

HDI GF

HELLENIC DEPOSIT & INVESTMENT GUARANTEE FUND

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HDIGF

HELLENIC DEPOSIT & INVESTMENT GUARANTEE FUND

Address

6, Amerikis Str.
GR- 106 71 Athens

www.hdigf.gr

Tel.:

+30 210 363.9933

Fax:

+30 210 363.5582

The Board of Directors

President

Eleni D. Dendrinou-Louri

Vice President

Christos V. Gortsos

Members

Anastasios I. Karayannis

Ioannis St. Gousios

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Anna Th. Paxinou (from 19/7/2010)

TABLE OF CONTENTS

1	BANKING SECTOR – DEPOSIT-GUARANTEE AND INVESTOR-COMPENSATION SCHEMES	6
1.1	Developments in the Greek Banking Sector	6
1.2	Developments in the European Legal Framework of Deposit-Guarantee and Investor Compensation Schemes.	6
1.3	European Cooperation	7
2	REVENUES, EXPENSES AND ACCOUNTS	8
2.1	Introduction	8
2.2	Deposit Cover Scheme (DCS)	11
2.2.1	Primary Deposit Cover Fund (PDCF)	11
2.2.2	Supplementary Deposit Cover Fund (SDCF)	12
2.2.3	Surplus and Investments of DCS	12
2.3	Investment Cover Scheme (ICS)	13
2.4	HDIGF Total Expenses	13
	Table 1: Statement of Accounts	15
	Table 2: Resources	16
	Table 3: Expenses	17
	Table 4: Credit institutions participating in the Deposit Cover Scheme (DCS)	18
	Table 5: Credit institutions participating in the Investment Cover Scheme (ICS)	19
	Table 6: Breakdown of Accumulated Resources of the Deposit Cover Scheme (DCS)	20
	Diagram 1: Accumulated Resources of the Deposit Cover Scheme	20
	Table 7: Resources of the Deposit Cover Scheme (DCS) per year for the period 1995-2010	21
	Diagram 2: Resources of the Deposit Cover Scheme (DCS) per year for the period 1995-2010	21
	Table 8: Breakdown of Resources of the Deposit Cover Scheme as at 31 December 2010	22
	Diagram 3: Breakdown of Primary Deposit Cover Fund Resources at 31 December 2010	22
	Diagram 4: Breakdown of Supplementary Deposit Cover Fund Resources at 31 December 2010	22
	Diagram 5: Breakdown of Deposit Cover Scheme Resources at 31 December 2010	22
	Table 9: Resources of the Investment Cover Scheme (ICS)	23
	Diagram 6: Accumulated Resources of the Investment Cover Scheme	23
	Table 10: Resources of the Investment Cover Scheme (ICS) per year for the period 2009-2010	24
	Diagram 7: Resources of the Investment Cover Scheme (ICS) per year for the period 2009-2010	24
	Table 11: Breakdown of Resources of the Investment Cover Scheme (ICS) as at 31 December 2010	25
	Diagram 8: Breakdown of Resources of the Investment Cover Scheme as at 31 December 2010	25
	Diagram 9: Average Return of Placements for years 1997 - 2010	26
	Diagram 10: Number of Credit Institutions per year of the Deposit Cover Scheme	26
	Table 12: Breakdown of time deposits per Fund and per credit institution as at 31 December 2010	27
	Table 13: Breakdown of receivables of the Deposit Cover Scheme per credit institution as at 31 December 2010	28
	Table 14: Individual account values of the Supplementary Deposit Cover Fund (SDCF) per credit institution as at 31 December 2010	29
	Table 15: Breakdown of time deposits of the Investment Cover Scheme (ICS) per credit institution as at 31 December 2010	30
	Table 16: Breakdown of receivables of the Investment Cover Scheme (ICS) per credit institution as at 31 December 2010	31
	Table 17: Individual account values of the Investment Cover Scheme (ICS) per credit institution as at 31 December 2010	32
	Statement of Financial Position / Statement of Income	33
	BREAKDOWN OF THE FINANCIAL STATEMENTS	36

1 BANKING SECTOR – DEPOSIT-GUARANTEE AND INVESTOR-COMPENSATION SCHEMES

The period from 1 January to 31 December 2010 was the fifteenth year of operations of Hellenic Deposit and Investment Guarantee Fund (HDIGF). During that period, a number of substantial developments on the Greek banking sector led to important regulating initiatives for the revision of the Deposit Guarantee and Investor Compensation Schemes' operating framework in the European Union.

1.1 Developments in the Greek Banking Sector

In 2010, the unfavorable economic and fiscal conditions that prevailed in Greece put considerable pressure on the Greek banking sector. More specifically, the downgrading of the country's credit rating hindered credit institutions' access to international money and capital markets, with negative repercussions for their liquidity. The deterioration of the financial condition of businesses and households contributed to the decline in the credit institutions' deposit base for year 2010, which, in turn, had a negative effect on their liquidity. As a result, the quality of the credit institutions loan portfolios deteriorated, along with their profitability, the return on assets and the return on equity as compared to the previous year.

Nevertheless, Greek credit institutions held up

by sustaining their capital adequacy at relatively high levels. This positive development was attributed, among others, to the measures adopted by the Greek government and the Eurosystem in facilitating credit institutions' liquidity access and increasing their capital base. However, these measures are of temporary nature and thus credit institutions should seek alternative ways of raising capital and adjust their strategy accordingly to overcome a possible deterioration in the economic environment and to adhere to the new international regulatory framework.

The ability of Greek credit institutions to access liquidity from money and capital markets and the improvement of depositors' confidence in the system constitute key factors for financing the Greek economy by the money market. In this context, the HDIGF contribution in safeguarding depositors' confidence in credit institutions is critical for the stability of the financial system and its unhindered operation in general.

1.2 Developments in the European Legal Framework of Deposit-Guarantee and Investor Compensation Schemes.

The global financial turmoil induced the necessity for revising the financial services' supervisory and regulative framework at both international and European level.

Deposit-Guarantee Schemes (DGS) and Investor

Compensation Schemes (ICS) constitute essential elements in the initiatives aimed at enhancing depositors' and investors' confidence in the financial system. In this context, in July 2010, the European Commission proposed the revision of the DGS and the ICS Directives, with the aim of creating a safer and healthier financial sector as well as preventing future crises.

The main objective of the European Commission proposal for amending the DGS Directive is to reinforce DGSs role in maintaining depositors' confidence aiming to deter bank runs as well as to enhance their effectiveness. These proposals are intended to eliminate the inadequacies of DGSs that emerged from the activation of DGSs in some EU Member States during the financial crisis, such as insufficient coverage level, inadequate financing and extended periods for compensating depositors.

Respectively, the proposals for amending the Directive on ICSs aim at enhancing investors' protection and adequacy of ICSs ex-ante funding in order to safeguard a smooth investors' compensation procedure.

The main issues raised in the two proposals are the following:

- Improved and harmonized coverage
- Extension of coverage
- Faster payout

- Improved information to depositors and investors
- Sustained and consistent funding
- Enhanced cooperation among EU schemes.

Both proposals are in the process of consultation among Member-States representatives. Efforts are made for reaching a compromise on issues on which Member-States have previously expressed certain reservations, allowing on the one hand the European Committee to attain its goals and on the other to integrate Member-States' considerations on avoiding excessive encumbrance of DGSs, ICSs and participating credit institutions. Such issues mainly include the funding of Schemes, the deadline for paying compensations and the payout procedure.

The HDIGF actively participated in the consultations on amending the DGS and ICS Directives in order to contribute to the development of the new legislative framework and to respond promptly and efficiently to their implementation.

1.3 European Cooperation

The HDIGF actively participates in the European Forum of Deposit Insurers (EFDI), which plays an important role in the consultation procedures of the new Directives by organizing workshops, promoting the active cooperation among DGSs for the identification of universal

positions, and consequently reinforcing the negotiating power of its members.

The HDIGF cooperation with DGSs participating in the EFDI was further enhanced during the EFDI Annual Meeting in Rome on September 2010, by subscribing to the Multilateral Memorandum of Understanding, which was drafted with the aim of promoting good relations and collaboration between EU DGSs. This Memorandum is based on three principles: communication, co-operation and representation of its members. More specifically:

- Communication refers to the exchange of information on a regular basis regarding the nature, role and experience of each Scheme.
- Co-operation, in case of a cross-border credit institution, refers to DGS operation in the host country as a “single point of contact” for depositors that reside in the said country, yet they are covered by the home country DGS, to the extent that it is practically and statutory possible.
- Representation refers to the operation in the host country as a representative of a home country scheme in dealings with third parties (including claimants, insolvency practitioners, regulators and governmental agencies).

Further to analyzing the EU Commission proposals and the positions of national DGSs

with respect to the EU Directives and updating national Schemes, the EFDI co-operates with International Association of Deposit Insurers (IADI), the Basel Committee on Banking Supervision and the World Bank for developing a methodology for assessing DGSs effectiveness. This assessment would be based on standard core principles that have been structured in conjunction with the Basel Committee and the IADI for the operation of DGSs internationally. In November 2010, the revised version of this methodology was issued, integrating test results on some DGSs that took place in the year 2010.

2 REVENUES, EXPENSES AND ACCOUNTS

2.1 Introduction

The HDIGF financial figures are affected by the following factors:

- the entry or withdrawal of credit institutions participating in the scheme
- the deposits which comprise the basis for calculating contributions to the HDIGF Deposit Cover Scheme (DCS)
- the value of assets held by credit institutions on the behalf of their customers in the context of providing investment services, which comprise the basis of calculating contributions to the HDIGF Investment Cover Scheme (ICS)
- the yields of securities in which HDIGF funds are invested and the yields of Greek

Government 3-month T-bills which determine the interest of time deposits and

- the HDIGF operational expenses.

During the period under review, no acquisition, merger, incorporation or winding up of credit institution in Greece took place. As a result, the number and the composition of the HDIGF participating credit institutions remained unchanged. More specifically, at the end of 2010:

- Forty (40) credit institutions participate in the Deposit Cover Scheme (DCS), from which thirty five (35) are incorporated in Greece and five (5) are branches of credit institutions incorporated outside the European Union (Table 4).
- Thirteen (13) credit institutions, which are incorporated in Greece, participate in the Investment Cover Scheme (ICS) (Table 5).

Developments in the financial and capital markets, amendments in the regulatory framework as well as the size of the Greek credit institutions compared to analogous credit institutions in the euro zone area necessitate, among other, the re-structuring of the Greek banking system through mergers and acquisitions. It is therefore foreseen that the number of credit institutions participating in the HDIGF will decrease in the near future.

During 2010 credit institutions deposit basis contracted, due to the adverse fiscal and economic conditions in Greece. As a result, the basis for calculating contributions to the HDIGF DCS declined, leading to a decrease in the credit institutions' annual contributions towards the Scheme.

The thresholds for calculating credit institutions' contributions were adjusted, by decision of the HDIGF Board of Directors and according to the relevant provision of the law 3746/2009 (article 4, par. 4b), with the effect of rendering the ratio of total annual contribution to deposits that form the basis for calculating contributions unchanged, as set out in the following table:

Deposit Thresholds (€ millions)	Contribution rate (per thousandth)
0 – 636.8	6.250
636.81– 3,172	6.000
3,172.01 – 9,382	5.875
9,382.01 – 22,218	1.025
over 22,218.01	0.125

The resulting contributions per credit institution were adjusted to reflect its risk profile. The adjustment was based on risk factors, according to the class assigned to each credit institution by a Bank of Greece decision, taking into consideration a number of criteria of regulatory nature.

As required by Law 3746/2009 (art. 4, para. 4d), credit institutions paid half their annual contribution for 2009 in April, and half of their contributions for 2010 in October.

According to the provisions of the same Law (art. 4, para. 10 and para. 11), one fifth of the contributions comprise income to the Primary Deposit Cover Fund (PDCF), which constitutes HDIGF assets and affects its financial results. The remaining four fifths comprise the Supplementary Deposit Cover Fund (SDCF), defined as assets belonging ab indiviso to the participating credit institutions, in proportion to their percentage participation in it, and thus it does not affect HDIGF financial results.

80% of the total contributions were placed in time deposit accounts at the member credit institutions paying the contributions while the remaining 20% was invested in European short term securities by the Bank of Greece, according to a relevant management contract. The securities' yields presented a substantial decline due to the extreme uncertainty in international financial markets. In contrast, the return on placements in time deposits, determined by the interest rate on the Greek Government 3-month T-bills, appreciated considerably, due to the fiscal conditions prevailing in the country.

The Minister of Finance decision number 31996/B.1562/22.7.2010 (Government Gazette 1186 B'/06.08.2010) established the criteria for

determining the calculation and allocation of credit institutions' annual contributions to the ICS. Accordingly, the regular annual contribution is calculated on the basis of the thresholds scale presented below, according to the value of the assets that the credit institution holds on account of its clients.

Value of client assets thresholds scale	Percentage contribution rate
(a) Up to 30,000,000 euro	2.75% or 1%
(b) 30,000,001 - 250,000,000 euro	2.75%
(c) More than 250,000,001 euro	1%

It should be mentioned that the low percentage contribution rate of threshold (a) is applied for securities that the credit institution holds on account of its clients which are registered in the Greek Dematerialized Securities System in final investor accounts, as well as for financial instruments which are monitored in final investor accounts from the system administrator, provided that the credit institution has assigned the administrator of Dematerialized Securities System or the administrator of the clearing and settlement system or the central counterparty, to inform the final account holders who are clients of the credit institution for any variation in their account. The basis of calculating the annual regular contributions following the first year of effect of law 3746/2009 is determined by the

yearly variation of the value of clients assets held by each credit institution.

In pursuance of the above mentioned decision, the HDIGF Board determined the level of credit institutions regular annual contribution for the years 2009 and 2010, and decided that such contribution will be paid in four equal semi-annual installments.

HDIGF expenses posted a slight decline but had a marginal impact on the financial results because of their low overall level. According to the provisions of Law 3746/2009 (art. 24, par. 4), total HDIGF expenses were apportioned between the two Schemes (DCS and ICS). The apportionment of expenses among Schemes, as well as among the two Funds of DCS (PDCF and SDCF), was based on the number of credit institutions participating in each Scheme/Fund, according to a relevant HDIGF Board decision.

The following section analyzes the HDIGF financial results for year 2010 and gives an account of the factors that led to their divergence from the budget forecast levels.

2.2 Deposit Cover Scheme (DCS)

2.2.1 Primary Deposit Cover Fund (PDCF)

Total income amounted to 150,541,053 euro, which is 4.2% less than the budget forecast of 157,195,000 euro (Table 1 and 2).

Specifically:

Income to PDCF from regular annual contributions, representing one fifth of the annual regular contributions to DCS, totaled 125,860,079 euro, 12.5% lower than the budget forecast of 143,860,000 euro. This reflected mainly a 9.45% decline in deposits, which comprise the basis for calculating contributions, as compared to a forecast of 11% growth.

Capital revenues, which comprise mainly of interest on the Fund's placements, totaled 24,679,058 euro (after tax deduction) and overshot by 85.1 % the budget forecast of 13,335,000 euro. This development reflects the increase in the interest rate on Greek Government 3-month T-bills that determine the average return on placements in time deposits. In particular, the average return on placements in time deposits amounted to 2.28%, compared with the budget forecast of 0.75%. In contrast, the investment income from government securities was less than expected, but its contribution to the total income was marginal, due to its relatively small value. Specifically, the average net return (after taxes) on securities, based on market value estimates, stood at 0.75% compared to a forecast of 1.8%. It should be noted that the average net return (after taxes) of total investments stood at 1.91% compared to a forecast of 1.05%.

However, the increase in capital revenues was more than offset by the decrease in the revenue from contributions, thereby pushing total

revenues to lower levels than anticipated.

PDCF operating expenses amounted to 512,184 euro, 8.6% below the budget forecast of 560,200 euro. PDCF expenses constitute half (50%) of the DCS operating expenses, which in turn constitute 86.5% of HDIGF total expenses. The aforementioned apportionment was based on the number of participating credit institutions in each HDIGF Scheme / Fund.

The **extraordinary and non-operating revenues** of 5,066,132 euro reflect the difference between the previous years' provisions and actual income taxes paid for European securities.

DCS financial results amounted to 155,528,562 euro, 0.7% lower than the budget forecast of 156,634,800 euro.

2.2.2 *Supplementary Deposit Cover Fund (SDCF)*

The SDCF financial results, which comprise of four fifths of the annual contributions of credit institutions to the DCS and the respective returns, amounted to 523,628,128 euro or 10.5% lower than the budget forecast of 585,229,000 euro. More specifically, regular annual contributions to SDCF totaled 503,440,326 euro, 12.5% lower than the forecast of 575,440,000 euro, due to the reduced basis for calculating contributions, as mentioned above. Capital revenues amounted to 21,459,653 euro, overshooting by 100.8% the

budget forecast of 10,686,000 euro, mostly because of the increase in Greek Government 3-month T-bills' interest rate, which determines the return on time deposits. More specifically, the average return on time deposits stood at 2.45%, compared to the budget forecast of 0.75%. In contrast, the average return on securities stood at 0.69%, compared to the forecast of 1.8%, however, its contribution to revenue was marginal due to its relatively small value. Average return of overall placements stood at 2.09%, well over the budget forecast of 1.05%.

Moreover, SDCF financial results were affected by the refund of the value of the American Express Banking Corporation individual account, due to the withdrawal from the HDIGF of the said institution.

SDCF operating expenses amounted to 933,597 euro and constitute the participation of the Fund to the total HDIGF expenses for 2010 and retroactively for 2009.

2.2.3 *Surplus and Investments of DCS*

Surplus funds of the DCS amounted to 679,156,690 euro, 8.5% below budget forecast of 741,863,800 euro.

Funds for investment amounted to 699,286,079 euro or 5.3% below the initial forecast of 738,424,000 euro. The difference between the surplus funds and the funds for

investment results from the time lag of the receipt of the 2nd installment of the annual contributions, in accordance to the provision of para 4d, art. 4 of Law 3746/2009.

The funds for investment that are placed in securities amounted to 127,419,353 euro, 60.8% below the forecast of 325,205,000 euro, reflecting on the one hand the shortfall in contributions and on the other the returns on the respective securities. In contrast, the time deposit placements stood at 571,863,211 euro or 38,4% higher than the initial forecast of 413,119,000 euro, due to the increase in the returns on time deposits. Furthermore, fixed assets of 3,515 euro were purchased.

In 2010 the average return on DCS total placements amounted to 1.99% (Diagram 9).

2.3 Investment Cover Scheme (ICS)

Total income from contributions paid by credit institutions participating in the Scheme amounted to 164,424,708 euro, overshooting by 99.5% the budget forecast of 82,400,000 euro. This development was due to an increase in the basis for calculating annual contributions, as well as the calculation of annual contributions for two years (2009 and 2010) within the current year, in accordance to the Minister of Finance Decision 31996/B.1562/22.07.2010 (Government Gazette 1186 B/06.08.2010). Capital revenues amounted to 322,098 euro, 22% below the budget forecast of 413,000 euro,

as a result of the payment of the annual contributions in installments and the short investment period of these assets.

Operating costs allocated to the Scheme stood at 157,976 euro, 8,6% over budget forecast of 172,800 euro, reflecting the decline in the HDIGF total administrative expenses, as detailed at a later chapter. It should be mentioned that the ICS operating expenses were calculated on the basis of the aforementioned allocation of expenses into the two Schemes, at 13.5% of HDIGF total expenses.

ICS surplus funds stood at 164,588,830 euro overshooting by 99.2% the budget forecast of 82,640,200 euro.

In accordance to the provisions of the Law (art. 6, para 12b, law 3746/2009), **funds for investment** are placed solely in time deposit accounts and totaled 33,296,427 euro, 44.3% below the budget forecast of 59,741,000 euro. This deviation is a result of the disbursement of annual contributions in installments, which was not known at the time of drafting the budget. The difference between the investment funds and the surplus funds results from the time lag of the receipt of regular annual contributions.

2.4 HDIGF Total Expenses

HDIGF total administrative expenditure stood at 1,170,196 euro, 8.6% less than the budget

forecast of 1,280,000 euro (Table 3).

The expenses by category, as compared to the budget forecasts, are as follows:

- “Salaries and third-party fees” amounted to 990,521 euro or 3.2% below budget forecast of 1,023,600 euro. This mainly reflects the change in status of seconded staff as well as the fact that the forecasted readjustment of wage thresholds did not materialize.
 - “Third-party service fees” stood at 19,290 euro, 46.7% below the budget forecast of 36,200 euro, mainly because the contract for Information Technology Equipment service has not been renewed.
 - “Taxes and duties” amounted to 10,809 euro, 11.4% below forecasts of 12,200 euro, due to the fact that municipal taxes readjustment did not materialize, as anticipated.
 - “Other expenses” amounted to 75,549 euro, 3.5% higher than the budget forecast of 73,000 euro.
- “Banking charges” amounted to 8,179 euro or 75.6% less than the forecast of 33,500 euro, mainly due to lower commission payment to the HDIGF investment portfolio manager, as a result of lower than anticipated portfolio returns.
 - “Fixed assets depreciation” amounted to 27,051 euro or 64.6% below the budget forecast of 76,500 euro, due to cancellation of budgeted purchase of information technology equipment.
 - “Provisions” amounted to 20,801 euro, 16.8% less than initial estimates, due to smaller than expected increase in contingent staff compensation, as wage thresholds remained at the previous year’s level.
 - “Extraordinary and non-operating expenses” reflect the difference between the previous year’s provision for income tax on European securities and the actual amount paid.

Table 1: Statement of Accounts
(amounts in euro)

	2010		
	Budgeted*	Actual	Deviation (%)
I. DEPOSIT COVER SCHEME (DCS)			
a. Primary Deposit Cover Fund (PDCF)¹			
1 Income	157,195,000	150,541,053	-4.2
- Annual contributions of credit institutions participating in the DCS	143,860,000	125,860,079	-12.5
- Investment Income (after tax)	13,335,000	24,679,058	85.1
- Extraordinary and non-operating income	-	1,916	
2 PDCF Operating Expenses²	(560,200) *	(512,184)	-8.6
3 Extraordinary and non-operating results	-	5,066,132³	-
4 SDCF Operating expenses (previous year)	-	433,561	-
5 NET RESULTS (1+2+3+4)	156,634,800 *	155,528,562	-0.7
b. Supplementary Deposit Cover Fund (SDCF)⁴	585,229,000 *	523,628,128	-10.5
- Annual contributions of credit institutions participating in the DCS	575,440,000	503,440,326	-12.5
- Revenues	10,686,000	21,459,653	100.8
- Value of the individual account of a credit institution due to cessation of operations ⁵	(350,000)	(338,254)	-3.4
- SDCF Operating expenses ²	(547,000) *	(933,597) ⁶	70.7
6 DCS SURPLUS (5+b)	741,863,800 *	679,156,690	-8.5
II. INVESTMENT COVER SCHEME (ICS)⁴			
- Annual contributions of credit institutions participating in the ICS	82,400,000	164,424,708	99.5
- Revenues	413,000	322,098	-22.0
- ICS Operating expenses ²	(172,800)	(157,976)	-8.6
ICS SURPLUS	82,640,200	164,588,830	99.2
A. FUNDS FOR INVESTING	798,165,000	732,582,506	-8.2
1 Deposit Cover Scheme (DCS)	738,424,000	699,286,079	-5.3
Surplus of DCS	741,863,800	679,156,690	-8.5
Cash-flow adjustment ⁷	(3,439,800)	20,129,389	
2 Investment Cover Scheme (ICS)	59,741,000	33,296,427	-44.3
Surplus of ICS	82,640,200	164,588,830	99.2
Cash-flow adjustment ⁷	(22,899,200)	(131,292,403)	
B. INVESTMENTS	798,165,000	732,582,506	-8.2
1 Deposit Cover Scheme (DCS)	738,424,000	699,286,079	-5.3
Placement in Securities	325,205,000	127,419,353	-60.8
Time deposits	413,119,000	571,863,211	38.4
Fixed Assets	100,000	3,515	-96.5
2 Investment Cover Scheme (ICS)	59,741,000	33,296,427	-44.3
Time deposits	59,741,000	33,296,427	

* Due to the allocation of DCS operating expenses among PDCF and SDCF, there have been some adjustments to the values of the column "Budgeted" in order to be comparable to the column "Actual".

Notes

- PDCF constitutes an asset to the HDIGF.
- By decision of the Board of Directors, HDIGF expenses are allocated among the DCS and ICS – and furthermore, within the DCS, between Primary and Supplementary Deposit Cover Fund.
- Difference between the previous year's provision for contingent taxation of the return on European government securities and the final amount paid.
- SDCF and ICS are groups of assets, belonging pro-indiviso to the member credit institutions and are managed by the HDIGF.
- Refund to American Express Banking Corporation of the value of its individual account, due to its withdrawal from the HDIGF DCS on July 3, 2009.
- Includes expenses incurred by the SDCF for the year 2009, which amount to 433,561 euro.
- The positive sign on "Cash-flow adjustment" implies an increase in available funds for investing and, on the contrary, the negative sign implies a decrease in available funds for investing.

Table 2: Resources
(amounts in euro)

	2010		
	Budgeted	Actual	Deviation (%)
I. DEPOSIT COVER SCHEME (DCS)	743,321,000	675,441,032	-9.1
1. Primary Deposit Cover Fund (PDCF)	157,195,000	150,541,053	-4.2
<u>Income from contributions of credit institutions participating in the DGS</u>	<u>143,860,000</u>	<u>125,860,079</u>	<u>-12.5</u>
- Income from regular annual contributions	143,860,000	125,860,079	-12.5
<u>Investment Income</u>	<u>13,335,000</u>	<u>24,679,058</u>	<u>85.1</u>
- <u>Income from government securities (after tax)</u>	<u>6,435,000</u>	<u>3,012,631</u>	<u>-53.2</u>
Interest income from securities	6,435,000	3,668,772	
Income Tax	-	(656,141)	
- <u>Interest Income from Deposits (after tax)</u>	<u>6,900,000</u>	<u>21,666,427</u>	<u>214.0</u>
Interest Income from Deposits	7,666,700	24,073,808	
Income Tax	(766,700)	(2,407,381)	
<u>Extraordinary and non-operating income</u>	<u>0</u>	<u>1,916</u>	<u>-</u>
2. Supplementary Deposit Cover Fund (SDCF)	586,126,000	524,899,979	-10.4
<u>Contributions of credit institutions participating in the DGS</u>	<u>575,440,000</u>	<u>503,440,326</u>	<u>-12.5</u>
- Regular annual contributions	575,440,000	503,440,326	
<u>Revenues</u>	<u>10,686,000</u>	<u>21,459,653</u>	<u>100.8</u>
- <u>Interest on securities (after tax)</u>	<u>4,870,000</u>	<u>1,162,884</u>	<u>-76.1</u>
Interest on securities	4,870,000	1,437,146	
Tax on interest	-	(274,262)	
- <u>Interest on Deposits (after tax)</u>	<u>5,816,000</u>	<u>20,296,769</u>	<u>249.0</u>
Interest on Deposits	6,462,000	22,551,966	
Tax on interest	(646,000)	(2,255,197)	
II. INVESTMENT COVER SCHEME (ICS)	82,813,000	164,746,806	98.9
<u>Contributions of credit institutions participating in the ICS</u>	<u>82,400,000</u>	<u>164,424,708</u>	<u>99.5</u>
- Annual contributions	82,400,000	164,424,708	
<u>Revenues</u>	<u>413,000</u>	<u>322,098</u>	<u>-22.0</u>
- <u>Interest on Deposits (after tax)</u>	<u>413,000</u>	<u>322,098</u>	
Interest on Deposits	459,000	357,887	
Tax on interest	(46,000)	(35,789)	

Table 3: Expenses
(amounts in euro)

	2010		
	Budgeted	Actual	Deviation (%)
<u>EXPENSES</u>	<u>1,280,000</u>	<u>1,170,196</u>	<u>-8.6</u>
1. Salaries and third party fees	1,023,600	990,521	-3.2
- <u>Salaries</u>	<u>710,500</u>	<u>680,764</u>	<u>-4.2</u>
Salaries of personnel	536,800	516,002	-3.9
Remuneration of seconded staff	166,700	154,524	-7.3
Remuneration of staff hired on a project basis	7,000	10,238	46.3
- <u>Other fees & staff expenses</u>	<u>7,900</u>	<u>9,323</u>	<u>18.0</u>
Staff training expenses	3,000	1,911	-36.3
Other benefits	4,900	7,412	51.3
- <u>Employer's social security contributions</u>	<u>198,900</u>	<u>191,922</u>	<u>-3.5</u>
Employer's contributions for salaried staff	111,100	106,630	-4.0
Employer's contributions for seconded staff	80,200	77,962	-2.8
Employer's contributions to Attorney's Fund	6,200	5,287	-14.7
Employer's contributions for staff hired on a project basis	1,400	2,043	45.9
- <u>Third – party fees & expenses</u>	<u>106,300</u>	<u>108,512</u>	<u>2.1</u>
Internal Auditor's fee	46,500	47,010	1.1
Fees of other freelancers	2,000	655	-67.3
BoD remuneration	23,800	23,760	-0.2
Management remuneration	26,500	26,143	-1.3
Auditor's fees	7,500	10,944	45.9
2. Third – party services	36,200	19,290	-46.7
Energy cost, telecommunication and courier services	13,100	12,222	-6.7
Insurance	1,100	1,005	-8.6
Contracts - maintenance of equipment	22,000	6,063	-72.4
3. Tax & Duties	12,200	10,809	-11.4
4. Other operating expenses	73,000	75,549	3.5
Travel expenses	18,000	24,365	35.4
Information & PR expenses	2,000	517	-74.2
Subscriptions	8,400	8,402	0.0
Printed materials and stationery	2,500	1,677	-32.9
Consumables	6,200	7,025	13.3
Publications	17,000	16,571	-2.5
Communal bills	18,300	16,992	-7.1
Other 3rd party fees for services rendered	600	-	-
5. Banking charges	33,500	8,179	-75.6
6. Fixed assets depreciation	76,500	27,051	-64.6
7. Provisions	25,000	20,801	-16.8
8. Extraordinary & non-operating expenses	-	17,996	-

Table 4: Credit institutions participating in the Deposit Cover Scheme (DCS)

A. CREDIT INSTITUTIONS INCORPORATED IN GREECE

1. AGRICULTURAL BANK OF GREECE
2. AEGEAN BALTIC BANK
3. ALPHA BANK
4. ATTICA BANK
5. GENERAL BANK OF GREECE
6. NATIONAL BANK OF GREECE
7. CREDICOM CONSUMER FINANCE ¹
8. EMPORIKI BANK OF GREECE
9. INVESTMENT BANK OF GREECE
10. FBB-FIRST BUSINESS BANK
11. MARFIN EGNATIA BANK
12. PANELLINIA BANK
13. PROTON BANK
14. T BANK
15. TT HELLENIC POSTBANK
16. E.F.G. EUROBANK - ERGASIAS
17. MILLENNIUM BANK
18. PROBANK
19. PIRAEUS BANK
20. ACHAIA COOPERATIVE BANK
21. PANCRETAN COOPERATIVE BANK
22. COOPERATIVE BANK OF DRAMA
23. COOPERATIVE BANK OF WESTERN MACEDONIA
24. COOPERATIVE BANK OF DODECANESE
25. COOPERATIVE BANK OF EVROS
26. COOPERATIVE BANK OF EVIA
27. COOPERATIVE BANK OF EPIRUS
28. COOPERATIVE BANK OF THESSALY
29. COOPERATIVE BANK OF KARDITSA
30. COOPERATIVE BANK OF LAMIA
31. COOPERATIVE BANK OF LESVOS - LEMNOS
32. COOPERATIVE BANK OF PELOPONNESE COOP
33. COOPERATIVE BANK OF PIERIA - OLYMPIC CREDIT
34. COOPERATIVE BANK OF SERRES
35. COOPERATIVE BANK OF CHANIA

B. BRANCHES OF CREDIT INSTITUTIONS INCORPORATED OUTSIDE THE EU

36. BANK OF AMERICA N.A.
37. BANK SADERAT IRAN
38. INTESA SANPAOLO BANK ALBANIA – GREEK BRANCH
39. KEDR CLOSE JOINT STOCK COMPANY COMMERCIAL BANK
40. T.C. ZIRAAT BANKASI A.S

¹ "EMPORIKI CREDICOM BANK S.A." changed its name to "CREDICOM CONSUMER FINANCE S.A." in January 10, 2011

Table 5: Credit institutions participating in the Investment Cover Scheme (ICS)

CREDIT INSTITUTIONS INCORPORATED IN GREECE

1. AGRICULTURAL BANK OF GREECE
2. AEGEAN BALTIC BANK
3. ALPHA BANK
4. ATTICA BANK
5. GENERAL BANK OF GREECE
6. NATIONAL BANK OF GREECE
7. FBB-FIRST BUSINESS BANK
8. MARFIN EGNATIA BANK
9. TT HELLENIC POSTBANK
10. E.F.G. EUROBANK - ERGASIAS
11. MILLENNIUM BANK
12. PIRAEUS BANK
13. COOPERATIVE BANK OF CHANIA

Table 6: Breakdown of Accumulated Resources of the Deposit Cover Scheme (DCS)
(amounts in euro)

Accumulated resources	2009	2010
1. Primary Deposit Cover Fund (PDCF)	1,250,750,251	1,404,496,827
2. Supplementary Deposit Cover Fund (SDCF)	1,044,827,394	1,568,455,523
Total DCS (1+2)	2,295,577,645	2,972,952,350

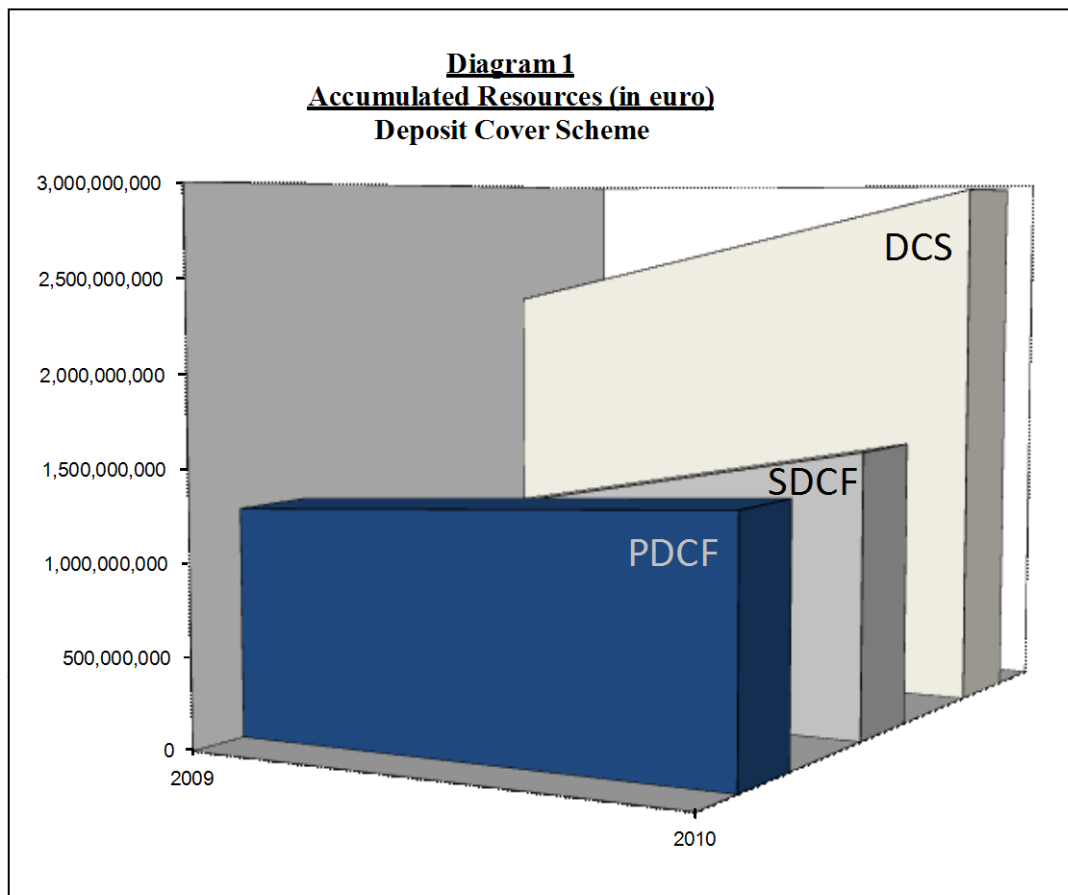


Table 7: Resources of the Deposit Cover Scheme (DCS) per year for the period 1995-2010

(amounts in euro)

	Start-up Capital	New members' entry fees	Annual Contributions	Investment Income and Revenues ⁽¹⁾	Total Resources
1995	8,804,109		28,777,290		37,581,399
1996		60,094	33,463,907	5,050,503	38,574,504
1997			38,117,811	6,831,433	44,949,244
1998		149,371	42,824,491	12,921,410	55,895,272
1999			45,506,036	15,692,505	61,198,541
2000		6,032,987	49,870,222	17,048,035	72,951,244
2001		6,534,100	52,965,769	11,967,876	71,467,745
2002		6,015,223	58,745,192	11,061,357	75,821,772
2003		640,281	61,586,031	10,134,662	72,360,974
2004		506,877	66,659,700	10,586,311	77,752,888
2005			73,914,664	12,301,560	86,216,224
2006		20,322,905	89,873,958	16,492,596	126,689,459
2007		305,515	101,232,083	26,914,201	128,451,799
2008 ²		595,517	602,108,882	38,045,011	640,749,410
2009			694,980,770	29,700,762	724,681,532
2010			629,300,405	46,138,711	675,439,116

¹ After tax

² According to article 6 of Law 3714/2008 (Government Gazette 231 A' / 07.11.2008) the coverage limit has been increased from 20,000 euro to 100,000 euro. As a result, rates for the calculation of the annual regular contribution of participating credit institutions increased by a factor of five (5).

Diagram 2
Resources 1995-2010, per year
(in euro)
Primary Deposit Cover Fund

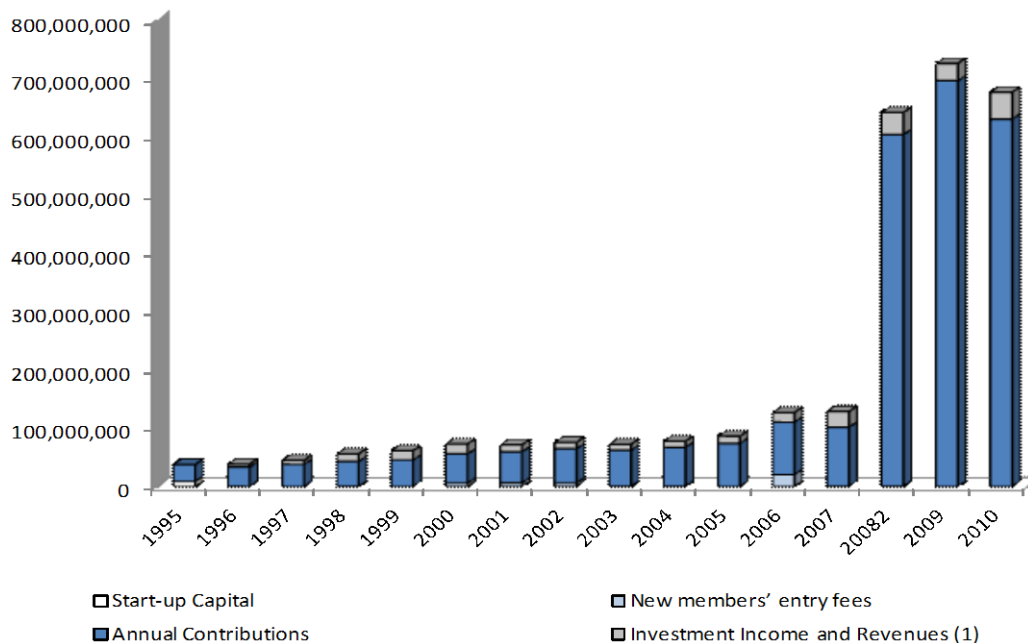


Table 8: Breakdown of Resources of the Deposit Cover Scheme as at 31 December 2010

(amounts in euro)

Resources ¹	PDCF	SDCF	TOTAL
1. European Government Securities	313,295,061	260,179,131	573,474,192
2. Time deposits ²	1,024,815,248	1,057,470,956	2,082,286,204
3. Receivables from contributions	63,029,289	251,720,145	314,749,434
4. Other resources (Sight Deposits-Cash)	382,575	27,893	410,468
Total Available Financial Means (1+2+3+4)	1,401,522,173	1,569,398,125	2,970,920,298

¹ Resources include cash equivalents

² Including interest accrued on time deposits amounting to 9,288,738.93 euro for PDCF and 9,587,104.12 euro for SDCF.

Diagram 3

Breakdown of PDCF Resources at 31 December 2010

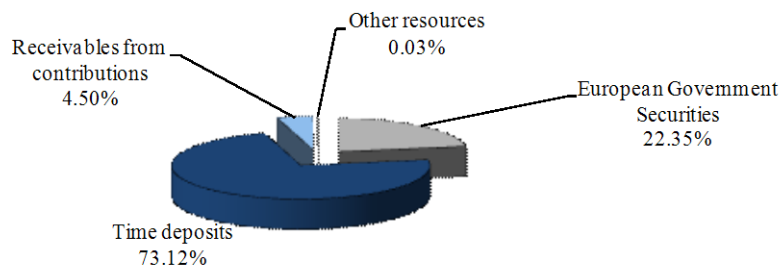


Diagram 4

Breakdown of SDCF Resources at 31 December 2010

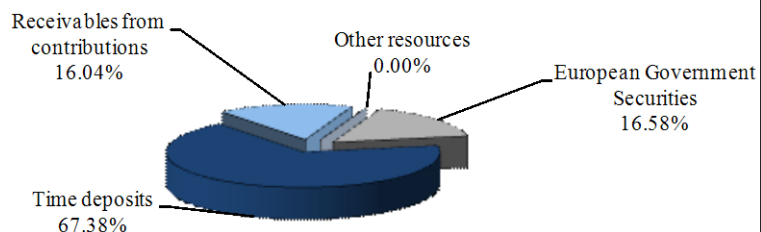


Diagram 5

Breakdown of DCS Resources at 31 December 2010

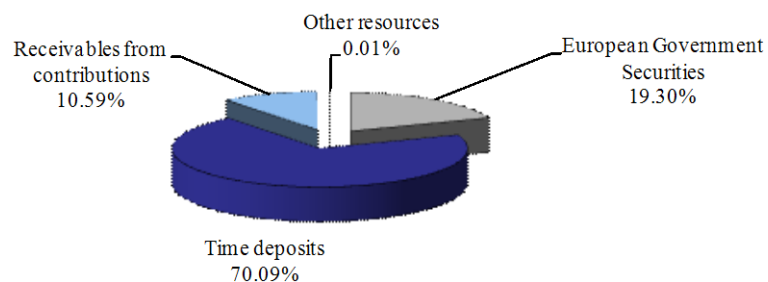


Table 9: Resources of the Investment Cover Scheme (ICS)

(amounts in euro)

Accumulated Resources	2009	2010
Investment Cover Scheme	6,140,338	170,729,169

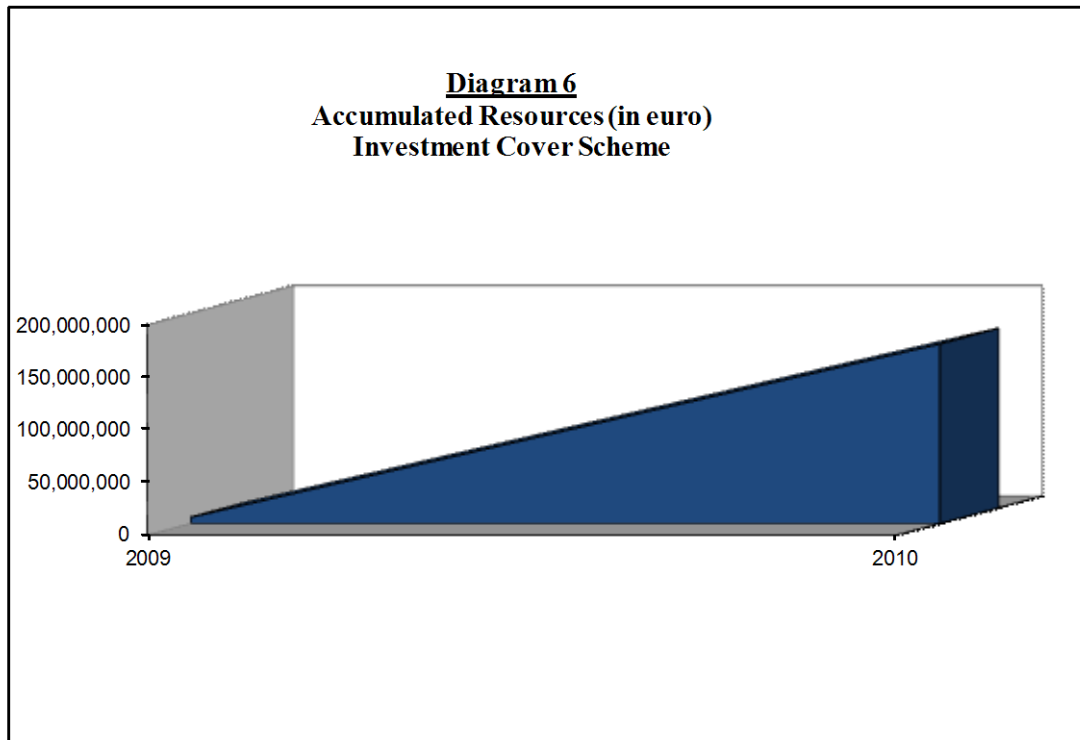


Table 10: Resources of the Investment Cover Scheme (ICS) per year for the period 2009-2010

(amounts in euro)

	Start-up Capital	New members' entry fees	Revenues ¹	Total Resources
2009	6,250,000	161,022,434	27,312	167,299,746
2010		3,402,274 ²	322,098	3,724,372

¹ After tax

² The annual contribution for year 2010, in accordance to the Minister of Finance decision number 31996/B.1562/22.07.2010 (Government Gazette 1186 B' / 06.08.2010), was calculated by considering the change in the basis for calculation from the previous year.

Diagram 7
Capital Resources 2009-2010 per year (in euro)
Investment Cover Scheme

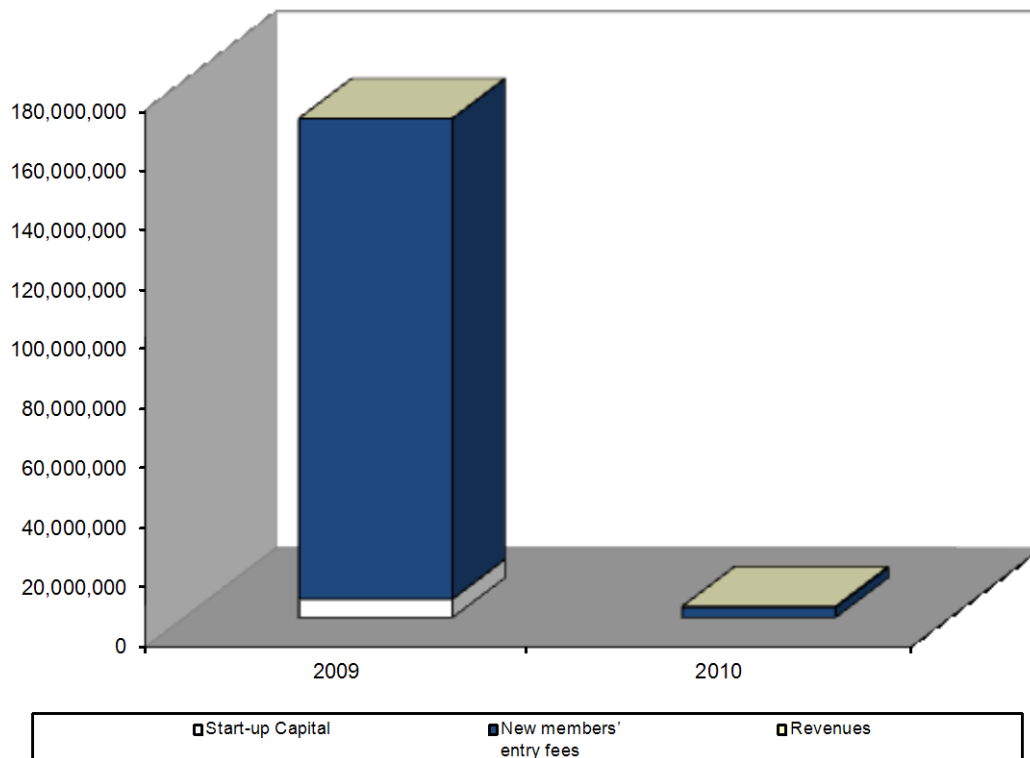


Table 11: Breakdown of Resources of the Investment Cover Scheme (ICS) as at 31 December 2010

(amounts in euro)

Resources¹		
1. Time deposits ²	38,323,739	22.44%
2. Receivables from contributions	123,206,797	72.15%
3. Other resources (Sight Deposits)	9,228,229	5.40%
Total (1+2+3)	170,758,765	100.00%
¹ Resources include cash equivalents		
² Includes interest accrued on time deposits amounting to 256,702.55 euro		

Diagram 8
Breakdown of Resources at 31 December 2010
Investment Cover Scheme (ICS)

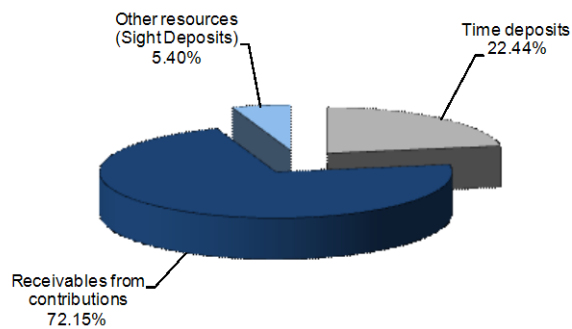


Diagram 9
Average Return of placements for years 1997-2010
Deposit Cover Scheme

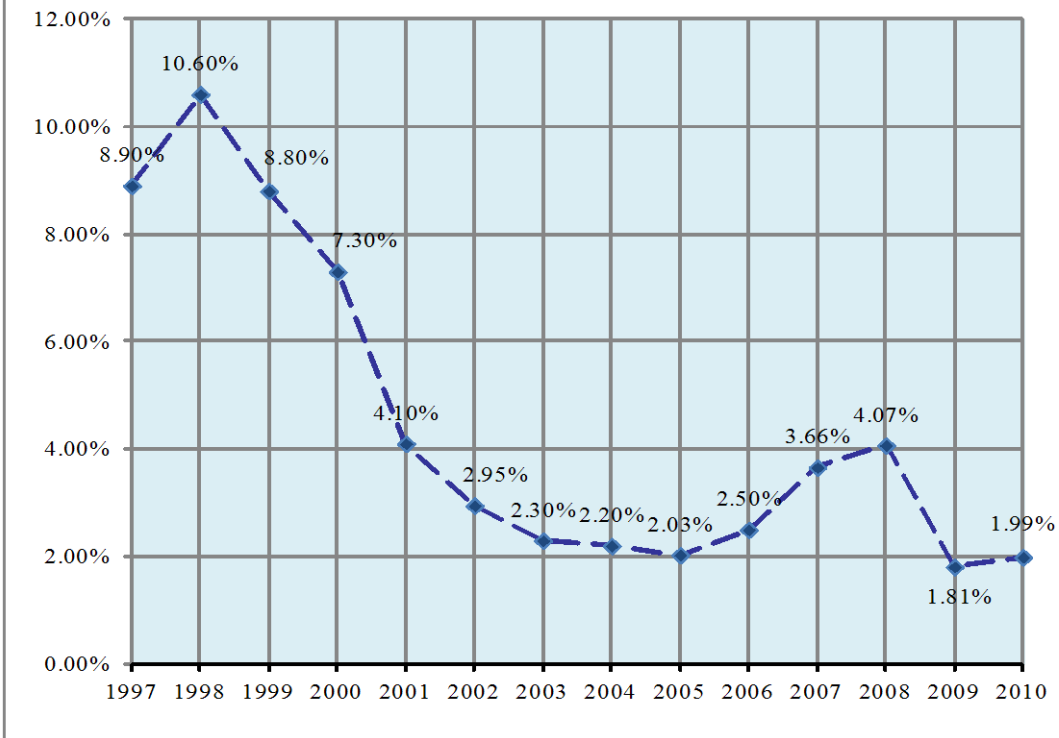


Diagram 10
Number of Credit Institutions, per year
Deposit Cover Scheme

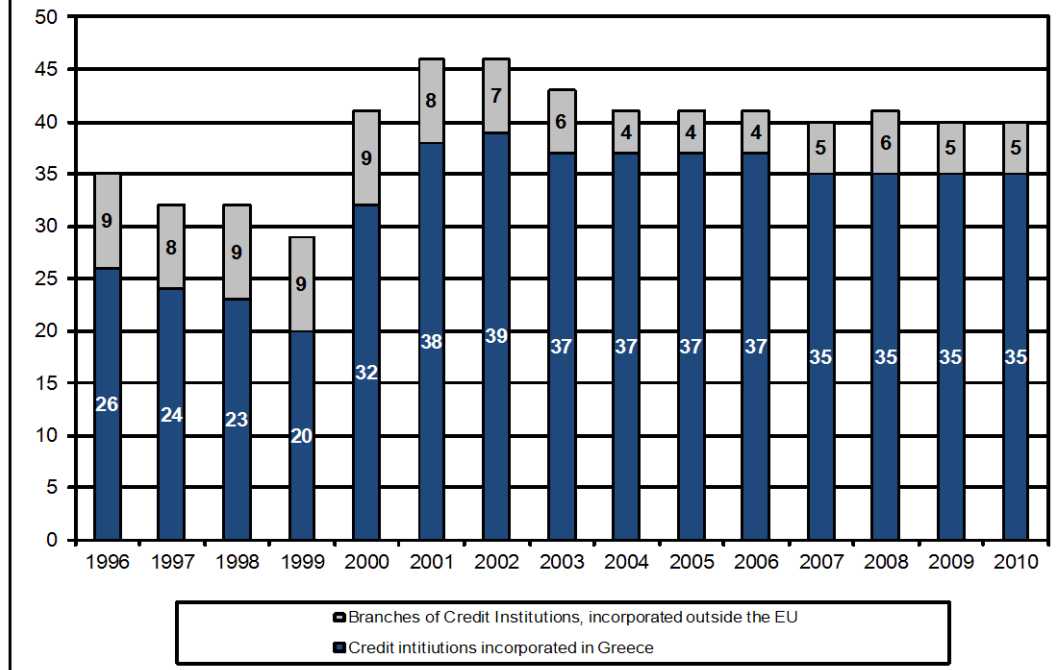


Table 12: Breakdown of time deposits per Fund and per credit institution as at 31 December 2010

(amounts in euro)

Credit institutions participating in the HDIGF DCS ¹	PDCF ²	SDCF ³	DCS*
1. NATIONAL BANK OF GREECE	148,770,951.36	119,962,142.48	268,733,093.84
2. ALPHA BANK	140,302,920.07	115,902,396.63	256,205,316.70
3. E.F.G. EUROBANK-ERGASIAS	126,141,248.23	115,908,956.52	242,050,204.75
4. AGRICULTURAL BANK OF GREECE	117,627,164.72	108,772,366.06	226,399,530.78
5. EMPORIKI BANK OF GREECE	115,938,960.71	102,137,018.85	218,075,979.56
6. PIRAEUS BANK	99,680,077.92	112,401,220.16	212,081,298.08
7. MARFIN EGNATIA BANK	63,750,226.72	93,585,309.13	157,335,535.85
8. TT HELLENIC POSTBANK	57,379,549.69	95,645,044.92	153,024,594.61
9. GENERAL BANK OF GREECE	28,113,600.97	23,830,577.70	51,944,178.67
10. ATTICA BANK	20,077,199.20	25,980,174.22	46,057,373.42
11. MILLENNIUM BANK	16,011,383.96	25,214,381.45	41,225,765.41
12. PROBANK	14,374,379.08	24,747,848.91	39,122,227.99
13. T BANK	17,159,587.43	19,585,314.19	36,744,901.62
14. FBB-FIRST BUSINESS BANK	11,816,313.92	12,120,391.23	23,936,705.15
15. PANCRETAN COOPERATIVE BANK	8,442,355.29	13,738,673.13	22,181,028.42
16. PROTON BANK	9,658,694.84	11,983,833.77	21,642,528.61
17. PANELLINIA BANK	3,264,955.33	4,943,632.40	8,208,587.73
18. COOPERATIVE BANK OF CHANIA	2,160,509.30	3,713,234.25	5,873,743.55
19. INVESTMENT BANK OF GREECE	2,753,980.57	2,513,838.75	5,267,819.32
20. COOPERATIVE BANK OF DODECANESE	1,633,331.77	2,491,723.91	4,125,055.68
21. AEGEAN BALTIC BANK	1,447,011.78	1,988,953.23	3,435,965.01
22. ACHAIA COOPERATIVE BANK	1,074,573.65	1,932,347.28	3,006,920.93
23. BANK OF AMERICA N.A.	1,241,991.49	876,769.22	2,118,760.71
24. COOPERATIVE BANK OF THESSALIA	613,068.05	1,197,626.66	1,810,694.71
25. COOPERATIVE BANK OF EPIRUS	484,126.76	936,484.13	1,420,610.89
26. COOPERATIVE BANK OF EVIA	546,373.45	854,484.68	1,400,858.13
27. COOPERATIVE BANK OF LAMIA	737,192.63	470,192.77	1,207,385.40
28. COOPERATIVE BANK OF LESVOS-LEMNOS	406,367.13	591,697.35	998,064.48
29. COOPERATIVE BANK OF PELOPONNESUS	256,232.70	603,031.54	859,264.24
30. COOPERATIVE BANK OF EVROS	373,258.26	457,532.12	830,790.38
31. COOPERATIVE BANK OF SERRES	364,007.62	463,572.99	827,580.61
32. INTESA SAN PAOLO BANK ALBANIA-GREEK BRANCH	436,375.29	341,513.85	777,889.14
33. COOPERATIVE BANK OF WESTERN MACEDONIA	252,911.94	505,575.46	758,487.40
34. COOPERATIVE BANK OF KARDITSA	286,941.25	403,687.19	690,628.44
35. KEDR CLOSE JOINT STOCK COMPANY COMMERCIAL BANK	331,700.83	315,732.87	647,433.70
36. CREDICOM CONSUMER FINANCE ⁴	591,026.84	0.00	591,026.84
37. COOPERATIVE BANK OF DRAMA	225,881.23	327,082.31	552,963.54
38. COOPERATIVE BANK OF PIERIA – OLYMPIC CREDIT	207,561.68	302,697.76	510,259.44
39. T.C. ZIRAAT BANCASI A.S.	423,319.31	70,540.29	493,859.60
40. BANK SADERAT IRAN	169,195.71	66,252.18	235,447.89
Total	1,015,526,508.68	1,047,883,852.54	2,063,410,361.22
* In descending order			
Notes			
1. The Deposit Cover Scheme (DCS) is comprised of the Primary Deposit Cover Fund (PDCF) and the Supplementary Deposit Cover Fund (SDCF).			
2. Interest accrued on time deposits, amounting to 9,288,738.93 euro, is not included.			
3. Interest accrued on time deposits, amounting to 9,587,104.12 euro, is not included.			
4. "EMPORIKI CREDICOM BANK S.A." changed its name to "CREDICOM CONSUMER FINANCE S.A." in January 10, 2011			

Table 13: Breakdown of receivables of the Deposit Cover Scheme per credit institution as at 31 December 2010

(amounts in euro)

HDIGF participating credit institutions	Initial Contribution	2nd instalment of the annual contribution 2010 ^{(1) (*)}
1. NATIONAL BANK OF GREECE		36,134,992.00
2. ALPHA BANK		34,930,523.00
3. E.F.G. EUROBANK-ERGASIAS		34,895,644.00
4. PIRAEUS BANK		34,423,867.00
5. AGRICULTURAL BANK OF GREECE		32,811,505.00
6. EMPORIKI BANK OF GREECE		29,251,315.00
7. TT HELLENIC POSTBANK		28,842,383.00
8. MARFIN EGNATIA BANK		27,889,705.00
9. ATTICA BANK		8,312,657.00
10. MILLENNIUM BANK		8,084,333.00
11. PROBANK		7,897,348.00
12. GENERAL BANK OF GREECE		7,056,431.00
13. T BANK		4,154,627.00
14. PANCRETAN COOPERATIVE BANK		4,102,905.00
15. PROTON ΤΡΑΠΕΖΑ		3,998,888.00
16. FBB-FIRST BUSINESS BANK		3,611,235.00
17. PANELLINIA BANK		1,434,733.00
18. COOPERATIVE BANK OF CHANIA		1,242,709.00
19. AEGEAN BALTIC BANK		828,067.00
20. COOPERATIVE BANK OF DODECANESE		734,754.00
21. ACHAIA COOPERATIVE BANK		603,708.00
22. COOPERATIVE BANK OF THESSALIA		454,821.00
23. COOPERATIVE BANK OF EPIRUS		426,048.00
24. INVESTMENT BANK OF GREECE		351,961.00
25. COOPERATIVE BANK OF EVIA		285,185.00
26. COOPERATIVE BANK OF PELOPONNESUS		248,775.00
27. KEDR CLOSE JOINT STOCK COMPANY COMMERCIAL BANK		245,311.00
28. COOPERATIVE BANK OF WESTERN MACEDONIA		185,890.00
29. COOPERATIVE BANK OF LESVOS-LEMNOS		185,432.00
30. T.C. ZIRAAT BANCASI A.S.	99,252.00	51,938.00
31. COOPERATIVE BANK OF LAMIA		143,465.00
32. COOPERATIVE BANK OF SERRES		143,006.00
33. COOPERATIVE BANK OF KARDITSA		140,494.00
34. COOPERATIVE BANK OF EVROS		133,355.00
35. BANK OF AMERICA N.A.		129,165.00
36. COOPERATIVE BANK OF DRAMA		107,386.00
37. COOPERATIVE BANK OF PIERIA – OLYMPIC CREDIT		98,631.00
38. INTESA SAN PAOLO BANK ALBANIA-GREEK BRANCH		58,795.00
39. BANK SADERAT IRAN		18,195.00
40. CREDICOM CONSUMER FINANCE ²		0.00
Total	99,252.00	314,650,182.00

* In descending order

Notes

- The amounts refer to the second installment of the 2010 annual contribution, which will be paid by credit institutions in the following year. One fifth (1/5) of the installment is directed towards the Primary Deposit Cover Fund (PDCF) and the remaining four fifths (4/5) towards the Supplementary Deposit Cover Fund (SDCF) .
- "EMPORIKI CREDICOM BANK S.A." changed its name to "CREDICOM CONSUMER FINANCE S.A." in January 10, 2011

Table 14: Individual account values of the Supplementary Deposit Cover Fund (SDCF) per credit institution as at 31 December 2010

(amounts in euro)

Credit institutions participating in the HDIGF SDCF ¹	Individual Account Value*	Individual Account Percentage (%)
1. NATIONAL BANK OF GREECE	179,650,501.56	11.45%
2. ALPHA BANK	173,586,114.42	11.07%
3. E.F.G. EUROBANK-ERGASIAS	173,566,302.52	11.07%
4. PIRAEUS BANK	168,781,780.93	10.76%
5. AGRICULTURAL BANK OF GREECE	162,929,545.10	10.39%
6. EMPORIKI BANK OF GREECE	151,739,988.74	9.67%
7. TT HELLENIC POSTBANK	143,255,212.22	9.13%
8. MARFIN EGNATIA BANK	139,908,800.60	8.92%
9. ATTICA BANK	39,297,685.30	2.51%
10. MILLENNIUM BANK	38,150,631.61	2.43%
11. PROBANK	37,416,673.07	2.39%
12. GENERAL BANK OF GREECE	35,588,651.14	2.27%
13. T BANK	27,926,788.29	1.78%
14. PANCRETAN COOPERATIVE BANK	20,544,570.99	1.31%
15. PROTON ΤΡΑΠΕΖΑ	18,257,690.01	1.16%
16. FBB-FIRST BUSINESS BANK	18,119,059.13	1.16%
17. PANELLINIA BANK	7,359,569.68	0.47%
18. COOPERATIVE BANK OF CHANIA	5,660,680.80	0.36%
19. COOPERATIVE BANK OF DODECANESE	3,718,789.92	0.24%
20. INVESTMENT BANK OF GREECE	3,439,250.87	0.22%
21. AEGEAN BALTIC BANK	3,162,176.32	0.20%
22. ACHAIA COOPERATIVE BANK	2,911,124.58	0.19%
23. COOPERATIVE BANK OF THESSALIA	1,869,029.54	0.12%
24. COOPERATIVE BANK OF EPIRUS	1,517,927.36	0.10%
25. COOPERATIVE BANK OF EVIA	1,301,863.77	0.08%
26. BANK OF AMERICA N.A.	1,204,610.76	0.08%
27. COOPERATIVE BANK OF PELOPONNESUS	957,005.65	0.06%
28. COOPERATIVE BANK OF LESVOS-LEMNOS	891,892.76	0.06%
29. COOPERATIVE BANK OF WESTERN MACEDONIA	784,116.37	0.05%
30. COOPERATIVE BANK OF LAMIA	705,559.87	0.04%
31. COOPERATIVE BANK OF SERRES	696,910.76	0.04%
32. COOPERATIVE BANK OF EVROS	681,564.56	0.04%
33. COOPERATIVE BANK OF KARDITSA	619,715.13	0.04%
34. KEDR CLOSE JOINT STOCK COMPANY COMMERCIAL BANK	593,362.93	0.04%
35. COOPERATIVE BANK OF DRAMA	496,937.79	0.03%
36. INTESA SAN PAOLO BANK ALBANIA-GREEK BRANCH	476,089.51	0.03%
37. COOPERATIVE BANK OF PIERIA – OLYMPIC CREDIT	459,275.27	0.03%
38. T.C. ZIRAAT BANCASI A.S.	130,281.19	0.01%
39. BANK SADERAT IRAN	97,791.74	0.01%
Total	1,568,455,522.76	100.00%
* In descending order		
Note		
1. The SDCF is a group of assets, belonging pro-indiviso to the participating credit institutions, proportionate to their rate of participation in the Fund and is managed by the HDIGF (Law 3746/2009, art. 4, par.12).		

Table 15: Breakdown of time deposits of the Investment Cover Scheme (ICS) per credit institution as at 31 December 2010

(amounts in euro)

Credit institutions participating in the HDIGF ICS	Balance at 31 December 2010 ^{1(*)}
1. E.F.G. EUROBANK-ERGASIAS	10,106,045.93
2. NATIONAL BANK OF GREECE	9,784,846.74
3. PIRAEUS BANK	6,032,035.88
4. ALPHA BANK	5,392,133.14
5. MARFIN EGNATIA BANK	2,055,289.01
6. MILLENNIUM BANK	1,281,428.43
7. GENERAL BANK OF GREECE	768,787.01
8. AGRICULTURAL BANK OF GREECE	661,101.73
9. TT HELLENIC POSTBANK	499,213.01
10. ATTICA BANK	440,213.76
11. FBB-FIRST BUSINESS BANK	409,404.93
12. AEGEAN BALTIC BANK	409,325.74
13. COOPERATIVE BANK OF CHANIA	227,210.86
Total	38,067,036.17
* In descending order	
Note	
1. Interest accrued on time deposits, amounting to 256,702.55 euro, is not included	

Table 16: Breakdown of receivables of the Investment Cover Scheme (ICS) per credit institution as at 31 December 2010

(amounts in euro)

Credit institutions participating in the HDIGF ICS	Balance of annual contribution for years 2009 and 2010^{1(*)}
1. E.F.G. EUROBANK-ERGASIAS	36,369,827.00
2. NATIONAL BANK OF GREECE	35,165,353.00
3. PIRAEUS BANK	21,092,163.00
4. ALPHA BANK	18,692,539.00
5. MARFIN EGNATIA BANK	6,179,515.00
6. MILLENNIUM BANK	3,277,918.00
7. GENERAL BANK OF GREECE	1,355,133.00
8. AGRICULTURAL BANK OF GREECE	951,309.00
9. ATTICA BANK	123,040.00
10. TT HELLENIC POSTBANK ²	0.00
11. FBB-FIRST BUSINESS BANK ²	0.00
12. AEGEAN BALTIC BANK ²	0.00
13. COOPERATIVE BANK OF CHANIA ²	0.00
Total	123,206,797.00
* In descending order	
Notes	
1. This is the part of the installments for the Investment Cover Scheme to be deposited in the following years.	
2. Annual contribution for the years 2009 and 2010 has been paid in one installment	

Table 17: Individual account values of the Investment Cover Scheme (ICS) per credit institution as at 31 December 2010

(amounts in euro)

Credit institutions participating in the HDIGF ICS ¹	Individual Account Value*	Individual Account Percentage (%)
1. E.F.G. EUROBANK-ERGASIAS	49,034,310.63	28.71%
2. NATIONAL BANK OF GREECE	47,426,663.50	27.77%
3. PIRAEUS BANK	28,642,868.73	16.77%
4. ALPHA BANK	25,440,028.16	14.90%
5. MARFIN EGNATIA BANK	8,738,548.22	5.12%
6. MILLENNIUM BANK	4,865,485.09	2.85%
7. GENERAL BANK OF GREECE	2,299,325.64	1.35%
8. AGRICULTURAL BANK OF GREECE	1,760,333.49	1.03%
9. ATTICA BANK	654,805.93	0.39%
10. TT HELLENIC POSTBANK	605,898.75	0.36%
11. FBB-FIRST BUSINESS BANK	493,090.16	0.29%
12. AEGEAN BALTIC BANK	492,992.47	0.29%
13. COOPERATIVE BANK OF CHANIA	274,817.95	0.16%
Total	170,729,168.72	100.00%
* In descending order		
Note		
1. The ICS is a group of assets, belonging pro indiviso to the participating credit institutions, at a rate corresponding to their percentage participation, and is managed by the HDIGF (Law 3746/2009, art. 5, par.2).		

Statement of Financial Position / Statement of Income

(amounts in euro)

HELLENIC DEPOSIT & INVESTMENT GUARANTEE FUND
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010
15th YEAR (01/01/2010-31/12/2010)

ASSETS	2 0 1 0 (amounts in euro)					2 0 0 9 (amounts in euro)					LIABILITIES	2 0 1 0 (amounts in euro)		2 0 0 9 (amounts in euro)				
	PDCF	SDCF	DCS	ICS	Total	PDCF	SDCF	DCS	ICS	Total								
	Primary Deposit Cover Fund	Supplementary Deposit Cover Fund	Deposit Cover Scheme	Investment Cover Scheme		Primary Deposit Cover Fund	Supplementary Deposit Cover Fund	Deposit Cover Scheme	Investment Cover Scheme									
I. CASH & CASH EQUIVALENTS																		
1. Cash in hand	1.649,68	0,00	1.649,68	0,00	1.649,68	1.405,95	0,00	1.405,95	0,00	1.405,95								
2. Sight Deposits	380.925,36	27.893,43	408.818,79	9.228.229,00	9.637.047,79	450.592,64	1.017,29	451.609,93	1.250.000,00	1.701.609,93								
3. Time deposits	1.015.526.508,68	1.047.883.852,54	2.063.410.361,22	38.067.036,17	2.101.477.397,39	895.938.818,14	612.681.437,32	1.508.620.255,46	5.028.337,06	1.513.646.592,52								
Total	1.015.909.083,72	1.047.911.745,97	2.063.820.829,69	47.295.265,17	2.111.116.094,86	896.390.816,73	612.682.454,61	1.509.073.271,34	6.276.337,06	1.515.349.608,40								
III. SHORT-TERM RECEIVABLES (FROM CREDIT INSTITUTIONS)																		
1. Annual Contributions	62.930.036,60	251.720.145,40	314.650.182,00	82.137.863,00	396.788.045,00	69.495.075,00	277.980.291,00	347.475.366,00	0,00	347.475.366,00								
3. Initial Contributions	99.252,00	0,00	99.252,00	0,00	99.252,00	249.426,00	0,00	249.426,00	0,00	249.426,00								
Total	63.029.288,60	251.720.145,40	314.749.434,00	82.137.863,00	396.887.297,00	69.744.501,00	277.980.291,00	347.724.792,00	0,00	347.724.792,00								
IV. SUNDRY DEBTORS ¹	1.241.258,60	(942.604,22)	298.654,38	(29.596,00)	269.058,38	245.713,86	134.875,31	380.589,17	(136.974,00)	243.615,17								
V. FIXED INCOME SECURITIES																		
2. European government securities	313.295.061,48	260.179.131,49	573.474.192,97		573.474.192,97	293.072.920,69	153.297.401,00	446.370.321,69		446.370.321,69								
VII. LONG-TERM RECEIVABLES																		
1. Annual contributions	0,00		0,00	41.068.934,00	41.068.934,00	0,00		0,00	0,00	0,00								
2. Warranties given	1.350,00		1.350,00	0,00	1.350,00	1.350,00		1.350,00	0,00	1.350,00								
3. Initial contributions	0,00		0,00	0,00	0,00	99.252,00		99.252,00	0,00	99.252,00								
Total	1.350,00		1.350,00	41.068.934,00	41.070.284,00	100.602,00		100.602,00	0,00	100.602,00								
IX. INTANGIBLE ASSETS																		
1. Intangible fixed assets	315.901,60		315.901,60		315.901,60	325.810,45		325.810,45		325.810,45								
Less: Amortization	(315.901,44)		(315.901,44)		(315.901,44)	(325.810,09)		(325.810,09)		(325.810,09)								
Total	0,16		0,16		0,16	0,36		0,36		0,36								
X. TANGIBLE ASSETS																		
1. Land	1.326.984,62		1.326.984,62		1.326.984,62	1.326.984,62		1.326.984,62		1.326.984,62								
2. Building & fixtures	760.970,29		760.970,29		760.970,29	760.970,29		760.970,29		760.970,29								
Less: Depreciation	(150.401,70)		(150.401,70)		(150.401,70)	(127.647,59)		(127.647,59)		(127.647,59)								
	610.568,59		610.568,59		610.568,59	633.322,70		633.322,70		633.322,70								
3. Furniture & equipment	86.835,17		86.835,17		86.835,17	92.124,91		92.124,91		92.124,91								
Less: Depreciation	(84.890,60)		(84.890,60)		(84.890,60)	(89.397,32)		(89.397,32)		(89.397,32)								
	1.944,57		1.944,57		1.944,57	2.727,59		2.727,59		2.727,59								
Total	1.939.497,78		1.939.497,78		1.939.497,78	1.963.034,91		1.963.034,91		1.963.034,91								
XI. PREPAYMENTS AND ACCRUED INCOME																		
1. Accrued income	9.288.738,93	9.587.104,12	18.875.843,05	256.702,55	19.132.545,60	1.070.365,73	732.372,40	1.802.738,13	974,96	1.803.713,09								
2. Prepaid expenses	314,60	0,00	314,60	0,00	314,60	439,00	0,00	439,00	0,00	439,00								
Total	9.289.053,53	9.587.104,12	18.876.157,65	256.702,55	19.132.860,20	1.070.804,73	732.372,40	1.803.177,13	974,96	1.804.152,09								
TOTAL ASSETS (I+III+IV+V+VII+IX+X+XI)	1.404.704.593,87	1.568.455.522,76	2.973.160.116,63	170.729.168,72	3.143.889.285,35	1.262.588.394,28	1.044.827.394,32	2.307.415.788,60	6.140.338,02	2.313.556.126,62								
OFF-BALANCE SHEET ASSETS																		
3. Contractual Warranties	2.539,00		2.539,00		2.539,00	2.539,00		2.539,00		2.539,00								
LIABILITIES																		
L. SHORT-TERM LIABILITIES																		
1. Suppliers																		
5. Taxes & Duties																		
6. Pension funds																		
Total																		
V. ACCRUALS & DEFERRED INCOME																		
1. Accrued expenses																		
2. Other transition accounts																		
Total																		
VI. PROVISIONS FOR RISKS & OTHER EXPENSES																		
1. Provisions for staff compensation																		
2. Other provisions																		
Total																		
VII. SUPPLEMENTARY DEPOSIT COVER FUND ²																		
VIII. INVESTMENT COVER SCHEME ²																		
IX. EQUITY ²																		
8. Start up capital																		
10. Investment subsidies																		
11. Adjustment accounts																		
12. Surplus carried forward																		
Previous years surplus																		
Previous year's taxes ³																		
Current year's surplus																		
13. Previous years' difference																		
Total																		
TOTAL LIABILITIES (I+V+VI+VII+VIII+IX)																		
OFF BALANCE SHEET LIABILITIES																		
3. Contractual guarantees																		

Notes:

- Includes costs incurred by the Supplementary Deposit Cover Fund and the Investment Cover Scheme. These costs reduce the value of the assets of the SDCF and ICS and respectively increase the value of the assets of the Primary Deposit Cover Fund.
- In the "Liabilities" side of the Statement of Financial Position, the items "Supplementary Deposit Cover Fund" and "Investment Cover Scheme" are assets belonging ab indiviso to the member credit institutions, in proportion to their participation in the respective Fund. Items "SDCF" and "Equity" as well as "Investment Cover Scheme" are destined solely for meeting the claims of depositors and investors of credit institutions participating in the Schemes.
- Concerns taxes paid on the income of European securities against relevant provisions made in the previous year in the event of taxation of such income.

STATEMENT OF INCOME for the year ended 31 December 2010				ATHENS, 23 MARCH 2011	
2 0 1 0		2 0 0 9			
(amounts in euro)		(amounts in euro)			
A. INCOME (a+b)				PRESIDENT	
a. <u>Contributions</u>					
1 Annual Contributions	125.861.995,17		138.999.659,40		
b. <u>Interest and other income</u>					
1 Interest on fixed-income securities	3.668.771,78		7.559.605,60		
2 Less : Tax on the above mentioned interest	(656.140,60)		(851.325,00)		
3 Interest on deposits	24.073.808,25		17.640.759,44		
4 Less : Tax on above mentioned interest	(2.407.380,83)		(1.764.077,60)		
	<u>24.679.058,60</u>	<u>150.541.053,77</u>	<u>22.584.962,44</u>	<u>161.584.621,84</u>	ELENI DENDRINOU - LOURI ID: AE 023569
B. EXPENSES				DIRECTOR	
1. Salaries & Third-Party Fees	990.520,22		846.104,59		
2. Other operating expenses	113.825,77		109.044,29		
3. Fixed assets depreciation	27.051,48		36.921,44		
4. Provisions (excluding revaluation of portfolio)	20.800,76		22.554,41		
5. Extraordinary & non operating expenses	<u>17.995,99</u>		<u>2,13</u>		
	<u>1.170.194,22</u>		<u>1.014.626,86</u>		
Less:					
6. Investment Cover Scheme Expenses ¹	(157.976,00)		(136.974,00)		
7. Supplementary Deposit Cover Fund Expenses ¹	<u>(500.036,00)</u>		<u>0,00</u>		
	<u>(658.012,00)</u>	<u>512.182,22</u>	<u>(136.974,00)</u>	<u>877.652,86</u>	ANNA TH. PAXINOU ID:T 021278
C. <u>Prior year's expenses allocated to the SDCF</u> ²		<u>433.561,00</u>		<u>0,00</u>	DIMITRIOS I. THOMAS ID: S 054879 REG NO.: 14176 GRADE A
D. <u>Provisions for extraordinary events</u> ³		<u>(5.066.131,87)</u>		<u>5.092.000,00</u>	
SURPLUS CARRIED FORWARD (A-B+C-D)		<u>155.528.564,42</u>		<u>155.614.968,98</u>	

Notes:

1. By decision of the Board of Directors, HDIGF's expenses are allocated between the DCS and ICS – and furthermore, within the DCS, between Primary and Supplementary Deposit Cover Fund.
2. Concerns costs for the year 2009 incurred by the Supplementary Deposit Cover Fund and affecting the surplus positively
3. Concerns the difference between taxes paid on the income of European securities against relevant provisions made the previous year in the event of taxation of such income.

AUDITOR'S REPORT

To the members of the Board of the Hellenic Deposit & Investment Guarantee Fund (HDIGF)

Report on the Accounts of the HDIGF

We have audited the above financial statements of the "Hellenic Deposit and Investment Guarantee Fund" (HDIGF), which comprise the "Statement of Financial Position" for the financial year ended 31 December 2010 and the "Statement of Income" for the same year.

Responsibility of the Board for the Financial statements

Responsibility for preparing and presenting the financial statements in line with Accounting Standards, as set out by Greek legislation, lies with the Board of HDIGF. This responsibility includes all the internal control systems appropriate for the preparation and presentation of financial statements free of material inaccuracy, whether due to fraud or error.

Responsibility of the Auditors

We are responsible for formulating and stating an opinion with regard to the accounts on the basis of the audit carried out. Our audit was conducted in accordance with the International Auditing Standards, which require compliance with ethical standards and the design and conduct of an audit in such a way that ensures, with reasonable certainty, that the accounts are free of any material inaccuracies and omissions.

The audit involves the gathering of data relating to the amounts and information presented in the accounts. The methods used are those deemed appropriate by the auditor and include an assessment of the risk of material inaccuracy in the accounts that may arise from fraud or error. In assessing this risk, the auditor takes into consideration the system of internal control used at the HDIGF for preparing and presenting the accounts, for the purpose of setting up auditing procedures appropriate for the situation and not for the purpose of stating an opinion regarding the effectiveness of the Fund's system or internal controls. The audit also includes an assessment of the appropriateness of the accounting principles implemented, the estimates of the Board of the HDIGF and, more generally, the presentation of the data in the accounts. We consider that the audit carried out provides a sufficient basis on which to express the opinion contained in our Report.

Opinion

In our opinion, the above accounts give, from every essential aspect, a true and fair picture of HDIGF's financial position at 31 December 2010, and the results of its operations for the year then ended, in accordance with accounting standards set out by Greek company law.

Other legal and regulatory issues

The contents of the Report of the Board of HDIGF are consistent with the above financial statements.

Athens, 24 March 2011
Certified Accountant - Auditor

Konstantinos Venetis
Reg. No. Chart. Aud. 12891

BREAKDOWN OF THE FINANCIAL STATEMENTS OF THE HELLENIC DEPOSIT & INVESTMENT GUARANTEE FUND «HDIGF»

as at 31 December 2010
15th Year
(1 January to 31 December 2010)

INFORMATION RELATING TO THE STATUTORY FORMULATION AND STRUCTURE OF THE FINANCIAL STATEMENTS

The “Hellenic Deposit and Investment Guarantee Fund (HDIGF)” – successor in interest to the “Hellenic Deposit Guarantee Fund (HDGF)” set up in 1995- is a legal entity of private law, supervised by the Minister of Finance. Founding members are the Bank of Greece and the Hellenic Bank Association. Its operation is governed by Law 3746/2009 (Government Gazette 27/A/16.02.2009) as is.

The HDIGF runs two independent compensation schemes, one for deposits called Deposit Cover Scheme (DCS) and one for investments called Investment Cover Scheme (ICS) with completely separate assets (Law 3746/2009, article 2, paragraph 6), intended to meet, respectively, the claims of depositors and investors - clients of the credit institutions that participate to each Scheme.

Deposit Cover Scheme Assets are structured into two distinct Funds: The Primary Deposit Cover Fund (PDCF), which includes, among other, all the HDGF assets at the time of the establishment of the HDIGF, and the Supplementary Deposit Cover Fund (SDCF). DCS regular annual contributions from credit institutions are accrued for 1/5 to the PDCF and for the remaining 4/5 to the SDCF (Law 3714/2008 article 6, paragraph 2 – G.G. 231 A/07.11.2008).

Credit institutions’ regular annual contributions to the ICS are included in the respective ICS Assets. The Minister of Finance decision number 31996/B.1562/22.7.2010 (Government Gazette 1186 B/06.08.2010) established the criteria for determining the calculation and allocation of credit institutions’ annual contributions to the ICS. Accordingly, the HDIGF Board determined the level of credit institutions regular annual contribution for the years 2009 and 2010, and decided that such contribution will be paid in four equal semi- annual installments.

The SDCF as well as ICS assets are groups of assets belonging ab indiviso to the member credit institutions in proportion to their percentage participation in them, and are managed by the HDIGF, in accordance to the provisions of Law 3746/2009. The SDCF and the ICS burden the HDIGF operating expenses allocated to them.

Since HDIGF operations are related to the banking sector, its financial statements are prepared in accordance with the Banking Sector Accounting Plan. A breakdown of the financial statements follows:

Abbreviations

1.	HDIGF	Hellenic Deposit & Investment Guarantee Fund
2.	HDGF	Hellenic Deposit Guarantee Fund
3.	DCS	Deposit Cover Scheme
4.	PDCF	Primary Deposit Cover Fund
5.	SDCF	Supplementary Deposit Cover Fund
6.	ICS	Investment Cover Scheme
7.	CI	Credit Institutions
8.	BoG	Bank of Greece

amounts in euro

ASSETS

ASSETS OF DEPOSIT COVER SCHEME (DCS)

A. Primary Deposit Cover Fund (PDCF)

I. CASH & CASH EQUIVALENTS		1,015,909,083.72
1. Cash in hand:	1,649.68	
Cash balance required to meet current expenses.		
2. Sight deposits:	<u>380,925.36</u>	
• PDCF sight deposit balance, held with the Bank of Greece (account no. 612.271). This amount is available principally for covering operating expenses.	380,275.94	
• Non-allocated balance of current account no. 7101012717 held with the Bank of Greece. Via this account the Bank of Greece invests HDIGF funds, as stipulated in the fund management contract between the two.	649.42	
3. Time deposits:	<u>1,015,526,508.68</u>	
PDCF time deposits balance, held with participating credit institutions as at 31 December 2010. Time deposit balance is comprised of the following items:		
a) Balance at 31 December 2009	895,938,818.14	
b) Contributions:	<u>106,139,636.32</u>	
• Part of the annual contribution concerning the PDCF, equal to 1/5 of the total amount:	<u>105,940,096.32</u>	

	- 80% of the 2nd installment of the annual contribution for 2009,	55,596,061.00	
	- 80% of the 1st installment of the annual contribution for 2010	50,344,035.32	
	• Initial (membership) contribution:	<u>199,540.00</u>	
	80% of the installments of initial contribution paid in 2010, as follows:		
	-«KEDR BANK», 6 th installment	40,736.00	
	-«T.C. ZIRAAT BANKASI A.S.», 4 th and 5 th installments	158,804.00	
c)	Interest on time deposits:	13,448,054.22	
	Total interest received during the year after taxes.		
III.	SHORT-TERM RECEIVABLES FROM CREDIT INSTITUTIONS (CONTRIBUTIONS)		63,029,288.60
1.	Annual Contributions:	62,930,036.60	
	One fifth of the 2nd installment of the regular annual contribution for 2010, which credit institutions are required to pay to the HDIGF on the first working day of April 2011.		
3.	Initial contributions:	99,252.00	
	This item concerns the 6 th installment of the initial contribution of «T.C. ZIRAAT BANKASI A.S.» which is due in 2011		
IV.	SUNDRY DEBTORS		1,241,258.60
a)	Advance payments for salaries:	18,345.05	
	Advance payments to salaried staff at HDIGF that were paid at the end of 2010 but correspond to salary of January 2011.		
b)	Receivables from Supplementary Deposit Cover Fund:	933,597.00	
	Part of the operating cost which is apportioned to the SDCF for the years 2009 and 2010, and will be collected in 2011.		
c)	Receivables from Investment Cover Scheme:	29,596.00	
	Part of the operating cost which is apportioned to the ICS for the years 2009 and 2010, which will be collected in 2011.		
d)	Advance Income Tax:	259,720.55	
	Advance income tax paid at tax return submission for the year 2010.		
V.	FIXED-INCOME SECURITIES		313,295,061.48
2.	European Government Securities		
a)	Zero-coupon European government securities:	<u>193,098,048.08</u>	
	Nominal value, less unaccrued income from 31 December 2010 up to maturity and losses from valuation at 31 December 2010.	193,121,544.30	
	Less:		
	• Withholding tax provision on securities' interest at 31 December 2010	(23,496.22)	
b)	European government securities (fixed-yield)	<u>120,197,013.40</u>	
	• Nominal value plus gains or losses at 31 December 2010.	118,769,655.28	
	Plus:		
	• Interest accrued on European government securities coupons (fixed-yield) at 31 December 2010.	1,576,384.79	
	Less:		
	• Withholding tax provision on securities interest at 31 December 2010	(149,026.67)	
VII.	LONG-TERM RECEIVABLES		1,350.00
2.	Warranties:	1,350.00	
	Guarantees for the account of Public Utilities for services provided at the property at 6, Amerikis Str, Athens, where HDIGF offices are located.		
IX.	INTANGIBLE ASSETS		0.16
1.	Intangible assets:	<u>0.16</u>	
	These include transfer tax and other charges associated with the acquisition of HDIGF offices at 6 Amerikis St, purchase and expansion of software during the year and expenses associated with the improvement and renovation of communal areas in the building.		
	• Cost (Balance at 31 December 2009)	325,810.45	
	Plus:		
	o Purchases during 2010	1,645.60	
	Less:		
	o Disposals (at cost)	(11,554.45)	
	Total amount as at 31 December 2010	<u>315,901.60</u>	
	• Amortization as at 31 December 2010.	(315,901.44)	

X.	TANGIBLE ASSETS		1,939,497.78
1.	Land Value of the share in the land property located at 6, Amerikis Str, Athens.	1,326,984.62	
2.	Buildings & Fixtures: • Value of the offices on the 2nd floor of the building located at 6, Amerikis Str and El. Venizelou, where the HDIGF offices are located. • Depreciation as at 31 December 2010	<u>610,568.59</u> 760,970.29 (150,401.70)	
3.	Furniture & Equipment: This item includes investments in furniture and electronic equipment and associated peripherals in 2010. • Cost (Balance at 31 December 2009) Plus: o Purchases during 2010 Less: o Disposals during 2010 Total amount as at 31 December 2010 • Depreciation as at 31 December 2010.	<u>1,944.57</u> 92,124.91 1,868.98 <u>(7,158.73)</u> 86,835.17 (84,890.60)	
XI.	TRANSITION ACCOUNTS		9,289,053.53
1.	Accrued income: Accrued interest (after tax) on the PDCF deposits with credit institutions.	9,288,738.93	
2.	Prepaid expenses: Prepaid expenses regarding software maintenance contract, billed in current year.	314.60	
	Total PDCF		<hr/> 1,404,704,593.87
B.	Supplementary Deposit Cover Fund (SDCF)		
I.	CASH & CASH EQUIVALENTS		1,047,911,745.97
2.	Sight deposits: • SDCF sight deposit balance, held with the Bank of Greece (account no. 612.124782). • Balance of current account held with the Bank of Greece (7101124810). This account is used by the Bank of Greece to invest available HDIGF funds, as stipulated in the fund management contract between the two.	<u>27,893.43</u> 20,674.80 7,218.63	
3.	Time deposits: SDCF time deposits balance, held with participating credit institutions, as at 31 December 2010. Time deposit balance is comprised of the following items:	<u>1,047,883,852.54</u>	
a)	Balance at 31 December 2009	612,681,437.32	
b)	Contributions: Part of the annual contribution concerning the SDCF, equal to 4/5 of the total amount: -80% of the 2nd installment of the annual contribution for 2009. -80% of the 1st installment of the annual contribution for 2010	<u>423,760,377.28</u> 222,384,232.00 201,376,145.28	
c)	Interest on time deposits: Total interest received during the year after taxes.	11,442,037.94	
III.	SHORT-TERM RECEIVABLES FROM CREDIT INSTITUTIONS (CONTRIBUTIONS)		251,720,145.40
1.	Annual Contributions: This item concerns 4/5 of the 2nd installment of the annual contribution for 2010, which credit institutions are required to pay the HDIGF on the first working day of April 2011.		
IV.	SUNDRY DEBTORS		(942,604.22)
a)	SDCF operating costs for the years 2009 and 2010, to be paid to PDCF in 2011.	(933,597.00)	
b)	Surcharge derived from taxation of SDCF securities, which will be charged to PDCF.	1,993.78	
c)	Accrued expenses: This amount includes part of the banking fees paid to the Bank of Greece for asset management services, charged to the SDCF, which will be paid in 2011.	(11,001.00)	
V.	FIXED-INCOME SECURITIES		260,179,131.49
2.	European Government Securities		
a)	Zero-coupon European government securities:	<u>209,796,087.95</u>	

	• Market value at 31 December 2010.	209,847,705.00	
	Less:		
	• Withholding tax provision on securities' interest at 31 December 2010	(51,617.05)	
b)	European government securities (fixed-yield)	<u>50,383,043.54</u>	
	• Market value at 31 December 2010	49,560,970.00	
	Plus:		
	• Interest accrued on European government securities' coupons (fixed-yield) as at 31 December 2009.	913,415.00	
	Less:		
	• Withholding tax provision on securities' interest at 31 December 2010	(91,341.46)	
XI.	TRANSITION ACCOUNTS		9,587,104.12
1.	Accrued income: Accrued interest (after tax) on the SDCF deposits with credit institutions.	9,587,104.12	
	<i>Total SDCF</i>		<u>1,568,455,522.76</u>
	TOTAL ASSETS – DCS (PDCF+SDCF)		2,973,160,116.63

ASSETS OF THE INVESTMENT COVER SCHEME (ICS)

I.	CASH & CASH EQUIVALENTS		47,295,265.17
2.	Sight deposits: The HDIGF sight deposit balance held with the Bank of Greece (account no. 612.124904).	9,228,229.00	
3.	Time deposits: The HDIGF time deposits balance held with participating credit institutions as at 31 December 2010. The time deposit balance is comprised of the following items:	<u>38,067,036.17</u>	
a)	Balance as at 31 December 2009	5,026,337.06	
b)	Contributions: 80% of the 1 st installment of regular annual contribution paid by credit institutions for the years 2009 and 2010	32,974,328.00	
c)	Interest on time deposits: Total interest received during the year after tax.	66,371.11	
III.	SHORT-TERM RECEIVABLES FROM CREDIT INSTITUTIONS (CONTRIBUTIONS)		82,137,863.00
1.	Annual contribution: This item concerns the 2 nd and 3 rd installment of the annual contribution for the years 2009 and 2010, which credit institutions are required to pay to the HDIGF on the first working day of April and October 2011, respectively.		
IV.	SUNDRY DEBTORS		(29,596.00)
	The amount concerns annual operating cost for the ICS, which will be transferred to the PDCS within 2011.		
VII.	LONG-TERM RECEIVABLES		41,068,934.00
1.	The amount concerns the 4 th installment of the annual contribution for the years 2009 and 2010, which credit institutions are required to pay to the HDIGF on the first working day of April 2012		
XI.	TRANSITION ACCOUNTS		256,702.55
1.	Accrued income Accrued interest (after tax) on HDIGF deposits with credit institutions for the ICS.		
	TOTAL ICS		<u>170,729,168.72</u>
	TOTAL HDIGF ASSETS (DCS+ICS)		3,143,889,285.35

LIABILITIES

I.	SHORT-TERM LIABILITIES		50,797.68
1.	Suppliers & fees: Credit balance of domestic suppliers and third-party associates as at 31 December 2010.	2,240.18	
5.	Taxes & duties: Tax paid to the Greek state in 2011, on staff salaries and third-party fees withheld in the last two months of 2010	21,725.87	
6.	Liabilities to pension funds Payables to the IKA (Social Insurance Institute) pension fund, the Attorney's Fund and the Welfare Fund for pension contributions on the salaries, paid to Greek state in 2011.	26,831.63	
V.	ACCRUALS AND DEFERRED INCOME		21,751.04
1.	Accrued expenses: Accrued expenses at 31 December 2010, as set out below:	<u>19,757.26</u>	
a)	Operating expenses incurred but not paid during 2010 (telephone, electricity etc)	2,572.26	
b)	Wages and salaries earned in 2010 but paid in 2011.	17,185.00	
2.	Other accrued expenses: Surcharge deriving from taxation of SDCF securities, which will be charged to PDCF.	1,993.78	
VI.	PROVISIONS FOR RISK & OTHER EXPENSES		135,218.05
1.	Provisions for staff compensation Provisions to cover compensation due in the event that permanent members of HDIGF staff retire from employment.	135,218.05	
VII.	SUPPLEMENTARY DEPOSIT COVER FUND		1,568,455,522.76
	This group of assets regards 4/5 of the amount from contributions by credit institutions to the SDCF, plus any revenues arising from such and less the operating costs of the Fund. Assets belong ab indiviso to the member credit institutions.		
VIII.	INVESTMENT COVER SCHEME		170,729,168.72
	This group of assets regards contributions by credit institutions to the ICS, plus any revenues arising from such and less the operating costs of the scheme. Assets belong ab indiviso to the member credit institutions.		
IX.	EQUITY		1,404,496,827.10
8.	Start-up capital Start-up capital of the HDIGF (former HDGF)	8,804,108.58	
11.	Adjustment accounts: Loss from PDCF portfolio valuation, as at 31 December 2010.	(1,156,236.98)	
12.	Surplus carried forward: This comprises accumulated surplus:	<u>1,396,848,955.50</u>	
	• Previous years:	<u>1,241,320,391.08</u>	
	o Surplus for years 1996-2009	1,247,322,217.03	
	Less:		
	o Previous year's taxes:	(6,001,825.95)	
	Concerns taxes on the income of European securities, paid in current year, against the provision made the previous year in the event of taxation of such income		
	• Current year	155,528,564.42	
	TOTAL LIABILITIES		3,143,889,285.35
OFF-BALANCE SHEET ITEMS			
3.	Contractual warranties: Third parties contractual warranties		2,539.00

STATEMENT OF INCOME FOR 2010

A.	INCOME (a + b)	150,541,053.77
a.	CONTRIBUTIONS	
1.	Annual Contributions:	<u>125,861,995.17</u>
	o Part (1/5) of the annual contribution of participating credit institutions for 2010, concerning that part which constitutes HDIGF assets.	125,860,079.00
	o Extraordinary revenues for the year 2010 corresponding to a subsidy for an investment program, court expenses compensation and differences in payment of the 2nd installment of the regular annual contribution for 2009	1,916.17
b.	INTEREST & OTHER INCOME	<u>24,679,058.60</u>
1.	Income from fixed-income securities:	3,668,771.78
	Interest on European government securities and accrued interest as at 31 December 2010	
2.	Tax on the above income:	(656,140.60)
	Taxes on European government securities' interest.	
3.	Interest from deposits:	24,073,808.25
	Interest (before tax) earned between 1 January and 31 December 2010 on PDCF time deposits held with participating credit institutions	
4.	Tax on the above interest:	(2,407,380.83)
	Tax withheld by participating credit institutions on interest earned from time deposits.	
B.	EXPENSES	512,182.22
1.	Salaries & Third-Party Fees:	<u>990,520.22</u>
	- Salaries and employer social security contributions of salaried and seconded staff.	897,638.79
	- Fees to internal auditors and other freelancers.	48,853.94
	- Fees to auditors (as per art. 25, par. 1 of Law 3746/2009)	10,944.00
	- Board of Directors' remuneration.	23,760.00
	- Staff training and group insurance policies.	9,323.49
	Staff composition at the HDIGF in 2010 was as follows:	
	•The Director of the HDIGF is seconded from the Bank of Greece	
	•Twelve employees (private law contracts)	
	•Two internal auditors on a project basis.	
2.	Other operating expenses:	113,825.77
	These include:	
	Running costs of the HDIGF offices, staff's travel expenses, publishing costs of HDIGF financial statements for 2009, purchases of consumables, Property Tax, and banking fees paid to the Bank of Greece for HDIGF payroll and asset management services.	
3.	Fixed assets depreciation:	<u>27,051.48</u>
	Fixed assets depreciation is computed using depreciation ratios set out in PD 299/2003.	
	Depreciation is broken down as follows:	
	• Depreciation of start-up expenses and related costs.	1,645.59
	• Depreciation of furniture, computers and other equipment.	2,651.78
	• Depreciation of premises and fixtures	22,754.11
4.	Provisions (excluding revaluation of portfolio):	20,800.76
	Provisions for compensation due in the event that permanent members of staff retire from employment.	
5.	Extraordinary & non operating expenses:	<u>17,995.99</u>
	This item includes current year's extraordinary expenses, including:	
	• Voluntary tax settlement of large-property tax for fiscal years 2003-2007, as set out in Law 3763/2009, paid in full in 2010.	2,908.98
	• Fees to auditors for additional annual audit services	11,495.00
	• Residual value of disposed assets.	0.44
	• Extraordinary travel expenses	3,591.57
Less:		
6.	Investment Cover Scheme Expenses:	(157,976.00)
	This item regards ICS operating cost for the year 2010, calculated at 13.5% of the expenses appearing in cases B.1 to B.5.	
7.	Supplementary Deposit Cover Fund Expenses:	(500,036.00)
	This item regards SDCF operating cost for the year 2010, calculated at 49.4% of the DSC expenses, as calculated after the breakdown of total HDIGF operating costs between the DCS and the ICS.	

C.	PRIOR YEAR'S EXPENSES CHARGED TO THE SDCF This item regards SDCF operating cost for the year 2009, calculated in accordance with the above.	433,561.00
D.	PROVISIONS FOR EXTRAORDINARY EVENTS This item regards the difference between provision for contingent taxation of income from European government securities and the eventual amount paid	(5,066,131.87)
	SURPLUS CARRIED FORWARD (A - B + C - D) As a non-profit legal entity, HDIGF is subject to income tax for net income from securities generated nationally or internationally. In particular, interest acquired by HDIGF, is subject to a 10% tax at the year of payment, while capital gains regarding European government securities is taxed in accordance with general provisions. For the year 2010 no capital gain results. Accordingly, the net income for the financial year is carried forward as surplus to "Equity".	155,528,564.42

It is hereby certified that this Annual Report of the Board, is the same one mentioned in my audit report dated 24 March 2011.

P. Faliro, 24 March 2011

Certified Accountant - Auditor

Konstantinos Venetis
Reg. No. Chart. Aud. 12891

