,566	**7,381,624**
Current assets			
Receivables from customers, stockbrokers / stock exchange	19	15,697,238	9,214,424
Financial assets at fair value through profit and loss	20	30,011,817	8,188,187
Other assets	21	24,946,919	33,934,734
Current tax receivables	22	384,025	2,022,055
Cash and cash equivalents	23	28,737,470	48,708,471
		99,777,469	**102,067,871**
TOTAL ASSETS		**105,554,035**	**109,449,495**
EQUITY AND LIABILITIES			
Equity			
Share capital	24	11,674,101	11,674,101
Reserves	25	46,185,730	49,269,379
Retained earnings		11,845,708	11,989,330
		69,705,539	**72,932,810**
Long-term liabilities			
Retirement benefit obligations	26	966,807	1,149,218
Other provisions		612,418	647,931
		1,579,225	**1,797,149**
Short-term liabilities			
Due to customers, stockbrokers / stock exchange	27	16,732,656	13,637,085
Financial liabilities at fair value through profit and loss	28	1,656,297	3,652,517
Other liabilities	29	15,880,318	17,429,934
		34,269,271	**34,719,536**
TOTAL EQUITY AND LIABILITIES		**105,554,035**	**109,449,495**

The attached notes (pp. 17-52) comprise an integral part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY				
(Amounts in Euro)	Share Capital	Reserves (difference)	Retained Earnings	TOTAL
Balance at beginning of period 01.01.2011	**11,674,101**	**59,382,860**	**8,591,837**	**79,648,798**
Profit and loss for the period	-	-	(6,715,988)	(6,715,988)
Total comprehensive income/(expense) for period after tax	**-**	**-**	**(6,715,988)**	**(6,715,988)**
Law 148/67 reserves from sale and purchase of shares	-	(17,710,001)	17,710,001	-
Tax-free reserves	-	11,269,841	(11,269,841)	-
Transfer of tax free reserves to retained earnings	-	(3,673,321)	3,673,321	-
Balance at beginning of period 01.01.2012	**11,674,101**	**49,269,379**	**11,989,330**	**72,932,810**
Profit and loss for the period	-	-	(3,227,271)	(3,227,271)
Total comprehensive income/(expense) for period after tax	**-**	**-**	**(3,227,271)**	**(3,227,271)**
Law 148/67 reserves from sale and purchase of shares	-	3,354,206	(3,354,206)	-
Tax-free reserves	-	(6,410,873)	6,410,873	-
Transfer of reserves to retained earnings	-	(26,982)	26,982	-
Balance as of 31.12.2012	**11,674,101**	**46,185,730**	**11,845,708**	**69,705,539**

The attached notes (pp. 17-52) comprise an integral part of the financial statements.

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CASH FLOW STATEMENT		Amounts in Euro
	01.01-31.12.2012	**01.01-31.12.2011**
Cash flows from operating activities		
Losses for the period	**(3,227,271)**	**(6,715,988)**
Non-cash items and other adjustments included in net loss for the period	**(474,584)**	**2,937,674**
Amortization/impairment on tangible assets	725,717	778,141
Amortization/impairment on intangible assets	110,433	113,426
Loss from the impairment of the value of investments	2,202	1,245,235
Provisions	(893,200)	51,175
Deferred income tax – expense / (income)	(963,815)	646,794
Net (gain)/loss on sale of tangible assets	2,637	102,903
Net (gain)/loss on sale of investment portfolio	541,442	-
Net (increase)/decrease in operating assets	**(14,672,391)**	**15,144,437**
Securities for trading purposes	(23,819,850)	(5,322,856)
Loans and advances to customers/Due to customers (net amount)	(2,711,967)	9,590,365
Other assets	11,859,426	10,876,928
Net (increase)/decrease of operating liabilities	**(1,549,616)**	**(3,368,572)**
Income tax paid	-	(641,202)
Other liabilities	(1,549,616)	(2,727,370)
Net cash from/(used in) operating activities	**(19,923,862)**	**7,997,551**
Cash flows from investing activities		
Acquisition associates	(396,446)	-
Purchase of intangible assets (net amount)	(31,007)	(36,751)
Purchase of tangible assets	(8,244)	(27,848)
Disposal of tangible assets	-	9,591
Proceeds from redemption and sale of investment portfolio	388,558	2,947,955
Net cash flows from investment activities	**(47,139)**	**2,892,947**
Cash flows from financing activities		
Repayment of bond loans and other loan liabilities	-	(197,607)
Net cash flows from financing activities	**-**	**(197,607)**
Net increase/(decrease) in cash and cash equivalents	**(19,971,001)**	**10,692,891**
Cash and cash equivalents at beginning of period	48,708,471	38,015,580
Cash and cash equivalents at end of period	28,737,470	48,708,471

The attached notes (pp. 17-52) comprise an integral part of the financial statements.

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Athens, February 25, 2013

Chairman of the BoD and CEO	Deputy C.E.O.	The General Manager and BoD Member	The Director of Financial Services
Panos I. Goutakis	Petros S. Katsoulas	Dimitris G. Kortesis	Efthimios V. Voidis
I.D. no.: AK121294	I.D. no.: AK159881	I.D. no.: AI525881	I.D. no.: AZ 604759 E.C.G. A class license no. 14475

The attached notes (pp. 17-52) comprise an integral part of the financial statements.

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Notes on the financial statements

1. General Information on the Company

NBG Securities S.A. (hereinafter the "Company") was founded in 1988. The Company has its registered seat in Athens, on Michalakopoulou St. 91 (ABN: 17210/06/B/88/02), tel.: 210 7720000, www.nbgsecurities.com. The Company provides securities trading and investment services and is active in Greece and abroad, with branches in London and Nicosia.
All of the Company's share capital belongs to the National Bank of Greece S.A. ("NBG") and the Company's Financial Statements are included in the Consolidated Financial Statements of NBG Group.

The composition of the Board of Directors is as follows:

Panos Goutakis	Chairman to the BoD and CEO
Eleni Tzakou – Lambropoulou	Vice Chairwoman
Petros Katsoulas	Deputy CEO
Dimitris Kortesis	Member
Thomas Giolmas	Member
Dimitris Dimopoulos	Member
Panagiotis Dasmanoglou	Member
Pavlos Mylonas	Member
Leonidas Fragiadakis	Member

Supervisory Authority	Ministry of Development
Tax Identification Number (TIN)	094239819
ABN	17210/06/B/88/02
General Electronic Commercial Registry Number	999301000
Legal Adviser	Kotzampasi Eva

The Board of Directors was elected by the Extraordinary General Meeting on 10.12.2010 and reconvened with the composition above by a decision taken by the Board of Directors on 23.01.2013. Its term ends on 30.06.2014. The present Financial Statements have been approved by the Board of Directors of the Company on February 25, 2013.

2. Summary of significant accounting policies

2.1 Basis of Presentation

The Financial Statement of the Company for the fiscal year ended on December 31, 2012 (hereinafter "Financial Statements") have been drawn up in compliance with International Financial Reporting Standards (hereinafter "IFRS"), as adopted by the European Union (hereinafter "EU"). The adopted by the EU IFRS may differ from those published by the International Accounting Standards Board (IASB), should new or amended IFRS not be adopted by the EU. On December 31, 2012 there were no standards that were not adopted whilst being applicable for the fiscal year that ended on December 31, 2012 and which could have affected the financial statements. Additionally, there were no differences between the adopted by the EU IFRS and those published by IASB and applied by the

Company. Therefore, the financial statements of the Company for the fiscal year ended on December 31, 2012 have been compiled in compliance with IFRS as these have been issued by IASB. The amounts are stated in Euro (unless otherwise stated).

The financial statements have been prepared in accordance with the historic cost principle, with the exception of financial assets and liabilities at fair value through profit and loss and all derivative contracts, which are valuated at their fair value. The preparation of the financial statements in compliance with IFRS requires the performance of estimates and admissions, which may affect both the accounting balances of assets and liabilities; the necessary notifications for potential assets and liabilities at the date of the compilation of the financial statements, as well as the income and expenses recognized in the course of the reference period. The use of available information and the performance of estimates and admissions in the application of accounting policies are integral for the performance of estimates in the following areas: liabilities from past service personnel benefits and open taxation issues. The real future results may differ from the published. The areas exhibiting the highest degree of subjective judgment or complexity, or the areas where estimates and assumptions have significant impact on the Financial Statements, are presented in note 3.

2.2 Adoption of International Financial Reporting Standards – IFRS

New IFRS, interpretations and amendments effective from 1 January 2012

- **IFRS 7 "Financial Instruments: Disclosures"** (Amendment) (effective for fiscal years beginning on or after July 1, 2011) This amendment poses additional disclosure requirements for financial assets transferred but not derecognized and for possible continued involvement in transferred financial assets, independent of the transfer date. This amendment had no impact on the Company's financial statements.
- **IAS 12 "Income Tax"** (Amendment) (effective for fiscal years commencing on or after January 1, 2012). The amendments provide a practical approach for the measurement of deferred tax liabilities and requirements when investment property is measured using the fair value model in IAS 40 *Investment Property*. This amendment did not have an impact on the Company's financial statements, since it does not value investment property at fair value.

New IFRS, interpretations and amendments effective after 2012

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements"** (Amendment), **IAS 28 "Investments in Associates and Joint Ventures"** (Amendment) (effective for fiscal years beginning on or after January 1, 2013), as issued by IASB or after January 1, 2014 as has been adopted by the EU.
  IFRS 10 establishes a unique consolidation model resting on existing principles, placing the notion of control as the determining factor with respect to the embodiment of an entity in the consolidated financial statements of the parent company. The Standard offers additional guidelines for the determination of control, in cases where assessment is difficult. IFRS 10 replaces the requirements regarding consolidation posed by IAS 27 "Consolidated and Separate Financial Statements", which now deals only with the requirements relating to separate financial statements and SIC 12 "Consolidation – Special purpose entities".
  IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers". It requires of a participant in a joint arrangement

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to determine the type of joint arrangement in which it participates by considering the rights and obligations stemming from it and then to enter in the accounts such rights and obligations with respect to the type of joint arrangement. Joint arrangements are classified either as "joint operations" or "joint ventures". Contrary to IAS 31 the possibility to use the proportionate consolidation method for the consolidation of "jointly controlled entities" is rescinded.
IAS 28 "Investments in Associates and Joint Ventures" (2011) replaces IAS 28 "Investments in Associates" and establishes the accounting treatment for investments in associates and the requirements for the application of the equity method for the entering in the accounts of investments in associated companies and joint ventures of jointly controlled entities.
IFRS 12 incorporates, extends and replaces the disclosure requirements for subsidiaries, joint ventures, associated and non-consolidated companies. The Company has not applied the above Standards and amendments and assesses their impact on its financial statements.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities"** (Amendment) (effective for fiscal years beginning on or after January 1, 2013). These amendments clarify the transitional provisions in IFRS 10. They also provide exceptions for the transition to the IFRS 10, IFRS 11 and IFRS 12, by restricting the requirement to provide comparative data only to the immediately preceding reference period. In addition, with respect to disclosures relating to non-consolidated entities, the amendments rescind the requirement to provide comparative data for periods prior to the implementation of IFRS 12. The Company will apply these amendments when it will implement IFRS 10, IFRS 11 and IFRS 12.
- **IFRS 13 "Fair Value Measurement"** (effective for fiscal years beginning on or after January 1, 2013). IFRS 13:
    - Defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (namely the exit price);
    - sets out in a single IFRS a framework for measuring fair value; and
    - requires disclosures about fair value measurements.

  IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for special cases. IFRS 13 provides guidance on how to measure fair value for financial reporting. It does not require measurements at fair value in addition to those already required or permitted by other Standards and is not intended to establish valuation standards or to affect valuation practices for purposes other than financial reporting. The Company has not implemented this Standard and assesses the impact of IFRS 13 on its financial statements.
- **IAS 1 "Presentation of Financial Statements"** (Amendment) (effective for fiscal years beginning on or after July 1, 2012). The amendment requires the grouping in other comprehensive income of elements that may, posteriorly, be transferred to profit and loss. The Company has not implemented this amendment.
- **IAS 19 "Employee Benefits"** (Amendment) (effective for fiscal years beginning on or after January 1, 2013). The amendment:
    - Abolishes the choice for the deferred recognition or gains or losses and requires their recognition when they arise. Consequently, any deficit or surplus in some plan shall be depicted on the balance sheet.
    - Requires presenting service cost and interest in profit and loss and of changes due to re-measurement in other comprehensive income.

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- Extends the disclosure requirements for the features, risks and sums included in the financial statements and relating to fixed benefits plans, as well as the impact of fixed benefits plans on the sum, period and uncertainty of the entity's cash flows.
- Changes the accounting treatment for post-retirement benefits and includes the separation of benefits offered for services from those offered for the termination of service and affects the recognition and measurement of post-retirement benefits. The Company has not implemented this amendment and assesses its impact on its financial statements.

- **IFRS 7 "Financial Instruments: Disclosures"** (Amendment) (effective for fiscal years beginning on or after January 1, 2013 and also for the intermediate periods included in such fiscal years) This amendment poses additional disclosure requirements for financial instruments offset in compliance with paragraph 42 of IAS 32. The amendment also poses disclosure requirements regarding financial instruments subject to master netting agreements for profits and debts or other netting agreements, even if such are not offset in compliance with IAS 32. The Company has not implemented this amendment.
- **Improvements to IFRS, May 2012** (effective for fiscal years beginning on or after January 1, 2013), which clarified:
    - the requirements for comparative data in IAS 1 and IAS 34;
    - the classification of certain equipment categories as fixed assets in IAS 16;
    - the accounting treatment of the tax effect of distributions to the holders of participial equity titles in IAS 32, and
    - the requirements in IAS 34 for assets and liabilities totals.

  The Company has not implemented these amendments.
- **IAS 32 "Financial Instruments: Presentation"** (Amendment) (effective for fiscal years beginning on or after January 1, 2014). The amendment offers clarifications for the application of the offsetting rules. The Company has not implemented this amendment.
- **IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements"** (Amendment) (effective for fiscal years beginning on or after January 1, 2014). These amendments offer to "investment entities" (as such are defined) an exemption from the consolidation of specific subsidiaries, but require that an investment entity record its investment to every one subsidiary meeting the conditions at fair value through profit and loss. The amendments also introduce disclosure requirements from investment entities. An "Investment Entity" is an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must evaluate the performance of its investments on a fair value basis. The Company has not implemented these amendments.
- **IFRS 9 "Financial Instruments"** (effective for fiscal uses beginning on or after January 1, 2015). IFRS 9 specifies how an entity must classify and measure financial assets and financial liabilities, including some hybrid contracts. The new standard requires that all financial assets be:

  (a) Classified on the basis of the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

  (b) Initially measured at fair value plus transaction costs, except in the case of a financial asset at fair value through profit and loss, where transaction costs are not included.

  (c) Subsequently measured at amortised cost or fair value.

  (d) Investments in equity may be designated as measured at "fair value through other comprehensive income" and only dividends shall be recognized in profit and loss.

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(e) The notion of embedded derivatives for financial assets falling under the scope of the standard is abolished and such elements must be classified and measured in compliance with the above.

The standard also designates that financial liabilities shall be classified either at fair value through profit and loss or at amortized cost. For financial liabilities chosen to be classified at fair value through profit and loss, changes in fair value attributable to the change in the credit risk for the liability shall be presented in other comprehensive income, except for the case where it creates or enlarges an accounting mismatch. Amounts presented under other comprehensive income shall not be transferred to profit and loss when the liability is settled or abolished. The Company has not adopted this Standard and assesses the impact of IFRS 9 on its financial statements, as well as the time for its implementation.

There are no other IFRS or Interpretations which are not in force and are expected to have a significant impact on the Company's financial statements.

2.3 Transactions in foreign currency

The Financial Statements of the Company are presented in Euro (€), which is the functional currency of the Company.

Transactions in foreign currency are translated to the functional currency at the exchange rate applicable for the date of performance of each transaction. Exchange profits or losses ensuing from the clearing of such transactions and the conversion of monetary assets and liabilities in foreign currency are recognized in profit and loss. Exchange differences from the conversion of debt instruments and other monetary financial assets measured at fair value are recognized in the account "Other operating income" or "Other operating expenses".

Exchange differences from the conversion of non-monetary financial assets constitute a component of the change in their fair value. Exchange differences, depending on the category to which a non-monetary financial asset may belong, are either recognized in the income statement (e.g. shares in the trading book) or under other comprehensive income (e.g. shares in the investment portfolio). Non-monetary items recognized at historic cost in foreign currency are converted using the exchange rate on the transaction date.

2.4 Financial assets and liabilities at fair value through profit and loss

This category includes of two sub-categories:

- Trading portfolio and
- Financial assets and liabilities measured at fair value through profit and loss

(a) Trading Portfolio

The Trading Portfolio includes securities that are acquired either for the creation of profit from short-term price fluctuations or the market maker's margin or are securities belonging to a securities portfolio for which there is a history of short-term profit creation. Derivatives are also included in the trading portfolio, unless they have been classified as hedging instruments.

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The Trading Portfolio may include securities subject to Sale and Repurchase Agreement (Repo) (cf. below).

(b) Financial assets and liabilities measured at fair value through profit and loss

At initial recognition, the Company designates any financial asset or liability, as financial instrument estimated at its fair value through profit and loss when:

(i) Removes or substantially diminishes a measurement or recognition inconsistency (sometimes referred to as "accounting differentiation") that would ensue should the related derivative financial products were treated as a trading book and the underlying financial instruments are recognized measured at amortized cost.

(ii) A group of financial assets, liabilities of both may be managed and its performance shall be assessed based on fair value, in compliance with the documented risk or investments management strategy and disclosure regarding the group shall be internal on this level to the Company's management.

(iii) Financial instruments containing one or more embedded derivatives, the existence of which substantially modifies cash flows and for this reason must be separately presented if they had not been classified under this category.

The designation of some financial item as estimated at fair value is irrevocable.

Measurement

Financial assets and liabilities at fair value through results (trading portfolio and designated) are initially recognized at fair value and later measured at their fair value.

Realized profits and losses from the disposal or acquisition of the items above, but also unrealized profits or losses ensuing from fluctuations of their fair value, are recognized in the Comprehensive Income Statement, in the account "financial transactions results".

Income from dividends are recognized when the right for the collection of such dividends has been consolidated on the date for the approval of dividends by the General Meeting and such are presented separately in the account "income from dividends".

The amount of changes in the use, and cumulatively, in the fair values of financial liabilities and loans and prepayments which are attributable to changes in their credit risk are calculates as the amount of change in the fair value which is not attributable to market conditions causing an increase of market risk.

2.5 Derivative financial instruments and hedge instruments

Derivative financial instruments, including contracts on exchange rates, forward contracts, currency and interest rates swaps, futures, currency and interest rates options (bought and sold) and other derivative financial instruments are recognized on the balance sheet initially at fair value and later measured at fair value. Derivative financial instruments are presented as assets when such are in favor of the Company or as liabilities when such are in favor of the counterparties.
Realized, as well as from valuation, profits and losses of derivative financial instruments in the trading book are recognized in the income statement.

A derivative may be embedded in another financial instrument which is called "principal contract". In such cases, the derivative is separated from the principal contract and recognized as a single derivative, provided its economic features and risk characteristics are not directly related to the corresponding economic characteristics of the principal contract, that it satisfies the definition of a derivative and that the principal contract is not measured at fair value, with unrealized profits or losses presented in the income statement.

Transactions with specific derivative financial instruments performed for purposes of effective economic hedging in accordance with the views by the Management of the Group on risk, but which do not fall under hedging accounting compatible with the specific rules of IAS 39.

2.6 Investment portfolio

The investment portfolio is initially recognized at fair value (inclusive of transaction costs) and includes titles classified either as available for sale, kept until maturity, or loans, based on the titles' features and the intentions of the management of the Company at the date of purchase for the titles. The purchases and sales of such titles are recognized on the Financial Statements at the transaction date, which corresponds to the date on which the Company is obligated to purchase or sell the asset.

All other purchases and sales of assets which are not subsumed to market practices are recognized, until their settlement date, as forward transactions of derivative financial instruments.

Investment titles **available for sale** are initially recognized at fair value, which includes also of transaction expenses. Later they shall be valued at fair value. Where the fair value of these particular titles may not be measured in an objective and reliable manner, then such titles are presented at their acquisition value.

Unrealized profits and losses ensuing from fluctuations of the fair value of titles available for sale are recognized in Other comprehensive income, after the deduction of the tax attributable to them (where necessary), until such particular titles are sold, collected or in any other way disposed or until it is ascertained that there is impairment of their value.

Investment titles available for sale may be sold in order to cover liquidity needs or to deal with interest rate, exchange rate or security price fluctuations. In case where an available for sale title is sold or its value is impaired, the accumulative unrealized profits or losses for the fiscal year, included in Other comprehensive income, shall be transferred from equity, in the profit and loss account, to the account "Investment portfolio titles and transaction results". Profits and losses ensuing from the sale of the titles available for sale shall be measured using the mean rolling weighted cost method.

Held to maturity investment titles include non derivatives titles, negotiable in organized markets with prescribed or determinable payments and a definite maturity, and for which the Company's management has the intention and ability to hold to maturity.

Investment titles classified as **loans and claims** include titles which are not derivatives, have prescribed or determinable payments and are not negotiable in active markets.

Investment titles classified as held to maturity or loans and claims are recognized at their amortized value by applying the effective interest method, after the deduction of any provisions formed with

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respect to the impairment of the value thereof. Furthermore, the calculation of the amortized value of a held to maturity title includes any premium or discount ensuing after the date of its acquisition, plus transaction expenses, commissions and base points paid or collected.

Participation in associated entities: Associated entities, or related bodies corporate, are those companies where the participation percentage of the Company fluctuates between 20% and 50% of the voting rights, and on which the Company exercises substantial influence but does not control them. Investments in associates are included in the financial statements at acquisition cost.

Impairment: The Company reviews at each financial statement date to determine if there is objective proof that a financial asset or group thereof has been subjected to impairment.

Especially, in case of investment equity instruments classified as available for sale, the significant or protracted decrease of the fair value of the security, below its cost, is used to asses if such items have been impaired.

Should such proof for assets available for sale exist, the cumulative loss (measured as the difference between the acquisition price and current fair value, less any possible impairment losses to this item which had been recognized in profit and loss in the past) shall be transferred from Other comprehensive income to profit and loss. An impairment loss recognized in profit and loss which regards available for sale equity instruments is not offset in the profit and loss. Should, in a posterior fiscal year, the fair value of a debt instrument classified as available for sale increases and such increase be related objectively to an event occurring after the impairment loss was recognized in the profit and loss, the impairment loss shall be offset in the profit and loss.

For titles in the investment portfolio and under categories held until maturity, loans and claims, which are valued at amortized cost, the loss from the impairment of their value is calculated as the difference between their carrying value and the present value of anticipated future cash flows, discounted by the initial effective interest rate of the financial asset.

Income from interest relating to investment portfolio titles is recognized under income from interest.

Income from dividends is recognized in the profit and loss under "income from dividends", when the right for the collection of said dividends has been consolidated. This is the approval date for dividends by the General Meeting.

2.7 Reclassification of financial instruments

The Company transfers non-derivative securities from its trading portfolio to the investment portfolio – loans and claims, provided such securities met the definition of this category at the transfer date and the Company intends and has the ability to hold such securities in the near future or until maturity. The fair value at the transfer date is deemed to be the new amortized cost at such date.

When instruments transferred from the trading portfolio to the investment portfolio include embedded derivatives, the Company reconsiders if, at the transfer date, such embedded derivatives need to be separated from the principal contract, based on the conditions in force when the Company acquired the instrument.

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2.8 Due from and due to customers

At initial recognition, customer receivables and liabilities are registered at fair value. Customer receivables are measured at their amortized value by applying the effective interest method, after the deduction of any provisions formed for the impairment of their value.

Provisions for the impairment of the value of a receivable are formed when there are objective indications that the Company will not collect all of the capital claimable in the context of the contract and pursuant to the original terms and provisions thereof.

The provisions for the impairment of the value of receivables are depicted on the balance sheet subtractive of the carrying value of claims from customers.

2.9 Fair Value of Financial Items

The Company calculates the fair value of financial products based on the relevant framework classifying financial items in a three-level hierarchy, based on the data used for their valuation, as detailed below.

Level 1: Quoted prices in active markets for identical financial products. Level 1 includes bonds, shares and derivatives negotiable in an active stock market.

Level 2: Observable data besides the quoted prices of Level 1, such as quoted prices for similar products, quoted prices in non-active markets or other data which are either observable or may be supported by observable data (for example prices deriving from observable data), for almost the total duration of the financial product. Level 2 includes bonds with prices in non-active markets, bonds without some market price and specific derivative financial products, the value of which is determined by valuation models, discount of cash flows and other similar techniques, using data observable at the market or which may be inferred from or supported by observable data. This category includes state and corporate bonds with prices from non-active markets and over-the-counter derivative products.

Level 3: Non observable data supported by little or no transactional activity and which are significant for the calculation of the fair value of financial items. Should for the calculation of the fair value observable data which require significant adjustments based on non-observable data be required, then the calculation belongs to Level 3. Level 3 includes financial products, whose value is determined by virtue of valuation models, discount of cash flows and similar techniques, as well as products for which the fair value calculation requires significant judgment or assessment by the Management.

The level on the fair value hierarchy to which the calculation of fair value is classified, is established based on the lowest level of data important for the measurement of fair value in its entirety. For this reason, the importance of data is determined in terms of the calculation of total fair value.

2.10 De-recognition

Financial Assets

A financial asset (or if applicable, part of a financial asset or group of such similar assets) shall be de-recognized when:

- the contractual rights on the cash flows of the financial asset expire;

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- the contractual rights on the cash flows of the financial asset are retained, but the Company assumes the contractual obligation to pay (surrender), without significant delays, the cash flows to one or more recipients (pass-through settlement);
- the Company has transferred its rights to collect cash flows from the asset and has either (a) effectively transferred all risks and benefits of the asset or (b) has neither transferred not effectively retained all the risks and benefits of the asset, but has transferred the control of the asset. When the Company has transferred its rights to collect cash flows from the asset and has neither transferred nor effectively retained all the risks and benefits of the asset, while not having transferred the control of the asset, the asset shall be recognized to the extent of the Company's continuing involvement in the asset. The continuous involvement in the form of guarantee on the transferred asset is measured at the lowest of the asset's carrying value and the maximum estimated sum that the Company may be called upon to pay.

Financial Liabilities

A financial liability is de-recognized when such liability is extinguished, that is discharged, cancelled or expired. When an existing financial liability is replaced by another, from the same creditor but under significantly different terms, or the terms of the existing liability undergo significant amendments, such change or amendment is deemed a de-recognition of the original liability and recognition of a new and the difference in the corresponding accounting balances shall be recognized in the profit and loss.

2.11 Securities sale and repurchase agreements

Securities sold in the context of a "sale and repurchase" agreement at a fixed price (Repo) continue to be recognized in the Statement of Financial Position, while the corresponding liability is recognized under "Other liabilities" or "liabilities from Customer Repos". Liabilities ensuing from the acquisition of securities in the context of a "securities sale and repurchase" agreement ("Reverse Repos") are recognized in "Other assets" as "Customer Repos". The difference between the sale price and the repurchase price (or the purchase price and the resale price) is recognized in the "income from interest" account (or "expenses from interest") and gradually recognized during the Repo (or Reverse Repo) agreement, using the effective interest method.

2.12 Securities lending

Securities borrowed from or lend to third parties are recognized to the amount of the collateral in cash that was advanced or collected plus accrued interest. Securities borrowed from or lend to third parties that have been taken as collateral for securities lending transactions to third parties are not recognized in the Financial Statements until the control of the contractual rights for the transferred securities is acquired from or sold to third parties. In this case such purchase or sale shall be recognized in the results (profit and loss) of the trading portfolio. The obligation for them to be returned is recognized at fair value as a transaction liability.

Correspondingly, securities borrowed from or lend to third parties that have been taken as collateral for securities lending transactions from third parties do not cease to be depicted in the Financial Statements, unless control of the contractual rights of the transferred securities is extinguished. The Company monitors the market value of the securities borrowed from, or lent to, third parties on a regular basis and offers or demands additional guarantees in correspondence to the underlying agreements. Fees and interest received or paid are recognized as income or expense from interest correspondingly and step-by-step (based on accrued).

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2.13 Regular way sales and purchases

The Company recognizes all "regular delivery" sale and purchase transactions of financial assets on the settlement date, with the exception of the transactions regarding titles in the trading portfolio, the investment portfolio, as well as all derivative financial instruments, which are recognized on the trade date, which corresponds to the date the Company is obliged to buy or sell the financial asset. In all other cases, the aforementioned transactions are treated as derivative financial instruments until their settlement date.

2.14 Proceeds from borrowings

Proceeds from borrowings are initially recognized at fair value minus transaction costs. Subsequently they are recognized in their amortized value by application of the effective interest method.

Proceeds from borrowings are classified under short-term liabilities, save for the case where the Company may postpone repayment for over 12 months from the date of the preparation of the balance sheet.

2.15 Offsetting

The reporting in the Financial Statements of the net sum ensuing from the offset of financial assets and liabilities is permitted only when there is a contractual right to set off recognized amounts and, in parallel, there is the intention for either settlement on a net basis both of the asset and the liability correspondingly, or for the settlement of the net amount after the offset.

2.16 Interest income and expenses

Income and expenses from interest relating to all interest-bearing financial instruments are recognized in profit and loss. The calculation of the aforementioned income and expenses is performed using the effective interest method. Income from interest regards the interest coupons of fixed return titles included both in the investment portfolio and the trading portfolio, as well as earned income/expenses from state and other securities.

When a financial asset or group of such similar items has suffered impairment, the income from interest is recognized using the interest rate used to discount future cash flows in order to measure the impairment loss.

2.17 Fees and commissions

In general, commissions and related income are recognized in the course of the fiscal year during which the services relating to such were rendered. Commissions and related income ensuing from negotiations, transactions or participation in the negotiations on behalf of third parties, such as the purchase of claims resulting from loans, shares or other securities and the purchase or sale of economic units, are recognized at the time of the conclusion of the underlying transaction.

2.18 Tangible assets

Tangible assets include improvements to leased real estate, means of transportation and equipment, which are held by the Company in order to be operationally used, but also for administrative purposes. Tangible assets are initially recognized at their acquisition price, which includes all expenses necessary in order for a fixed asset to become operational.

After their initial recognition, tangible assets are valued at their acquisition cost minus accumulative amortizations and any accumulative losses due to the impairment of their value. Expenses realized after the acquisition of an asset included in the account "tangible assets", shall be capitalized only where it is deemed possible that such particular expenses will, in the future, yield additional economic benefits for the Company, besides those initially anticipated from the acquisition of the asset. In all other cases, such expenses shall be directly transferred to the profit and loss, when incurred.

The performance of amortizations on a tangible asset commences when such asset is first put into use and is interrupted only by the sale or transfer of the asset. Consequently, the performance of amortizations on an asset which ceases to be in use shall not be interrupted, unless such asset has been fully amortized.

Tangible assets are amortized using the fixed sum method charged on their useful life. The expected useful life of tangible assets per category is as follows:

Leasehold improvements	For the remainder of the lease, however not exceeding 12 years
Furniture and other equipment	Up to 12 years
Means of transportation	Up to 10 years
Electronic and other equipment	Up to 5 years

The Company shall periodically audit tangible assets, in order to establish if there is a possible impairment of their value. When the carrying value of a tangible asset exceeds its recoverable value, the Company forms a corresponding provision for losses due to impairment, in order for the carrying value of the asset to reflect its recoverable value. Profits and losses from the sale of tangible assets shall be determined based on their carrying value and taken into account for the determination of operational results.

2.19 Intangible assets

The account "Intangible assets" includes software expenses provided that such may be individually determined.

The ownership cost for software includes expenses which are directly related to particular and discernible software products controlled by the Company and from which future benefits are anticipated to ensue for period greater than one year and which shall exceed the ownership expenses relating to them. Expenses which improve or expand the operation of software programs, beyond their original specifications, are capitalized and added to their original ownership value.

Expenses which are undertaken during the development of software are recognized as intangible assets and are amortized using the direct method with respect to their useful life in use, which, however, may not exceed 5 years. Expenses such as the expenses for the incorporation and first installation of business units or branches, personnel training expenses, advertizing and promotional expenses and expenses for the relocation and reorganization of part or the entire Company, are recognized as expenses at the time of their realization.

On each date for the preparation of the Financial Statements, the management of the Company shall check the value of intangible assets in order to ascertain whether their value could be impaired. Should such a case conduce, the management of the Company shall carry out an analysis in order to ascertain whether the carrying value of these particular assets may be fully recovered. Should the carrying value of an intangible asset exceed its recoverable value, then a corresponding provision for impairment is carried out.

2.20 Leases

The assessment whether a contract is or involves leasing always rests on the substance of the contract in question. During assessment it must be examined if: (a) the performance of a contract depends on the use of a particular asset or assets and (b) the contract assigns use rights on the asset.

a. The Company as Leaseholder (Leasee)

Financial Leases

Lease contracts for tangible assets from which it follows that the Company shall retain all risks and benefits ensuing from the ownership of the tangible assets, are recognized as financial leases. Financial leases are recognized on the day the contract is entered into, at the lowest value between the fair value of the leased tangible assets and the present value of the minimum lease charges paid. Each one of the lease charges (rent) paid shall be allocated in the sum that regards the repayment of the capital and the sum relating to the repayment of leasing expenses in such a way as to attain a fixed factor for the reimbursement of the unpaid balance of the financing. The sum regarding the unpaid capital of the liabilities ensuing from a fixed assets lease is recognized in the "other liabilities" account. The sum relating to the reimbursement of lease related expenses is stepwise recognized in the comprehensive income statement during the lease. All tangible assets acquired in the context of a financial leasing contract are subject to amortizations. The amortization of such tangible assets is effected in the shortest period between their useful life and the term of the contract.

Operating Leases

Leasing contracts for tangible assets from which it follows that the lessor retains a substantial part of the risks and benefits proceeding from the fixed assets leased, are recognized as operating leases. All of the paid lease charges (which do not include the value of possible incentives extended by the lessor) are transferred step-wise and in equal steps to the comprehensive income statement during the term of the lease. In case where an operating lease is interrupted prior to its expiry date, the sum paid to the lessor as compensation, is recognized as an expense in the fiscal year that the lease was interrupted.

b. The Company as Lessor

Operating Leases

Assets leased in the context of operating leases shall be presented on the balance sheet depending on their operating nature. Leased tangible assets are systematically amortized through the duration of their useful life, which must coincide to the useful life of similar assets used for the operating needs of the Company. Income from lease charges (minus the value of possible incentives extended by the lessor) are recognized using the fixed sum method on the term of the lease.

2.21 Cash and cash equivalents

Cash and cash equivalents include cash in hand, loans to credit institutions and high liquidity financial assets with maturity less than three months from the date of their acquisition, such as treasury bills and other securities, the investment and trading portfolios, the risk of changes to the fair value of which is negligible and which are used by the Company to serve its short-term liabilities.

2.22 Provisions

The company performs provisions for possible liabilities and risks where there is a present legal or justified obligation, resulting from past events; there is a high probability for the outflow of resources containing economic benefits for the settlement of the obligation and it is possible to reliably assess the amount of said obligation.

2.23 Employee benefits

The Company pays contributions to defined past-service benefit plans to its employees at the termination of service.

Retirement plans

a. Defined benefit plans

The obligation for defined benefits is assessed on an annual basis by independent actuaries using the Projected Unit Method. The present value of the liability is determined by estimated future cash flows, discounted by the yield of high quality corporate or state bonds in the same currency as that of the obligation and with maturity that approximates that of the obligation, or by the interest rate which takes into account the risk and the term of the obligation, where the market depth for such bonds is deemed insufficient. The expenses relating to the obligation are recognized in profit and loss throughout the period for the provision of services by the insured. Expenses for defined benefit plans, as valued, are recognized in the profit and loss for the fiscal year and are included in Personnel Expenses.

b. Defined contribution plans

A defined contribution plan is the plan where the employer pays specific contributions to a Fund without any legal or contractual obligation for further contributions in case the Fund lacks the requisite assets in order for it to pay all benefits to the insured in the present and past years. Company contributions to defined contribution plans are recognized in the profit and loss for the fiscal year they regard and are included in the “Personnel Benefits” account.

Other employee benefits

Company employees participate in various plans, which relate to healthcare benefits. All such plans are defined contribution plans and Company contributions are recognized in the profit and loss in the fiscal year they regard and are included in the “Personnel Benefits” account.

Stock Options

Company executives participate in stock option plans of parent company NBG. The fair value of services rendered by such executives as consideration for the stock option rights granted is measured based on the fair value of the stock options on issue date and is recognized as an expense with a corresponding increase in equity. The total amount that must burden the profit and loss for the registration period is determined with reference to the fair value of stock options granted. Fair value is determined using a valuation model which takes into account the present price of stock, the date of granting for stock options, the exercise price for such option, the expected life of the option, the anticipated fluctuations of stock prices, the anticipated amount of stock dividends and the anticipated interest rate (zero risk) for the expected life of the stock options.

2.24 Taxes

The liability to pay income tax on profits is determined based on the applicable tax legislation and recognized as an expense for the fiscal year in which such profits are realized.

The calculation of deferred tax is performed using the balance sheet method and for all temporary differences, which ensure between the carrying value of assets and liabilities for financial reporting purposes and the tax value attributed to these in compliance with applicable tax provisions.

The most important temporary differences follow from provisions relating to past-service benefits, turning intangible assets into cost and the provision for leaves not taken. Tax benefits which may ensue from unused tax losses carried forward for offset, are recognized as assets when it is deemed probable that future taxable profits will be available and sufficient for the offset of accumulative tax losses.

Deferred tax assets and liabilities are measured at tax rates expected to be applicable when the asset will be liquidated or the liability settled. The determination of future tax rates rests on laws enacted at balance sheet date.

Deferred tax assets and liabilities witch regard to the fluctuation of the fair value of available for sale investment titles and hedging cash flows recognized in equity, shall also be recognized in equity and transferred to the income statement when the respective profits/losses are transferred to the income statement.

Deferred tax assets and liabilities are offset, when there is a legal right to the offset of current tax assets against current tax liabilities and where deferred income taxes relate to the same tax authority.

2.25 Share capital

Incremental costs of share capital increase: The costs incurred for the increase of share capital, except in the cases of company mergers, are presented in equity as a deduction, net of income tax corresponding to them, from the proceeds.

Dividends on ordinary shares: Dividends corresponding to ordinary shares are recognized as a liability for the fiscal year on which such are approved by the Annual General Meeting of Company Shareholders.

2.26 Government grants

State subsidies are recognized at fair value when it is expected with certainty that the subsidy will be collected and the Company shall comply with all foreseen provisions. State subsidies relating to expenditures, shall be postponed and recognized in the profit and loss in order to thus correspond to the expenses they are intended to reimburse. State subsidies relating to tangible fixed assets, are included in other liabilities and transferred as income in the income statement using the fixed method for the expected useful life of the relevant assets.

2.27 Transactions with related parties

Related parties include businesses in which the Company maintains control or exercises substantial influence with respect to their management and economic policy. Related parties are also considered to be the members of the Company's management, the close relatives thereof and companies owned by such or to which they have material influence on their management and economic policy. All bank

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transactions with related parties, including interest rates and guarantees, are performed essentially with the same terms applicable for similar transactions with non-related parties and do not have a higher than normal risk.

2.28 Fiduciary and trust activities

The Company renders custodianship and asset management services to natural and legal persons, at which it holds, manages and invests third party capitals in various financial products, following their owners' suggestions. For rendering the aforementioned services, the company collects commission.

The aforementioned assets are not owned by the Company and as such are not depicted in its Financial Statements. The Company extends no guarantee to the holders of the assets for the performance of their placements and, therefore, runs no credit risk with respect to the assets it manages.

3. Important subjective judgments and estimates

The preparation of Financial Statements in accordance with IFRS presupposes the performance of subjective judgments, estimates and assumptions by the management, which reflects upon the balances of assets and liabilities, as well as income and expenses recognized in the Financial Statements of the Company. The management believes that the judgments, estimates and assumptions performed for the preparation of the financial statements are the appropriate ones, given the state of affairs on 31 December 2012.

The most important cases for which the Company performs subjective judgments, estimates and assumptions for the application of IFRS, are the following:

Net cost of periodic benefit plans

The net cost of periodic benefit plans is estimated by actuarial methods using assumptions with regard to the discount interest rate, salary and pension increase and the anticipated return on the assets of such plans. Such assumptions are essentially based on the annual salary policy of the Company. The forecasted long-term return on the assets of the plans represents the estimations by the management regarding the average return of the plans' invested capitals. To determine the assumption of the long-term return on the assets of the plans, the Company and its consultants rest on both future conditions hypotheses, based on historic returns and fluctuations per asset category, as well as on correlations between various asset categories. The assumption of long-term return on the assets of the plans is adjusted on an annual basis, based on revised estimations regarding the future return of the investments of such plans, the evolution of money markets as well as changes in the regulatory frameworks to which the various plans are subjected to and which may influence the investment policy of such plans.

Income tax

The Company is subjected to income taxation. The calculation of the total income tax forecast presupposes the exercise of subjective judgment. In the context of the usual activities of the Company there are many transactions and calculations for which the determination of tax is uncertain. The Company recognizes income tax liabilities from either special or regular tax audit based on estimations.

In case where the final amount of income tax is different than the amounts initially provided for, such differences will affect the income tax and deferred taxes of the fiscal year in which the final income tax encumbrance at the final conclusion of the Company's tax obligations was determined.

Deferred tax assets

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the future tax benefit may be offset. Substantial subjective judgment is required on behalf of the management to determine the assets that may be recognized from deferred taxation based on time-related estimations and the sum of future taxable profits together with future strategies on taxation issues.

4. Financial risks management

On account of its activities the Company is exposed to a series of financial risks. Such activities include the analysis, evaluation, acceptance and management of a certain degree of risk or combination of risks.

The general objectives of the Company's Risk Management are the following:

- The institution of basic risk management standards, aiming to maximize profits and utilize opportunities to create value for the shareholders.
- The support of the Company's business strategy, thus ensuring that the pursuit of business objectives rests on actions focusing on risk management and aiming for sustenance of profitability and protection against unforeseen losses.
- The improvement of the use, distribution and adjustability with respect to risk performance of capitals, through the incorporation of risk parameters in the calculation of performance.
- The reinforcement of decision making processes, by adopting the necessary risk management orientation.
- Ensuring harmonization with best practices and compliance with quantitative and qualitative requirements of the regulatory framework.
- Providing for effectiveness and the reduction in operational cost for Risk Management through the limitation of operating overlap and avoiding inexpedient and obsolete procedures and methodologies.
- Awareness building regarding risks and the promotion of a risk management oriented attitude on every level of Company activities.
- The organizational structure of Risk Management in the Company ensures compliance with clear responsibility limits, adequate duty resolution and the avoidance of conflicts of interest on every level, including the Board of Directors one, executive and top managerial executive, as well as between the Company and its clients and any other interested parties.
- Risk management activities are carried out on the following levels:
    - Strategic – includes risk management operations performed on the BoD level, namely the approval of the risk and capital management strategies, which ratify the definitions, framework and disposition towards the assumption of risk, as well as salary levels corresponding to risk management operation.
    - Tactical – includes risk management operations performed on the top executive management level, namely the approval of risk management policies and manuals and the institution of adequate systems and audits in order to ensure the maintenance of

risk and risk-performance relation in acceptable levels. Under this category also fall risk management activities performed on the Company Risk Management Unit level, as well as significant support operations.
    - Operating (business activity) – this regards risk management at the point where such risks emerge. The related activities are performed by persons or units who assume risk on behalf of the Company. Risk management on this level consists of suitable checks, incorporated in the operating procedures and directives instituted by the management.

The Company is exposed to a number of risks due to its financial activities; the most important of these risks are the credit risk, the market risk and the liquidity risk.

4.1 Credit Risk

Credit risk is the existing or future risk for the profits and the capital ensuing from the failure of the counterparty to settle, in full or in part, a sum of money due to the Company or, in general, to fulfill the terms and obligations deriving out of any contract with the Company.

4.1.1 Credit risk management procedures

The Company keeps appropriate support, measurement and monitoring procedures of claims on a continuous basis, taking account also of the regulative provisions by Supervising Authorities, which specifically include:

- Adequate and fully documented credit risk management policies.
- Information systems and analytical techniques ensuring the measurement of intrinsic credit risk for all related activities.
- Techniques for the reduction of credit risk
- The Company provides for adequate internal checks for the procedures referring to credit risks, including:
    - Appropriate management of claims accounts.
    - Independent evaluation of credit risk management procedures by the Internal Audits Unit.

4.1.2 Sectors and activities subject to credit risk

The sectors and activities of the Company subject to credit risk are:

A. Due from customers, stockbrokers and the stock exchange (Credit risk and T+4 settlement risk).

Subject to credit risk are amounts of any nature due from customers, stockbrokers and the stock exchange, which, on 31.12.2012 amounted to the sum of € 15,697,238 (2011: €9,214,424), of which a sum of €2,108,199 (2011: €132,002) regarded foreign and Greek institutional customers and a sum of €13,410,083 (2011: €8,545,539) regarded private customers. With respect to institutional customers, the overwhelming majority of which comprises of large and credible investment houses, whose transactions have already been transferred by T+1 to their custodians (banks). It follows from the above that the risk in question is limited.

In current accounts for shares, the customer must fully settle the purchase price until the third day (T+3) from the purchase. Otherwise, on the fourth day (T+4) a compulsory sale of the titles will be carried out.

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Credit for the purchase of shares (in the form of margin or 3D) shall be extended only to the private customers who possess the requisite capital, have fully understood their operation and possible liabilities that may ensue, while a necessary condition for the provision of credit is the undersigning of an additional contract. Monitoring such debit balances in combination with the value of coverings is performed on a daily basis by the competent Company department, in order to ensure that the requisite covering percentage remains on desirable levels.

Specifically, it is noted that based on the relevant legal framework and the internal samples of the Company, adept techniques for the reduction of credit risk are applied, such as:

- Demand for debit balances to be oversubscribed by immediately liquid collateral coverings (margin portfolios).
- Valuation of the coverings on a daily basis and procedure for the maintenance of coverings on the desired levels (the ultimate measure being the enforcement of compulsory sales).
- Application of special requirements with respect to the quality of acceptable coverings and the dispersion of margin portfolios (list of acceptable shares for collateral, maximum dispersion factors).

The following table depicts debt balances and the value of coverings for Margin and 3D-Credit products, on 31.12.2012.

Product	**Amount Category (EURO)**	**31.12.2012**	**31.12.2011**
Margin	Debit balances (total)	**11,434,145**	**7,345,778**
	Coverings value	35,278,626	20,987,101
	Out of margin sum	18,126	11,885
	Debit balance not covered by valuation (red)	8,138	3,579
3D-Credit	**Debit balances (total)**	**430,883**	**613,787**
	Coverings value	16,925,434	13,558,193
	Out of margin sum	123,593	14,066
	Debit balance not covered by valuation (red)	428	5,797

For all clients (Current accounts, Margin, 3D) the non-covered balance overdue amounted, on 31.12.2012, to €31,253 (on 31.12.2010 it was €726,386).

B. Derivatives

The Company is not under the obligation to clear derivative clients and is not, therefore, subject to counterparty risk from this activity.

C. Deposits with financial institutions of mature credit balances

Pursuant to decision 2/306/22.06.2004 by the Capital Market Commission for the preservation of customers' free cash assets, ASE members are required to keep their customers' cash with

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bank accounts. Thus subject to credit risk are Sight and Time deposits amounting to €30,726,675 (2011: €51,316,566), as well as Assets from securities repo agreements amounting to €15,105,351 (2011: €16,079,892). The resultant credit risk essentially regards the credit risk of the banks with which such deposits are kept, in the case at hand these deposits are kept with selected credit institutions of high credit standing which are supervised by the Bank of Greece and, therefore, the credit risk is rendered miniscule.

D. Participation to Guarantee and Auxiliary funds

Also subject to credit risk are the Participation to the Guarantee Fund, amounting to €2,493,962 and the Participation to the Auxiliary Fund, amounting to €951,461. The Guarantee Fund covers private investors (not institutional ones) against an ASE member, when the later fails to fulfill its obligations towards the investor resulting from stock market transactions. The maximum amount of such compensation is €30,000.00 per investor. The credit risk faced by the participation (share) of our Company emerges in the case where the share of one member does not suffice to cover all of its obligations. In such case, the Guarantee Fund shall "utilize" the shares of its other members until the full coverage of the obligations by the member and, at a later stage, proceeds with the necessary judicial actions in order to ensure the rights of its other members. Taking into account that maximum compensation amounts to €30,000.00 per investor then the maximum risk (namely to use our share in order to cover the obligation of some other member) stems from those members with a large number of private investors, which, in most cases, are bank subsidiaries.

The Auxiliary Fund ensures the clearance of financial transactions, namely should a member fail to perform its respective obligations then its share is used and should it not suffice, the shares of the other members are used in a commensurate fashion. This last case is the one creating the credit risk for our share with the Auxiliary Fund. To begin with, due to the nature of transaction clearing, delivery versus payment, the risk is limited to market risk, while it is further reduced due to the natural offset of sales. Furthermore, it must be noted that in recent years the largest volume of transactions regards institutional client transactions and own account ones.

4.1.3 Maximum exposure to credit risk prior to guarantees obtained

The following table depicts the worst case scenario for the Company's exposure to credit risk on December 31, 2012 and December 31, 2011 respectively, prior to taking into account the guarantees obtained. In order to assess the effect of risk as cited above, for the on-balance sheet assets, carrying balances such as those appearing in the Financial Position Statement.

Maximum exposure to credit risk		
	31.12.2012	31.12.2011
Balance sheet items		
Other long-term claims	171,742	194,742
Participations in guarantee funds	3,445,423	4,656,005
Due from customers	**15,549,782**	**9,384,317**
- Margin	11,434,146	7,345,778

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- Cash customers	3,684,753	1,424,752
- 3D Customers	430,883	613,787

4.2 Market Risk

Market risk is the existing or future risk for the profits and the capital ensuing from adverse changes to the prices of assets in the same portfolio (positions in shares, financial derivative products, Negotiable Mutual Fund shares, etc). This risk follows from activities related to the operation of market making on shares and derivative financial products and trading.

The Company maintains adequate procedures for the measurement, monitoring and checking of market risk, including:

- Position margins for the maintenance of market risk exposure within the approved levels, as these are foreseen based on the internal policy applicable on a case by case basis.
- Quantification of market risk through the measurement, on a daily basis, of Value at Risk (VaR) for the trading portfolio and its individual constituents (time horizon for holding 1 day, confidence interval 99%, Delta-VaR methodology).
- Checking of the compliance of instituted VaR limits with measured values.
- Measurement of Options Greeks sensitivities.
- Confinement of the capability to open positions only in financial products included in the approved list of admissible products, which satisfy basic criteria (adequate liquidity, dispersion of positions to reduce special risk).

Specifically, with regard to the level of assumed market risks, as this follows from the values of VaR index, in 2012 its value fluctuated from €59,714 to €671,656, while its average amounted to €158,119.

January 1 to December 31, 2012	VaR index values (Euro)
31 December 2012	204,689
Average (daily prices)	158,119
Maximum (daily prices)	671,656
Minimum (daily prices)	59,714

4.3 Exchange Risk

Exchange risk is not deemed significant, given that the Company takes care to keep small amounts in foreign currency and assets and liabilities by customers in foreign currency do not significantly encumber, when offset, the Company's results.

4.4 Liquidity Risk

Liquidity risk is the existing of future risk for the profits and the capital ensuing from the failure of the Company to fulfill its obligations when such are rendered claimable, resulting to recourse to extraordinary loan or the compulsory liquidation of its assets under adverse conditions. Tables analyzing the maturity of liabilities and assets and the correlation between them and per fiscal year for 31.12.2012 and 31.12.2011 follow.

31.12.2012					
	Less than 1 month	1-3 months	4-12 months	More than 1 year	**TOTAL**
Liabilities liquidity					

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Due from suppliers	244,003	-	-	-	**244,003**
Due to Customers-Stockbrokers/the Stock Exchange (incl. time deposits)	31,838,008	-	-	-	**31,838,008**
Financial liabilities at fair value through profit and loss	1,656,297	-	-	-	**1,656,297**
Other liabilities	233,940	291,686	-	5,337	**530,963**
Maturity of liabilities per period	**33,972,248**	**291,686**	**-**	**5,337**	**34,269,271**
Current assets	**89,612,799**	**834,065**	**7,533,666**	**1,796,939**	**99,777,469**

31.12.2011					
	Less than 1 month	1-3 months	4-12 months	More than 1 year	**TOTAL**
Liabilities liquidity					
Due from suppliers	167,408	-	-	-	**167,408**
Due to Customers-Stockbrokers/the Stock Exchange (incl. time deposits	29,716,977	-	-	-	**29,716,977**
Financial liabilities at fair value through profit and loss	3,652,517	-	-	-	**3,652,517**
Other liabilities	699,209	11,888	-	471,537	**1,182,634**
Maturity of liabilities per period	**34,236,111**	**11,888**	**-**	**471,537**	**34,719,536**
Current assets	**90,110,247**	**135,720**	**9,471,651**	**13,100,821**	**102,067,871**

The Company had in 2012 a financing limit of €30,000,000. Based on the data above and the nature of the Company's activities, liquidity risk is deemed to be very limited.

4.5 Interest rate Risk

Interest rate risk is defined to be the risk for losses ensuing from fluctuations in the applicable market interest rates. One may distinguish between the interest rate risk which regards assets and the one regarding liabilities. With regard to assets, the risk in question refers to margin loans, where the risk is transferred to the customer, since there is a contractual provision according to which any change of the reference rate shall be passed on to the customer. With respect to the liabilities, the risk originates from the loans assumed by the Company and which are contracted based on Euribor. On 31/12/2012 the Company had not proceeded to take any external loans.

4.6 Capital Adequacy

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The Company's Capital Adequacy is monitored on regular intervals by competent Company bodies and the corresponding supervisory reports (based on HCMC Decision 459/27.12.2007) are submitted on an annual basis to the Hellenic Capital Market Commission.

The table that follows includes the calculations of the Capital Adequacy Index for December 31, 2012 and December 31, 2011.

	31.12.2012	**31.12.2011**
Basic Equity		
Share Capital	11,674,101	11,674,101
Reserves excluding readjustment differences	46,185,730	49,269,379
Profits carried forward	11,845,708	11,989,330
Total basic Equity	**69,705,539**	**72,932,810**
Minus: Temporary losses	90,000	199,611
Minus: Intangible assets	115,542	194,968
Minus: Participation in Guarantee Fund	-	3,114,032
Total Supervisory Equity	**69,499,997**	**69,424,199**
Assets and off balance sheet assets – weighted	**113,442,151**	**176,136,045**
Basel II Capital Adequacy Index	61,26%	39,42%

5. Net fees and commission income

Net income from fees/commissions is analyzed as follows:

	1.1-31.12.2012	**1.1-31.12.2011**
Commissions from share transactions	8,684,710	11,280,615
Commissions from Bonds/MFs	200,899	141,562
Commissions from derivatives transactions	797,579	1,506,040
Other commissions	28,874	55,323
TOTAL NET INCOME FROM FEES/COMMISSIONS	**9,712,062**	**12,928,217**

6. Net trading income/loss

Financial transactions results are analyzed as follows:

	1.1-31.12.2012	**1.1-31.12.2011**
Profits/(losses) from shares	6,773,785	(17,128,622)
Profits/(losses) from derivatives	(6,473,225)	17,826,961
Profits/(losses) from other securities	(321,449)	(27,761)
Financial Transactions results (profits/(losses))	**(20,889)**	**670,578**

7. Cost for the provision of services

The cost for the provision of services is analyzed as follows:

	1.1-31.12.2012	**1.1-31.12.2011**
Personnel salaries	4,918,687	6,992,860

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Subscriptions	2,210,267	3,144,246
Buildings – means of transportation rent	630,324	887,656
Amortizations	836,145	891,567
Other taxes rates – pro rata	377,250	383,788
Third party fees	2,577,916	3,367,186
Telecommunications	252,277	350,962
Insurance rates	312,011	285,673
Other expenses	429,287	484,788
Total cost for the provision of services	**12,544,164**	**16,788,726**

8. Administrative expenses

Administrative expenses are analyzed as follows:

	01.01-31.12.2012	01.01-31.12.2011
Personnel salaries	1,853,676	2,381,346
Other expenses	692,575	836,819
Total administrative expenses	**2,546,251**	**3,218,165**

9. Selling expenses

Selling expenses are analyzed as follows:

	01.01-31.12.2012	01.01-31.12.2011
Travelling expenses	25,208	50,261
Various promotion and advertising expenses	29,324	18,192
Total selling expenses	**54,352**	**68,453**

10. Other operating expenses

Other operating expenses are analyzed as follows:

	01.01-31.12.2012	01.01-31.12.2011
Losses from customer transactions	57,832	65,179
Losses from the write-off and sale of fixed assets	5,120	102,903
Provision for the impairment of holdings	222,202	-
Provision for losses due to bad debts	137,023	64,918
Other expenses	22,000	51,107
Total other operating expenses	**444,177**	**284,107**

11. Impairment of Greek Government Bonds

Bringing into line its approach with the relevant decision by the National Bank of Greece Group, the Company contributed the Greek Government Bonds it held on 31/12/2011 to the bond swap program, as this was defined in March 2012.
Given that the GGB bond swap program was completed in March 2012, the valuation of GGBs in the financial statements of the Company on December 31, 2011 was at fair value with the price shaped in the secondary bond market on 31.12.2011, based on the quotes list by the Bank of Greece (Electronic Secondary Securities Market – HDAT).

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The unamortized value of the GGBs at the date of the preparation of the financial statements amounted to the sum of €1,955,235, while the impairment provision formed amounted to the sum of €1,245,235 before taxes. At the swap which took place in March 2012, the Company recognized additional impairment losses for the GGBs swapped at the PSI, due to the revised fair value for the new GGBs which ensued from the use of a higher discount interest rate, compared to the one employed at the evaluation on December 31, 2011. Following the completion of the GGBs swap program, the impairment realized was higher by the sum of € 193,755 before taxes.

12. Income tax

Taxes recognized in the income statement are analyzed as follows:

	01.01-31.12.2012	01.01-31.12.2011
Income tax for the year	26,982	155,017
Deferred tax (income)/expense	(963,816)	646,794
Total income tax	**(936,834)**	**801,811**

Tax on the net profits before taxes for the Company differs from the theoretical sum that would have ensued by using the income tax rate of 20% on its profits.

The difference is as follows:

	01.01-31.12.2012	01.01-31.12.2011
Loss for the year before taxes	(4,164,105)	(5,914,177)
Income tax (the tax rate for 2012 and 2011 is 20%)	**(832,821)**	**(1,182,835)**
Increase/decrease attributable to:		
Differences from tax rate change	-	6,332
Additional tax on rental income	-	3,552
Utilisation of brought forward tax losses	-	825,689
Previous year tax	26,982	-
Income not subject to taxation	(876,371)	(257,480)
Non-deductible expenses	745,376	1,406,553
Income Tax	**(936,834)**	**801,811**

Tax authorities have not audited the books of the Company for fiscal years 2009 and 2010 and, hence, tax liabilities for these fiscal years have not been rendered final. Consequently, as the result of such audit, additional fines and taxes may be imposed, the amounts of which cannot presently be accurately determined. However, it is estimated that these will not have a significant effect on the financial state of the Company. The Company has been audited with respect to its tax liabilities for fiscal year 2011 by Independent Chartered Auditors Accountants, Deloitte Hadjipavlou Sofianos & Cabanis SA, in compliance with article 82 of Law 2238/1994 and the relevant tax certificate was issued on 16.07.2012. Fiscal year 2011 shall be deemed final following the lapse of an eighteen month period, during which the tax authorities may come back, in compliance with article 6 of POL.1159/22.7.2011. Fiscal year 2012 will also be audited by Independent Chartered Auditors Accountants, Deloitte Hadjipavlou Sofianos & Cabanis SA. Until the date of the approval of the financial statements the tax audit for 2011 had not been completed and as a consequence the tax liabilities of the Company had not been rendered final. However, it is estimated that there will be no significant impact on the financial position of the Company.

13. Personnel expenses

The number of personnel employed by the Company is analyzed as follows:

	31.12.2012	31.12.2011
Salaried	127	153
Total	**127**	**153**

Personnel benefits are analyzed as follows:

	1.1-31.12.2012	1.1-31.12.2011
Salaries, day wages and allowances	5,821,625	7,164,577
Social Security contributions	1,017,831	1,445,386
Other benefits and personnel expenses	90,318	147,854
Cross-entry of the provision for the compensation for the layoff of salaried personnel due to exit	(189,769)	-
Compensation for the layoff of salaried personnel and expenses relating to the defined benefit plan to employees	32,358	616,389
Total	**6,772,363**	**9,374,206**

14. Intangible assets

All of the intangible assets regard software. Their movement for fiscal years 2011 and 2012 is analyzed as follows:

	Software
Acquisition cost	
1 January 2011	2,591,558
Additions	36,751
Disposals/write-offs	(123)
31 December 2011	**2,628,186**
Additions	31,007
Disposals /write-offs	-
31 December 2012	**2,659,193**
Cumulative amortizations	
1 January 2011	2,319,915
Amortization for the year	113,426
Disposals /write-offs	(123)
31 December 2011	**2,433,218**
Amortization for the year	110,433
Disposals /write-offs	-
31 December 2012	**2,543,651**
Net book value value 31 December 2011	**194,968**
Net book value value 31 December 2012	**115,542**

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15. Tangible assets

The movement of tangible assets in fiscal years 2011 and 2012 is analyzed as follows:

	Improvements to third party real estate	Means of transportation and equipment	TOTAL
Acquisition cost			
1 January 2011	4,509,119	5,810,487	10,319,606
Additions	1,100	26,748	27,848
Disposals/write-offs	(262,231)	(83,127)	(345,358)
31 December 2011	**4,247,988**	**5,754,108**	**10,002,096**
Additions	3,417	4,827	8,244
Disposals/write-offs	(9,769)	(42,928)	(52,697)
31 December 2012	**4,241,636**	**5,716,007**	**9,957,643**
Cumulative amortizations			
1 January 2011	3,047,610	5,277,776	8,325,386
Amortization for the year	562,005	216,136	778,141
Disposals/write-offs	(161,923)	(70,941)	(232,864)
31 December 2011	**3,447,692**	**5,422,971**	**8,870,663**
Amortization for the year	552,001	173,716	725,717
Disposals/write-offs	(7,753)	(42,307)	(50,060)
31 December 2012	**3,991,940**	**5,554,380**	**9,546,320**
Net book value			
31 December 2011	**800,296**	**331,137**	**1,131,433**
31 December 2012	**249,696**	**161,627**	**411,323**

16. Investment portfolio and investments in associates

The investment portfolio and holdings in related bodies corporate includes:

	31.12.2012	31.12.2011
Investments in associates	174,244	-
Investment portfolio – loans and receivables		
- Greek Government Bonds	-	710,000
Total investment portfolio and investments in associates	**174,244**	**710,000**

On May 2012 the Company acquired a percentage of 26.88% on the share capital of NBG Securities Romania SA, a company in the Group of the National Bank with its registered offices in Romania, against the sum of €396,446. On 31/12/2012 the book value of said participation amounted to €174,244, following the entry of a provision for the impairment of the sum of €222,202.

17. Deferred tax assets

Deferred tax receivables are analyzed as follows:

	31.12.2012	31.12.2011
Deferred tax assets	1,458,292	494,477
	1,458,292	**494,477**

The movement of deferred tax assets and liabilities accounts, during the fiscal year, without taking offsets into account, has as follows:

	Balance 1.1.2012	Recognition on Income statement	Balance 31.12.2012
Deferred tax assets			
Tax losses carried forward for offsetting	-	1,047,680	1,047,680
Impairment of Greek Government bond due to participation in the PSI	249,047	(249,047)	-
Defined employee benefits liabilities	229,843	(36,482)	193,361
Provisions for vacation leave not taken	15,587	(5,203)	10,384
PSI tax from the exchange of Greek Government Bonds due to the PSI	-	206,868	206,868
Total deferred tax assets	**494,477**	**963,816**	**1,458,292**
	Balance 1.1.2011	**Recognition on Income statement**	**Balance 31.12.2011**
Deferred tax assets			
Tax losses carried forward for offsetting	902,491	(902,491)	-
Impairment of Greek Government bond due to participation in the PSI	-	249,047	249,047
Defined employee benefits liabilities	224,174	5,669	229,843

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Provisions for vacation leave not taken	14,606	981	15,587
Total deferred tax assets	**1,141,271**	**(646,794)**	**494,477**

The "Debit difference from the swap of Greek Government Bonds due to the PSI" which, pursuant to Law 4046/2012, is defined as the difference between the nominal value of the titles issued at the swap due to the PSI and the acquisition cost for the original titles, is deducted from gross income in thirty (30) equal in amount, annual installments, the first in the fiscal year in which the titles were swapped and independent of the time they were held. The total sum of the debit difference recognized and the sum deducted from the gross income of fiscal year 2012 amounted to €1,070,000 and €(35,667) correspondingly, and the deferred tax on these sums to €214,000 and €(7,133) correspondingly.

18. Other long-term assets

Other long-term assets are analyzed as follows:

	31.12.2012	31.12.2011
Participations in the Guarantee Fund	2,493,962	3,114,032
Auxiliary Clearing Fund for ASE – Cypriot Stock Exchange	951,461	1,541,973
Other long-term assets	171,742	194,741
	3,617,165	**4,850,746**

The Company, on 31.12.2011, besides the aforementioned participation in the Guarantee Fund for Securing Investment Services, had deposited in an escrow term account the sum of €1,993,962, which is included in other assets. Pursuant to the provisions of Law 2533/1997 article 74 par. 4, in case of the interruption of the operation of the Company, its participations in the Guarantee Fund shall be refunded from the Guarantee Fund, less the compensations paid or speculated to be paid.

The auxiliary clearing fund balance includes a sum of € 743,911 and of €207,550 which regard our contributions Stock Exchanges of Athens and Cyprus correspondingly on 31.12.2012.

In fiscal year 1.1.2012-31.12.2012 the auxiliary clearing fund and our share in the guarantee fund were decreased by €694,793 and €620,070 due to the decrease of turnover in ASE.

The fair values of the aforementioned assets are almost identical to their carrying values.

19. Due from customers, stockbrokers – stock exchange

Amounts due from customers, stockbrokers and the exchange are analyzed as follows:

	31.12.2012	31.12.2011
Due from customers	3,684,753	1,424,751
Due from MARGIN customers	11,865,029	7,959,566
Due from CSD and ADECH (Clearing) and foreign stockbrokers	178,956	536,883
Provisions for bad debts	(31,500)	(706,776)

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Total due from customers, stockbrokers – stock exchange	**15,697,238**	**9,214,424**

The decrease in provisions is due to the fact that bad debts where judgment was rendered final were written off. The fair values of the aforementioned assets are almost identical to their carrying values.

20. Financial assets at fair value through profit and loss

The trading portfolio is analyzed as follows:

	31.12.2012 Fair value	**31.12.2011 Fair value**
Shares listed in Athens Stock Exchange	29,685,532	7,481,518
Foreign shares	177,992	530,537
Mutual funds	109,122	101,035
Derivative financial instruments	39,171	75,097
Total financial assets at fair value through profit and loss	**30,011,817**	**8,188,187**

The calculation of the fair value is based on "Level 1" data, namely stock market prices for identical financial instruments in an active market (note 2.9).

21. Other assets

Other assets are analyzed as follows:

	31.12.2012	**31.12.2011**
Time deposits of customer funds	15,105,352	16,079,892
Deposits with ADECH for derivatives margin account	1,273	7,714,841
Due from the State	1,808,961	1,596,735
Other receivables	8,021,333	8,543,266
Total other assets	**24,946,919**	**33,934,734**

The decrease of the derivatives margin account by the sum €7,713,568 was due to the fact that on 31/12/2012 the coverage of our margin was effected by the pledging of financial instruments.
The value of other assets approximates their fair value. Other receivables includes a sum of €5,500,000 which regards a deposit to the ASE Clearing Auxiliary Fun as guarantee, as well as the deposit to an escrow account of the sum of €1,993,962 to cover for potential obligations to the Guarantee Fund.

22. Current Tax Receivables

The account "current tax receivables" regards Company receivables from the Greek State. Such receivables include unduly paid taxes, which have been certified by the tax authorities, as well as the return of income tax prepayments for fiscal years audited by the tax authorities. The company offsets its current debts to the Greek State with the aforementioned receivables.

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23. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	31.12.2012	31.12.2011
Cash	4,758	5,937
Sight deposits	13,168,064	13,321,426
Time deposits	15,564,648	35,381,108
Total cash and cash equivalents	**28,737,470**	**48,708,471**

The “sight deposits” account on 31.12.2012 includes deposits on behalf of customers amounting to €12,444,434, while the corresponding balance on 31.12.2010 was €12,462,051. The aforementioned amounts are deposited with credit institutions of the highest credit standing.

24. Share capital

Share capital on 31.12.2012 and 31.12.2011 amounted to €11,674,101 divided into 3,891,367 ordinary shares with a nominal value of €3.00 each.

25. Reserves

Reserves movement is analyzed as follows:

	Statutory Reserve	Tax-free reserves pursuant to special provisions in the law	Total
Balance on 01.01.2011	**3,891,367**	**55,491,493**	**59,382,860**
Offset of tax-free reserves with losses from shares and derivatives 01.01.11-31.12.11	-	(6,440,160)	(6,440,160)
Transfer of tax-free reserves to retained earnings		(3,673,321)	(3,673,321)
Balance on 31.12.2011	**3,891,367**	**45,378,012**	**49,269,379**
Offset of tax-free reserves with losses from shares and derivatives 01.01.12-31.12.12	-	(3,056,667)	(3,056,667)
Transfer of reserves to retained earnings	-	(26,982)	(26,982)
Balance on 31.12.2012	**3,891,367**	**42,294,363**	**46,185,730**

(1) In compliance with Greek commercial legislation, the Company is obliged to deduct a minimum percentage of 5% from its net accounting profits on an annual basis as statutory reserve. The deduction ceases to be mandatory when the total of statutory reserves exceeds one third of paid-up share capital. Such reserve, which is taxed, may never be distributed throughout the life time of the Company and is intended to cover possible debit balance of the profit and loss account. On December 31, 2012 the statutory reserve of the Company amounted to €3,891,367 and was equal to one third of the paid-up share capital.

(2) The tax-free reserves pursuant to special provisions in the law are analyzed as follows:

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	31.12.2012	31.12.2011
Tax-free reserves pursuant to Law 148/67 and 2954/01	(53,980,740)	(57,334,945)
Difference from the conversion of share capital to Euro	7,525	7,525
Reserves from income exempt from taxation	92,763,256	99,201,110
Reserves from income specially taxed	2,991,850	2,991,850
Special reserves	512,472	512,472
	42,294,363	**45,378,012**

Tax-free reserves pursuant to Law 148/67 shall be offset in the future with profits from the sale of shares listed in the exchange, resulting in no income tax to be paid for such profits.

The tax-free reserves pursuant to Law 2954/01 if distributed or capitalized shall be taxed by the current tax rate; otherwise they shall be offset with losses from shares listed in the exchange or not-listed ones.

Tax-free reserves from exempt from taxation income and income specially taxed if distributed or capitalized shall be taxed by the current tax rate.

The Company does not intend to distribute such reserves and for this reason has not created a deferred tax liability, which would have been required in the case of the intention to distribute such reserves.

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26. Retirement benefit obligations

Defined employee benefits regard the provisions for the compensation of personnel, pursuant to law 2112/1920, in case of exit from the Company, which were determined using an actuarial survey.

The following tables depict the composition of net expense for the corresponding provision recognized in the income statements for periods 1 January – 31 December in 2012 and 2011 and the movement of the relevant provision for personnel compensation accounts.

	31.12.2012	31.12.2011
Net liability on Financial Position Statement		
Present value of liabilities	466,754	423,269
Actuarial profits / losses not registered	500,053	725,949
Liability on Financial Position Statement	**966,807**	**1,149,218**
Income Statement	**1.1-31.12.2012**	**1.1-31.12.2011**
Cost of Current Service	45,933	65,323
Interest rate cost	20,105	26,967
Losses from cuts/settlements	(58,680)	(39,422)
Losses/profits from benefit plan cuts	(164,769)	563,521
Total (which is included in personnel salaries)	**(157,411)**	**616,389**
Movement of net liability on Financial Position Statement	**1.1-31.12.2012**	**1.1-31.12.2011**
Net liability at start of fiscal year	1,149,218	1,112,474
Compensations due to personnel exit	(25,000)	(579,645)
Expenses recognized in income statement	(157,411)	616,389
Net liability on Financial Position Statement	**966,807**	**1,149,218**
Movement of the liability of defined benefit plans	**1.1-31.12.2012**	**1.1-31.12.2011**
Liability at start of fiscal year	423,269	544,011
Cost of current service	45,933	65,323
Interest rate cost	20,105	26,967
Compensations due to personnel exit	(25,000)	(579,645)
Extraordinary payments or expenses	(66,399)	570,617
Assigned loss/(profit)	68,846	(204,004)
Liability at end of fiscal year	**466,754**	**423,269**
Assumptions	**31.12.2012**	**31.12.2011**
Discount rate	3.20%	4.75%
Future salary raises	0% for the three years 2013-2015, 1% annually for the two year period 2016-2017 and 2% annually henceforth	0% for the three years 2012-2014, 1% annually for the two year period 2015-2016 and 2% annually

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		henceforth
Average remaining working life	14.7	11.65

27. Due to customers, stockbrokers – stock exchange

The liabilities above are analyzed as follows:

	31.12.2012	31.12.2011
Due to customers	13,787,211	13,139,654
Due to ASE and CSD (Clearing) and foreign brokers	2,945,445	497,431
Total due to customers, stockbrokers – stock exchange	**16,732,656**	**13,637,085**

The balance above includes sum of €1,342,777 (2011: €677,603) which regards transactions not cleared by Company customers as well as cleared transactions by its customers amounting to €12,444,434 (2011: €12,462,051).

28. Financial liabilities at fair value through profit and loss

The liabilities above are analyzed as follows:

	31.12.2012	31.12.2011
Shares listed in ASE (short selling)	1,628,269	3,650,917
Derivative financial instruments	28,028	1,600
Total financial liabilities at fair value through profit and loss	**1,656,297**	**3,652,517**

The calculation of fair value is based on “Level 1” data, namely stock exchange prices in an active market for identical financial instruments (note 2.9).

29. Other Liabilities

Other liabilities are analyzed as follows:

	31.12.2012	31.12.2011
Liabilities from customer placements in time deposits	15,105,352	16,079,892
Insurance Organizations (IKA – TSEMEDE – LEGAL FUND)	207,053	282,361
Accrued fiscal year expenses	291,686	395,491
Liabilities from the distribution of previous fiscal years' profits to personnel	-	466,200
Payable personnel salaries	13,626	21,668
Various creditors	18,599	16,913
Suppliers	244,002	167,409
Other Liabilities Total	**15,880,318**	**17,429,934**

30. Related party transactions

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The Company is part of the NBG Group of companies and, in the context of its usual activities, renders its services to NBG and the other companies in the Group.

The terms of such collaboration are not essentially different from the terms usually applicable in the context of the performance of Company activities with non-related parties.

Company transactions with related parties, for fiscal year 01.01.12-31.12.2012 and the corresponding period in 2011, as well as assets and liabilities balances on 31.12.12 and 31.12.11,respectively, are as follows:

Receivables	**31.12.2012**	**31.12.2011**
Parent Company (NBG)	33,801,348	68,794,355
Other NBG Group Companies	312,377	772,162
Liabilities	**31.12.2012**	**31.12.2011**
Parent Company (NBG)	74,323	31,095
Other NBG Group Companies	62,726	2,148,538
Income	**01.01-31.12.2012**	**01.01-31.12.2011**
Parent Company (NBG)	1,527,250	1,694,207
Other NBG Group Companies	70,222	210,023
Expenses	**01.01-31.12.2012**	**01.01-31.12.2011**
Parent Company (NBG)	2,315,427	3,193,307
Other NBG Group Companies	461,927	445,062
Executive management salaries	276,046	480,500

Included in the aforementioned executive management salaries are the salaries of the Deputy CEO and the general manager member of the Board of Directors.

31. Contingent liabilities and commitments

- **Legal issues**
  There are certain Company claims from customers for which there are pending judicial actions, which are estimated to have a positive outcome for the Company. Apart of these and for other cases handled by the Company's lawyers-associates the following information is cited, which follows from the relevant correspondence:

  There are actions pending before the Multi-Member Court of First Instance in Athens by counterparties against the Company by which it is requested that they be condemned and compelled to pay in full the sum of approximately €90,000.

- **Capital commitments**
  On 31.12.2012 the Company had granted letters of credit to third parties, amounting to €3,127.

- **Operating lease commitments**

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Potential future liabilities from leased property amount to €1,884,757 where the calculation was based on the rent agreed upon in the lease contracts, plus stamps, annually readjusted up to the expiry of the contracts, by an average Consumer Price Index of 0.8%.

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	31.12.2012
0-1 years	415,436
1-5 years	1,080,270
More than 5 years	389,051
Total potential future liabilities from leased property	**1,884,757**

- **Asset commitments**
  The assets committed are analyzed as follows:

	31.12.2012	**31.12.2011**
Shares	21,103,424	4,711,191
Mutual funds	77,534	-
Greek Government Bonds	-	710,000
Deposits	1,993,962	2,614,032
Total asset commitments	**23,174,920**	**8,035,223**

The aforementioned securities amounting to the sum of € 21,103,424 (2011: sum of € 5,421,191) are pledged for AthexClear, while the escrow deposit of the sum of €1,993,962 regards the coverage of potential liabilities to the Athens Stock Exchange Members' Guarantee Fund.

32. Events after the reference period

There are no events after the preparation of the Financial Statements, which regard the Company and for which a relevant reference is necessitated, pursuant to International Financial Reporting Standards (IFRS).

33. Other information

Pursuant to paragraph 2, article 3 of decision by the Board of Directors of the Capital Market Commission 9/459/27.12.2007 we inform that the foreseen publications which have not been audited or surveyed by any approved chartered auditor-accountant are available.

34. Independent auditors' fees

The total fees charged, for financial year 2012 (1.1.2012-31.12.2012) by the statutory auditing firm are analyzed as follows:

	31.12.2012
Fees for the statutory audit of financial statement and the audit of consolidated statements	77,900
Fees for other auditing services, in compliance to the regulatory framework for the operation of the Company	96,200
Total Chartered Auditors and Accountants Fees	**174,100**