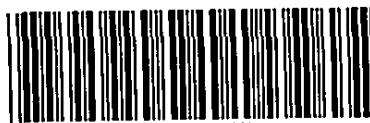


Company Registration Number: 6810180

TITLOS PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

COMPANIES HOUSE



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COMPANIES HOUSE

TITLOS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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TITLOS PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr M H Filer Miss M Clarke Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	6810180
Registered office	c/o Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF
Auditor	Deloitte LLP London

TITLOS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the audited financial statements of Titlos plc (the "Company") for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of a securitisation vehicle. In accordance with the terms of the Offering Circular dated 26 February 2009 (the "Offering Circular"), the Company issued floating rate notes of €5,100 million (the "Notes"), at a premium of 107.54% (€5,484.54 million), which resulted in The National Bank of Greece S.A. (the "Originator") novating to the Company an interest rate transaction (the "Receivables"), which The National Bank of Greece S.A. previously entered into with the Hellenic Republic on 31 December 2008, pursuant to a novation agreement (the "Novation Agreement") between the Hellenic Republic, The National Bank of Greece S.A. and the Company. The novation of the interest rate transaction to the Company is considered to fail the de-recognition criteria of IAS 39 Financial Instruments: Recognition and Measurement, and therefore they are retained on the balance sheet of the Originator. The Company records in its balance sheet a receivable from the Originator (a "Deemed Loan"), rather than the Receivables it has legally purchased. The Notes are due to mature in September 2037 and are listed on the Luxembourg Stock Exchange.

The Offering Circular sets out the details of the Securitisation Transaction.

Interest on the Notes is payable in arrears on the 20th day of September and March, subject to adjustment for non-business days. The interest rate for the Notes is 0.50 per cent per annum above the six month EURIBOR rate.

The Notes amortisation period, prior to which no Notes capital repayments were made, started on the interest payment date falling in September 2009 and their scheduled maturity date is the interest payment date falling in September 2037.

In accordance with the Offering Circular, the Company will retain a profit of €2,500 in respect of each interest payment period on 20 September and 20 March respectively and the resulting difference is included in arriving at the deferred consideration payable to the Originator.

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The loss on ordinary activities after taxation for the year was €489,542,997 (2011: €990,731,014). The loss in the current year was primarily driven by the fair value loss on derivatives of €469,174,395 (2011: €619,297,154). The directors have not recommended a dividend (2011: Nil).

STRATEGY AND FUTURE DEVELOPMENTS

Due to ongoing expected repayments decreasing the principal value of the Receivables, the Notes, interest income and interest expense are expected to decrease in future years. The rate of decrease is dependent on future redemptions and further advances, if any, of the Receivables. The Company's responsibility to make cash payments under the terms of the Offering Circular is limited to the funds available from its interest in Hellenic Receivables and accordingly, the Company is insulated from liquidity risk.

KEY PERFORMANCE INDICATORS

The key performance indicator of the business is considered by the Directors to be the net interest margin. During the year, the Company achieved a net interest expense margin (net interest expense divided by interest income) of 5.3% (2011: net interest income margin of 17.1%). At the year end, the Company had net liabilities of €1,679,694,221 (2011: €1,190,151,224).

The directors have reviewed data and information relating to the credit quality of the Receivables underlying the deemed loan to the Originator up to the date of approval of the financial statements. During the year, the Company recorded an impairment charge of €10,271,517 on the Receivables (2011: €404,115,630). At year-end, the total cumulative impairment was €414,387,147 (2011: €404,115,630) which approximates to 8.15% (2011: 7.76%) of the gross value of the Receivables.

TITLOS PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the Company during the year, together with their beneficial interests in the shares of the Company, were as follows

Mr M H Filer

Mr S Masson – resigned on 7 January 2013

Wilmington Trust SP Services (London) Limited

Miss M Clarke – appointed on 7 January 2013

Wilmington Trust SP Services (London) Limited holds 49,999 shares in the Company under a nominee Declaration of Trust for charitable purposes. No other director holding office during the year was beneficially interested in the shares of the Company

CREDITOR PAYMENT POLICY

The Company's policy concerning the payment of its trade creditors is to pay in accordance with its contractual and other legal obligations. All creditors are paid in accordance with the payment waterfalls set out in the securitisation transaction on the respective semi-annual interest payment dates

PRINCIPAL RISKS AND UNCERTAINTIES

For details on the principal risks and uncertainties of the Company refer to note 15

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company and its cash flows are set out in the financial statements. The Company has an equity deficit of €1,679,694,221 (2011 deficit of €1,190,151,224), driven by impairment losses on the Receivables and fair value losses on derivatives held

The directors have undertaken a detailed assessment of the Company's ongoing business activities and have made enquiries of the management of the Originator

The Company's only sources of funds to meet its capital and interest obligations in relation to the Notes are limited to the amounts received by it from its Deemed Loan to the Originator and derivatives. If the Company's resources cannot provide it with sufficient funds to make the required payments on the Notes, no other assets of the Company or of any other person will be available for the payment of the shortfall in the amount of the required payments and the Company has no further recourse, after making the payments ranking in priority thereto, to repay in full the principal amount of the Notes, or to pay in full the interest accrued due and payable on the Notes

Given the terms of the Notes set out above, the directors believe it is appropriate to prepare these financial statements on the assumption that the Company will be able to continue as a going concern for the foreseeable future. However, the Company's most significant asset is the Receivables with the Hellenic Republic, which is denominated in Euros, and the current uncertain social and economic conditions in Greece and the wider Eurozone could result in further disruption in the Greek economy which may impact on the recoverability of the Receivables, raising material uncertainties as to the future timing and levels of collections (see note 7 for details of the Receivables). If the economic disruption were significant, this could materially impact the amount that may eventually be collected on the Receivables and trigger a resulting action that the Note Trustee may decide upon should it be necessary for it to act to protect the rights of the noteholders under the terms of the securitisation transaction, which may include enforcing security under the Notes leading to their immediate repayment. This would result in the Company ceasing to trade

The European Commission, the European Central Bank and the International Monetary Fund have developed a financial support program with the Greek Government to support the Greek economy. As part of this program a Greek Government bond buy-back program was developed which was completed successfully. A specific institutional framework was also developed for the recapitalisation of the Greek banks through the Hellenic Financial Stability Fund ("HFSF"). However, the significant progress made to date could be compromised by external shocks from the global economy as well as implementation risks and reform fatigue in Greece

TITLOS PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business

However, having considered all the information available to them, including the details and mitigating factors summarised above, the directors believe that it is appropriate to continue to prepare the financial statements of the Company on a going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

The directors confirm that, to the best of each person's knowledge

- they are responsible for internal control in the Company and for reviewing the effectiveness of these controls. Procedures have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. The procedures enable the Company to comply with the regulatory obligations. For further details, refer to notes to the Company's financial statements particularly note 15 on Principal risks and uncertainties
- the financial statements in this report, which have been prepared in accordance with IFRS and the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company, and
- the directors' report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that they face

By order of the Board



Mark Fyler for and on behalf of Wilmington Trust SP Services (London) Limited
Director
Date: 30 September 2013

TITLOS PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITLOS PLC

We have audited the financial statements of Titlos plc for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The current uncertainties in Greece have resulted in significant disruption to the Greek economy which may materially impact the ability of the Hellenic Republic to meet its obligations due to the Company. Consequently, this situation creates uncertainty regarding the Company's ability to fully repay the Notes and the resulting action that the Note Trustee may decide upon should it be necessary for it to act, under the terms of the securitisation transaction, to protect the rights of the noteholders. These conditions, together with the other matters referred to in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

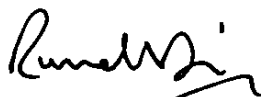
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TITLOS PLC (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Russell Davis FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 September 2013

TITLOS PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 €	2011 €
Interest income	3	187,874,884	191,759,551
Interest expense	4	<u>(197,874,187)</u>	<u>(158,991,343)</u>
Net interest (expense)/income		(9,999,303)	32,768,208
Movement in fair value of derivatives		(469,174,395)	(619,297,154)
Impairment charge of Receivables	7	(10,271,517)	(404,115,630)
Administrative expenses	5	<u>(96,557)</u>	<u>(84,763)</u>
Loss before tax for the year		(489,541,772)	(990,729,339)
Taxation	6	<u>(1,225)</u>	<u>(1,675)</u>
Total comprehensive loss for the year		<u>(489,542,997)</u>	<u>(990,731,014)</u>
Loss attributable to Equity holders		<u>(489,542,997)</u>	<u>(990,731,014)</u>

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

	Share capital €	Retained losses €	Total €
Balance at 1 January 2011	14,002	(199,434,212)	(199,420,210)
Loss for the year	-	<u>(990,731,014)</u>	<u>(990,731,014)</u>
Balance at 1 January 2012	14,002	(1,190,165,226)	(1,190,151,224)
Loss for the year	-	<u>(489,542,997)</u>	<u>(489,542,997)</u>
Balance at 31 December 2012	<u>14,002</u>	<u>(1,679,708,223)</u>	<u>(1,679,694,221)</u>

The notes on pages 11 to 27 form part of these financial statements

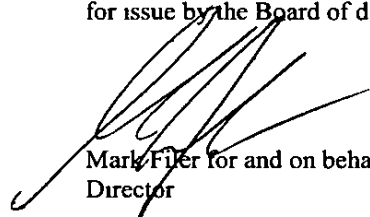
TITLOS PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	2012 €	2011 €
Non-current assets			
Deemed Loan to the Originator held at amortised cost	7	<u>4,553,134,050</u>	<u>4,689,947,292</u>
Total non-current assets		<u>4,553,134,050</u>	<u>4,689,947,292</u>
Current assets			
Cash and cash equivalents	10	190,250	188,202
Deemed Loan to the Originator held at amortised cost	7	116,983,673	113,612,719
Other receivables	8	<u>51,555,924</u>	<u>52,804,853</u>
Total current assets		<u>168,729,847</u>	<u>166,605,774</u>
Total assets		<u>4,721,863,897</u>	<u>4,856,553,066</u>
Equity			
Issued share capital	11	14,002	14,002
Retained losses	11	<u>(1,679,708,223)</u>	<u>(1,190,165,226)</u>
Total equity	11	<u>(1,679,694,221)</u>	<u>(1,190,151,224)</u>
Non-current liabilities			
Liabilities evidenced by paper held at amortised cost	12	<u>5,002,747,288</u>	<u>5,120,832,184</u>
Total non-current liabilities		<u>5,002,747,288</u>	<u>5,120,832,184</u>
Current liabilities			
Liabilities evidenced by paper held at amortised cost	12	118,084,896	113,528,714
Other liabilities	13	13,464,707	31,286,794
Derivative financial instruments	9	1,267,260,002	781,053,836
Tax payable		<u>1,225</u>	<u>2,762</u>
Total current liabilities		<u>1,398,810,830</u>	<u>925,872,106</u>
Total liabilities		<u>6,401,558,118</u>	<u>6,046,704,290</u>
Total equity and liabilities		<u>4,721,863,897</u>	<u>4,856,553,066</u>

These financial statements of Titlos Plc, company registration number 6810180, were approved and authorised for issue by the Board of directors on 30 September 2013 and are signed on their behalf by



Mark Filer for and on behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 11 to 27 form part of these financial statements

TITLOS PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 €	2011 €
Cash flows from operating activities		
Loss before tax for the year *	(489,541,772)	(990,729,339)
<i>Adjustments for</i>		
Amortisation of premium on the loan notes	(7,960,517)	(7,611,895)
Amortisation of issue costs	8,952	8,560
Fair value movement in derivatives	469,174,395	619,297,154
Movement in accrued interest on derivatives	17,031,771	(9,504,019)
Decrease in other receivables	1,248,929	1,201,369
Decrease in other payables	(17,822,087)	(34,137,826)
Impairment of deemed loan to the Originator	10,271,517	404,115,630
Net decrease in the deemed loan to the Originator	<u>123,170,771</u>	<u>118,480,400</u>
Cash generated from operations	<u>105,581,959</u>	<u>101,120,034</u>
Taxation paid	(2,762)	(506)
Cash flows from financing activities		
Repayment of loan notes	(105,577,149)	(100,953,515)
Repayment of subordinated loans	-	(160,310)
Net cash generated from financing activities	<u>(105,577,149)</u>	<u>(101,113,825)</u>
Net increase in cash and cash equivalents	2,048	5,703
Cash and cash equivalents at start of year	<u>188,202</u>	<u>182,499</u>
Cash and cash equivalents at end of year	<u>190,250</u>	<u>188,202</u>

*The Company has prepared the cash flow under the indirect method. The interest received and paid during the year amounted to €189,123,813 and €206,655,646 (2011: €192,960,919 and €210,180,711) respectively and are included in arriving at the loss before tax for the year ended 31 December 2012 and 2011 respectively.

The notes on pages 11 to 27 form part of these financial statements

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 PRINCIPAL ACCOUNTING POLICIES

Titlos plc is a public limited company incorporated and domiciled in the United Kingdom with registered number 6810180

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention, except for the financial instruments accounted for at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The Company mainly transacts in Euros ("€"), therefore, the Euro is its functional and presentational currency.

Basis of preparation – going concern

The Company is a special purpose company established solely for the purpose of issuing the Notes in order to acquire the Receivables and it does not have the ability to carry out any other business.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The financial position of the Company, its liquidity position and borrowing facilities are described in note 15. In addition, note 15 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk. The Company has neither the intention nor the need to liquidate or materially curtail the scale of its operations.

The Company's only sources of funds to meet its capital and interest obligations in relation to the Notes are limited to the amounts received by it from its Deemed Loan to the Originator and derivatives. If the Company's resources cannot provide it with sufficient funds to make the required payments on the Notes, no other assets of the Company or of any other person will be available for the payment of the shortfall in the amount of the required payments and the Company has no further recourse, after making the payments ranking in priority thereto, to repay in full the principal amount of the Notes, or to pay in full the interest accrued due and payable on the Notes.

The directors have undertaken a detailed assessment of the Company's ongoing business activities and have made enquiries of the management of the Originator. Given the terms of the Notes set out above, the directors believe it is appropriate to prepare these financial statements on the assumption that the Company will be able to continue as a going concern for the foreseeable future. However, the Company's most significant asset is the Receivables with the Hellenic Republic, which is denominated in Euros, and the current uncertain social and economic conditions in Greece and the wider Eurozone could result in further disruption in the Greek economy which may impact on the recoverability of the Receivables, raising material uncertainties as to the future timing and levels of collections (see note 7 for details of the Receivables). If the economic disruption were significant, this could materially impact the amount that may eventually be collected on the Receivables and trigger a resulting action that the Note Trustee may decide upon should it be necessary for it to act to protect the rights of the noteholders under the terms of the securitisation transaction, which may include enforcing security under the Notes leading to their immediate repayment. This would result in the Company ceasing to trade.

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1. PRINCIPAL ACCOUNTING POLICIES (continued)

The election of 17 June 2012 removed some of the political uncertainty in Greece. The coalition government have stated their intention to continue with the austerity measures agreed with the Troika (EU/ECB/IMF) to remain in Eurozone and seek to stabilise the Greek economy. All three coalition parties are pledged to implementing the memorandum agreed with the Troika, engaging with the IMF and EU only for a variation in the timing of spending cuts.

The European Commission, the European Central Bank and the International Monetary Fund have developed a financial support program with the Greek Government to support the Greek economy. As part of this program a Greek Government bond buy-back program was developed which was completed successfully. A specific institutional framework was also developed for the recapitalisation of the Greek banks through the Hellenic Financial Stability Fund ("HFSF"). However, the significant progress made to date could be compromised by external shocks from the global economy as well as implementation risks and reform fatigue in Greece.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, having considered all the information available to them, including the details and mitigating factors summarised above, the directors believe that it is appropriate to continue to prepare the financial statements of the Company on a going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Standards affecting presentation and disclosure

The adoption of Standards and Interpretations issued by the International Accounting Standards Board (IASB), as adopted for use in the European Union ("EU"), that were effective for the current year has not had a material impact on the financial statements of the Company. At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU).

Title	As issued by the IASB, mandatory for accounting periods starting on or after
Amendments to IFRS 10, IFRS 12 and IAS 27 (Oct 2012) Investment Entities	1 January 2014
Annual Improvements to IFRSs 2009-2011 Cycle (May 2012)	1 January 2013
Annual Improvements to IFRSs 2009-2011 Cycle (May 2012)	1 January 2013
Amendments to IFRS 1 (March 2012) Government Loans	1 January 2013
Amendments to IAS 32 (Dec 2011) Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to IFRS 7 (Dec 2011) Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRS 9 Financial Instruments	1 January 2015
Amendments to IAS 1 (June 2011) Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 19 (revised June 2011) Employee Benefits	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IAS 28 (revised May 2011) Investments in Associates and Joint Ventures	1 January 2013
IAS 27 (revised May 2011) Separate Financial Statements	1 January 2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Standards affecting presentation and disclosure

The directors are currently considering the potential impact of the adoption of IFRS 9 and IFRS 13 on the financial statements of the Company, but the Company does not believe that the adoption at any time in the future of the remaining Standards above will have any material impact on the amounts reported in these financial statements

A summary of the most important accounting policies which have been used for the preparation of these financial statements is set out below

Financial assets

The Company classifies its financial assets into two categories financial assets at fair value through profit or loss, and financial assets carried at amortised cost using the effective interest method

The Company's derivative instruments are classified as held for trading These derivatives are accounted for as set out in the 'derivative financial instruments' accounting policy set out below The Deemed Loan to the Originator, the liabilities evidenced by paper, the subordinated loan and cash and cash equivalents are carried at amortised cost using the effective interest method as explained below

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received

Deemed Loan to the Originator

Under IAS 39 Financial instruments Recognition and Measurement, if a transferor retains substantially all the risks and rewards associated with the transferred assets, the transaction is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective The Directors of the Company have concluded that the Originator has retained substantially all the risks and rewards of the pool of Receivables and as a consequence, the Company does not recognise the Receivables on its balance sheet but rather a loan due from the Originator ("Deemed Loan"), where recourse to the Originator is limited to the cash flows from the Receivables and any additional credit enhancement provided by the Originator

This Deemed Loan initially represents the consideration paid by the Company in respect of the acquisition of an interest in the securitised Receivables and is subsequently adjusted due to repayments made by the Hellenic Republic to the Company The Deemed Loan is carried at amortised cost using the effective interest method

Impairment of financial assets

Financial assets are assessed for impairment at each balance sheet date Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been affected

For Financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account When a trade receivable is considered uncollectible, it is written-off against the allowance account

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Derivative financial instruments

The Company uses derivative financial instruments to economically hedge its exposure to interest rate risk arising from its activities. In accordance with its policy, the Company does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value with gains and losses recognised in the statement of comprehensive income. Fair values are obtained using valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Financial liabilities

Financial liabilities are recognised and derecognised on a trade date basis. Financial liabilities including the subordinated loan are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method (see interest income and interest expense section below).

Liabilities evidenced by paper held at amortised cost

Liabilities evidenced by paper comprise the Notes issued by the Company through its offering circular dated 26 February 2009. These Notes were initially recognised at fair value net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method.

The terms and conditions of the Notes state that the Company is entitled to an optional early redemption of the Notes. This option is exercisable at par at any time with advance notice. The Directors of the Company have concluded that the economic characteristics and risks of this prepayment option are closely related to the economic characteristics and risks of the Notes. As such, the option is not separately accounted for as an embedded derivative.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the offering circular and as such the cash and cash equivalents are not freely available to be used for any other purposes.

Interest income and interest expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate calculation.

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Taxation

UK Corporation tax is provided at amounts expected to be paid / recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The directors are of the opinion that the Company is eligible to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax regime") under which the Company is taxed by reference to its actual retained profits during the period.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates at the balance sheet date.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain estimates in the financial statements are based wholly or in part on estimates or assumptions made by the directors. There is, therefore, a potential risk that they may be subject to change in future periods. The most significant of these are as follows:

Impairment losses on Deemed Loan to the Originator

The recoverability of the Deemed Loan to the Originator is dependent on the ability of the Hellenic Republic to service the debt. Receivables are considered impaired when it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the agreement. The key assumptions for recoverability relate to estimates of the probability of the Receivables going into default and potential loss on default. These key assumptions are initially based on known market data where this is available.

The directors consider how appropriate past trends and patterns could impact the current economic climate and may make any adjustments they believe are necessary to reflect the current economic and market conditions. Further details of the assumptions made and their impact on the statement of financial position and statement of comprehensive income are set out in note 7.

The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes.

Effective interest rates

The effective interest rate method calculates the amortised cost of a financial asset or financial liability (or a group of financial assets or liabilities) and allocates the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash-flows to the relevant instrument's initial carrying amount. All contractual terms of a financial instrument are considered when estimating future cash flows.

Fair values

A majority of the fair values of Company's financial instruments are not quoted in active markets and are arrived at using valuation techniques. These valuation techniques (for example, a discounted cash flow technique) are validated and periodically reviewed by qualified personnel independent of the personnel that created them. To the extent practicable, models use only observable data.

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

3 INTEREST INCOME

Interest income represents the interest income on the Deemed Loan to the Originator together with interest on bank deposits, as analysed below

	2012 €	2011 €
Interest income on Deemed Loan to the Originator	<u>187,874,884</u>	<u>191,759,551</u>

The analysis of interest income by geographic location is set out below

Geographic	2012 €	2011 €
Greece	<u>187,874,884</u>	<u>191,759,551</u>

4. INTEREST EXPENSE

	2012 €	2011 €
Interest on the Notes	77,993,190	98,470,641
Amortisation of premium on the Notes	(7,960,517)	(7,611,895)
Amortisation of issue costs	8,952	8,560
Net swap interest payable	127,562,734	110,004,011
Interest on subordinated loans	-	1,497
Deferred consideration due to/(released) to the Originator	269,820	(41,881,482)
Interest on overdue tax	8	11
	<u>197,874,187</u>	<u>158,991,343</u>

5. ADMINISTRATIVE EXPENSES

	2012 €	2011 €
Auditor's remuneration – audit of the statutory financial statements of the Company	33,880	24,200
Auditor's remuneration - tax services	11,127	12,618
Accountancy fees	7,200	7,200
Other expenses	43,953	39,217
Exchange losses recognised	397	1,528
	<u>96,557</u>	<u>84,763</u>

Apart from the directors, the Company has no employees and, other than the fees paid to Wilmington Trust SP Services (London) Limited as set out in note 14, the directors received no remuneration during the year (2011 €ml)

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

6. TAXATION

(a) Analysis of charge in the year

	2012	2011
	€	€
Current tax:		
Corporation tax charge for the year	1,225	1,325
Adjustment to prior period's tax charge	-	350
Total income tax charge in the statement of comprehensive income	<u>1,225</u>	<u>1,675</u>

(b) Reconciliation of effective tax rate

	2012	2011
	€	€
Loss before tax	<u>(489,541,772)</u>	<u>(990,729,339)</u>
Loss before tax multiplied by the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(119,937,734)	(262,543,275)
Permanent differences relating to application of Taxation of Securitisation Companies Regulations 2006	119,938,959	262,544,600
Adjustment to prior period's tax charge	-	350
Total income tax charge	<u>1,225</u>	<u>1,675</u>

The standard rate of Corporation Tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 24.5%.

Under the powers conferred by the Finance Act 2005, secondary legislation was enacted in November 2006 which ensures that, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the retained cash profit of the securitisation company.

The directors are satisfied that this Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

Accordingly, the Company is taxed by reference to the profit required to be retained in accordance with the applicable capital market arrangement.

As at 31 December 2012 there are no tax-related contingent assets or contingent liabilities in accordance with International Accounting Standard No. 37 'Provisions, Contingent Liabilities and Contingent Assets' (2011 €nil).

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

7. DEEMED LOAN TO THE ORIGINATOR HELD AT AMORTISED COST

	2012 €	2011 €
At start of the year	4,803,560,011	5,326,156,041
Repayments	(123,170,771)	(118,480,400)
	4,680,389,240	5,207,675,641
Impairment charge of Receivables during the year	(10,271,517)	(404,115,630)
At 31 December	<u>4,670,117,723</u>	<u>4,803,560,011</u>

The Deemed Loan to the Originator refers to the novation to the Company of an interest rate transaction The National Bank of Greece S A previously entered into with the Hellenic Republic on 31 December 2008, pursuant to a novation agreement (the "Novation Agreement") between the Hellenic Republic, The National Bank of Greece S A and the Company The novation of the interest rate transaction is due to be repaid at various times before September 2037 Please refer to note 15 for disclosures relating to credit quality of the novation of the interest rate transaction

The interest rate transaction was initially recognised as a Deemed Loan to the Originator, at amortised cost, with a separated embedded derivative with an initial fair value of €nil, which is recognised within derivative financial instruments (see note 9)

The Deemed Loan is repaid as and when the cash is received by the Company towards repayments of the novation of the interest rate transaction The expected maturity of the Deemed Loan at 31 December was as follows

	2012 €	2011 €
Current asset		
In more than one month but not more than three months	57,493,787	55,988,959
In more than three months but not more than one year	<u>59,489,886</u>	<u>57,623,760</u>
	<u>116,983,673</u>	<u>113,612,719</u>
Non-current asset		
In more than one year but not more than five years	512,917,960	496,831,571
In more than five years	<u>4,040,216,090</u>	<u>4,193,115,721</u>
	<u>4,553,134,050</u>	<u>4,689,947,292</u>
	<u>4,670,117,723</u>	<u>4,803,560,011</u>

As a result of on-going economic difficulties faced by Greece, the deemed loan was impaired at year-end by €414,387,147 (2011 €404,115,630) The directors have calculated the impairment by reference to a probability of default and loss given default of Greek government bonds, adjusted for the specific credit properties of the Receivables exposure, as estimated by the directors Whilst the assumptions used by the directors represent their best estimates at year-end, changes in their estimate of the probability of default would lead to significant movements in the impairment amount and the impact of this on equity and net losses is as follows

	<u>50% decrease</u> €	<u>Actual</u> €	<u>50% increase</u> €
Deemed loan to the Originator	5,084,504,870	5,084,504,870	5,084,504,870
Loss given default	75%	75%	75%
Probability of default	5.43%	10.86%	16.29%
Impairment	<u>207,193,573</u>	<u>(414,387,147)</u>	<u>621,580,720</u>
Increase/(decrease) in net assets	<u>207,193,573</u>	-	<u>(207,193,573)</u>
Increase/(decrease) in net profit	<u>207,193,573</u>	-	<u>(207,193,573)</u>

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

8. OTHER ASSETS

	2012	2011
	€	€
Prepayments and accrued income	<u>51,555,924</u>	<u>52,804,853</u>

9. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps are initially accounted and measured at fair value on the date they are entered into and subsequently measured at fair value. The gain or loss on re-measurement is taken to the statement of comprehensive income. The fair values of interest rate swap contracts have been determined by reference to observable data. The fair values of derivative instruments held are set out in the following table:

	2012	2011
	€	€
<u>Interest rate swaps</u>		
Interest rate swaps asset/(liability) brought forward	93,131,223	(320,631,921)
Fair value gain	10,576,573	344,257,500
Movement in accrued interest on interest rate swaps	<u>3,242,111</u>	<u>69,505,644</u>
Interest rate swaps asset carried forward	<u>106,949,907</u>	<u>93,131,223</u>
	2012	2011
	€	€
<u>Hellenic Receivable</u>		
Hellenic Receivable swap liability brought forward	(874,185,059)	149,371,220
Fair value loss	(479,750,968)	(963,554,654)
Movement in accrued interest on Hellenic Receivable swap	<u>(20,273,882)</u>	<u>(60,001,625)</u>
Total Hellenic Receivable swap liability carried forward	<u>(1,374,209,909)</u>	<u>(874,185,059)</u>
Net interest rate swap liabilities	<u>(1,267,260,002)</u>	<u>(781,053,836)</u>

The notional principal amount of the two outstanding interest rate swap contracts at 31 December 2012 was €5,500,000,000 (2011: €5,500,000,000) and €4,762,168,458 (2011: €4,867,745,607) respectively.

The notional principal amount of the Hellenic Republic swap contract at 31 December 2012 was €5,500,000,000 (2011: €5,500,000,000).

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

10. CASH AND CASH EQUIVALENTS

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements

	2012	2011
	€	€
Cash and bank current accounts	<u>190,250</u>	<u>188,202</u>

11. TOTAL EQUITY

Reconciliation of movement in capital and reserves

	Share capital	Retained losses	Total
	€	€	€
Balance at 1 January 2011	14,002	(199,434,212)	(199,420,210)
Loss for the year	-	<u>(990,731,014)</u>	<u>(990,731,014)</u>
Balance at 1 January 2012	14,002	(1,190,165,226)	(1,190,151,224)
Loss for the year	-	<u>(489,542,997)</u>	<u>(489,542,997)</u>
Balance at 31 December 2012	<u>14,002</u>	<u>(1,679,708,223)</u>	<u>(1,679,694,221)</u>

There are 50,000 (2011 50,000) authorised ordinary shares of £1 each. The issued share capital consists of one (2011 one) fully paid ordinary share and 49,999 (2011 49,999) quarter paid ordinary shares. The issued share capital is reflected in the financial statements as €14,002 based on the prevailing exchange rate at 25 February 2009 (€/\$ 0.8927). The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

12. LIABILITIES EVIDENCED BY PAPER

	2012	2011
	€	€
Current liabilities		
Floating rate loan notes	109,814,216	105,577,149
Unamortised premium on floating rate loan notes	8,279,991	7,960,517
Unamortised issue costs	(9,311)	(8,952)
	<u>118,084,896</u>	<u>113,528,714</u>
 Non-current liabilities	 €	 €
Floating rate loan notes	4,652,354,242	4,762,168,458
Unamortised premium on floating rate loan notes	350,787,510	359,067,501
Unamortised issue costs	(394,464)	(403,775)
	<u>5,002,747,288</u>	<u>5,120,832,184</u>

The Notes due in September 2037 are listed on the Luxembourg Stock Exchange, and are secured over the Company's rights under the Hellenic Receivable and Hedge Agreements, as defined by the securitisation documents. The repayments of the Notes are dependent on the receipt in full of the payments under the terms of the Hellenic Receivable and the Hedge Agreements.

Interest on the Notes is payable on a semi-annual basis at the six month EURIBOR plus 0.5%. The Notes are due to be repaid by September 2037 and are secured by means of a floating charge over the Company's assets.

The Company has not had any defaults on principal, interest or any other breaches with respect to their liabilities during the year.

13. OTHER LIABILITIES

	2012	2011
	€	€
Amounts due falling within one year:		
Interest payable	13,298,090	31,141,132
Accruals and deferred income	111,771	72,193
Deferred consideration payable to the originator	54,846	73,469
	<u>13,464,707</u>	<u>31,286,794</u>

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

14. RELATED PARTY TRANSACTIONS

The Company has identified the following transactions which are required to be disclosed under the terms of IAS 24 "Related Party Disclosures"

During the year administration and accounting services were provided by Wilmington Trust SP Services (London) Limited for which Wilmington Trust SP Services (London) Limited earned €24,706 including irrecoverable VAT (2011 €22,788) Mr M H Filer is a director of the Company and is also a director of Wilmington Trust SP Services (London) Limited Miss M Clarke is a director of the Company and is an employee of Wilmington Trust SP Services (London) Limited

During 2009, there was a novation of the interest rate transaction by The National Bank of Greece S A (the "Originator"), previously entered into with the Hellenic Republic on 31 December 2008, to the Company between the Hellenic Republic, The National Bank of Greece S A and the Company totalling €5,484,540,000 During the year, The Hellenic Republic repaid to the Company amounts of principal on the Deemed Loan to the Originator of €123,170,771 (2011 €118,480,400) At 31 December 2012, a gross amount of €5,084,504,870 (2011 €5,207,675,641) was still outstanding and disclosed within note 7

The interest income for the year on the Deemed Loan to the Originator held at amortised cost was €187,874,884 (2011 €191,759,551) At 31 December 2012, €51,555,924 (2011 €52,804,853) in respect of interest receivable on the loan notes was still outstanding and disclosed within 'Other assets Prepayments and accrued income'

The National Bank of Greece S A recognised a charge of €269,820 (2011 reversal of €41,881,482) with respect to deferred consideration during the year At 31 December 2012, €54,846 (2011 €73,469) was still outstanding and disclosed within 'Other liabilities'

All the Notes at 31 December 2012 are held by the Originator The interest expense for the period on the Notes was €77,993,190 (2011 €98,470,641) At 31 December 2012, €13,298,090 (2011 €31,141,132) in respect of interest payable was outstanding and disclosed within 'Other liabilities'

15. PRINCIPAL RISKS AND UNCERTAINTIES

The Originator considers the Company to be its subsidiary The Originator manages the Receivable under the servicer agreement with the Company In managing the Receivable, the Originator applies its own formal risk management structure for managing risk, including established risk limits, reporting lines, mandates and other control procedures

Interest rate risk

The Company is exposed to movements in interest rates and manages this exposure using interest rate swaps More specifically, the Company is exposed to interest rate basis risk on the Notes This is hedged using an interest rate 'basis' swap that was taken out on inception of the securitisation transaction

After taking into consideration the Company's derivative instruments, the directors do not believe that the Company has any significant net interest rate risk exposure

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Credit risk

The maximum exposure to credit risk is considered by the directors to be the carrying value of the Deemed Loan to the Originator, other receivables and cash at bank

The credit quality of the underlying Receivable is summarised as follows

	31 December 2012 €	31 December 2011 €
Neither past due nor impaired	-	-
Past due but not impaired	-	-
Impaired	<u>5,084,504,870</u>	<u>5,207,675,641</u>
	5,084,504,870	5,207,675,641
Less allowance for impairment	<u>(414,387,147)</u>	<u>(404,115,630)</u>
	<u>4,670,117,723</u>	<u>4,803,560,011</u>

The exposure under the Receivables is with one counterparty, the Hellenic Republic, which has been rated B- by the Fitch and Standard & Poor's and C by Moody's. Further information on the impairment raised at year-end is included in note 7

With regard to credit risk on derivatives, the directors monitor the credit rating of the swap provider and the banks on a regular basis. The credit rating of the swap provider is CCC

Liquidity risk

As the payments on the Notes are designed to match the receipts on the Receivable underlying the loan to the Originator, there are deemed to be limited liquidity risks facing the Company

The table below reflects the undiscounted contractual cash flows of financial liabilities at the balance sheet date

As at 31 December 2012	Carrying value	Gross cash flows	Within 3 months	After 3 months but within one year	After 1 year but within 5 years	After 5 years
	€	€	€	€	€	€
Notes	5,120,832,184	4,762,168,458	53,882,555	55,931,661	488,795,868	4,163,558,374
Interest payable on Notes	13,298,090	581,932,705	19,524,891	19,303,972	145,807,456	397,296,386
Trade and other payables	166,617	166,617	166,617	-	-	-
Derivative financial instruments	<u>1,267,260,002</u>	<u>2,396,053,832</u>	<u>80,303,599</u>	<u>79,396,462</u>	<u>599,758,441</u>	<u>1,636,595,330</u>
Total financial instruments	<u>6,401,556,893</u>	<u>7,740,321,612</u>	<u>153,877,662</u>	<u>154,632,095</u>	<u>1,234,361,765</u>	<u>6,197,450,090</u>

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Liquidity risk (continued)

As at 31 December 2011	Carrying value	Gross cash flows	Within 3 months	After 3 months but within one year	After 1 year but within 5 years	After 5 years
	€	€	€	€	€	€
Notes	5,234,360,898	4,867,745,607	51,946,349	53,630,800	468,687,758	4,293,480,700
Interest payable on Notes	31,141,132	1,607,154,521	51,598,103	51,047,472	387,006,385	1,117,502,561
Trade and other payables	145,662	145,662	145,662	-	-	-
Derivative financial instruments	<u>781,053,836</u>	<u>1,573,822,086</u>	<u>50,440,691</u>	<u>49,903,802</u>	<u>378,390,455</u>	<u>1,095,087,138</u>
Total financial instruments	<u>6,046,701,528</u>	<u>8,048,867,876</u>	<u>154,130,805</u>	<u>154,582,074</u>	<u>1,234,084,598</u>	<u>6,506,070,399</u>

The redemption of the notes is dependent on the receipt of payments on the assets. Interest payable on floating rate notes was estimated based on 6-month Euribor as at 31 December 2012.

Currency risk

All of the Company's assets and liabilities are denominated in Euros ("€"), and therefore there is no foreign currency risk.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any external capital requirements except for the minimum requirement under the Companies Act 2006. The Company has not breached the minimum requirement.

Financial instruments

The Company's financial instruments, other than derivatives, comprise a Deemed Loan to the Originator, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The Company also enters into derivative transactions (principally interest rate swaps). The purpose of such transactions is to manage the interest rate risks arising from the Company's operations and its sources of finance.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments is undertaken.

TITLOS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Fair values

The approximate fair values together with the carrying amounts shown in the balance sheet are as follows

	Note	Carrying amount 2012 €	Approximate fair value 2012 €	Carrying amount 2011 €	Approximate fair value 2011 €
Deemed Loan to the Originator	7	4,670,117,723	2,283,687,567	4,803,560,011	860,686,069
Other assets	8	51,555,924	51,555,924	52,804,853	52,804,853
Cash and cash equivalents	10	<u>190,250</u>	<u>190,250</u>	<u>188,202</u>	<u>188,202</u>
		<u>4,721,863,897</u>	<u>2,335,433,741</u>	<u>4,856,553,066</u>	<u>913,679,124</u>
Liabilities evidenced by paper	12	5,120,832,184	1,054,517,556	5,234,360,898	1,291,486,956
Other liabilities	13	13,464,707	13,464,707	31,286,794	31,286,794
Derivative financial instruments	9	1,267,260,002	1,267,260,002	781,053,836	781,053,836
Tax payable		<u>1,225</u>	<u>1,225</u>	<u>2,762</u>	<u>2,762</u>
		<u>6,401,558,118</u>	<u>2,335,243,490</u>	<u>6,046,704,290</u>	<u>2,103,830,348</u>

Please see note 2 for information on calculation of fair values

Fair value hierarchy

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset or liability as follows

Level 1 - valued using quoted prices in active markets for identical assets or liabilities

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data
The valuation techniques used by the Company are explained in the accounting policies note

As at 31 December 2012

Financial liabilities through profit or loss account	Total €	Level 1 €	Level 2 €	Level 3 €
Derivative financial instruments	<u>1,267,260,002</u>	<u>-</u>	<u>1,267,260,002</u>	<u>-</u>

As at 31 December 2011

Financial liabilities through profit or loss account	Total €	Level 1 €	Level 2 €	Level 3 €
Derivative financial instruments	<u>781,053,836</u>	<u>-</u>	<u>781,053,836</u>	<u>-</u>

Interest rate risk profile of financial liabilities

All of the Company's financial liabilities are floating rate and carry interest rates based on the relevant six-month EURIBOR rate

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FOR THE YEAR ENDED 31 DECEMBER 2012

15. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Categories of financial assets and financial liabilities

At 31 December 2012	Held for trading	Loans and receivables	Financial liabilities at amortised cost	Total
Financial assets				
Deemed Loan to the originator	-	4,670,117,723	-	4,670,117,723
Cash at bank and in hand	-	190,250	-	190,250
Other receivables	-	51,555,924	-	51,555,924
Total financial assets	-	<u>4,721,863,897</u>	-	<u>4,721,863,897</u>
Financial liabilities				
Liabilities evidenced by paper at amortised cost	-	-	5,120,832,184	5,120,832,184
Other liabilities	-	-	13,465,932	13,465,932
Derivative financial instruments	<u>1,267,260,002</u>	-	-	<u>1,267,260,002</u>
Total financial liabilities	<u>1,267,260,002</u>	-	<u>5,134,298,116</u>	<u>6,401,558,118</u>
At 31 December 2011	Held for trading	Loans and receivables	Financial liabilities at amortised cost	Total
Financial assets				
Deemed Loan to the originator	-	4,803,560,011	-	4,803,560,011
Cash at bank and in hand	-	188,202	-	188,202
Other receivables	-	52,804,853	-	52,804,853
Total financial assets	-	<u>4,856,553,066</u>	-	<u>4,856,553,066</u>
Financial liabilities				
Liabilities evidenced by paper at amortised cost	-	-	5,234,360,898	5,234,360,898
Other liabilities	-	-	31,289,556	31,289,556
Derivative financial instruments	<u>781,053,836</u>	-	-	<u>781,053,836</u>
Total financial liabilities	<u>781,053,836</u>	-	<u>5,265,650,454</u>	<u>6,046,704,290</u>

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FOR THE YEAR ENDED 31 DECEMBER 2012

16 SEGMENTAL REPORTING

The principal asset of the Company is the deemed loan to the Originator which is originated in Greece, funded by the Notes issued and listed in the Luxembourg Stock Exchange. Cash is held mainly in the UK. The directors do not use any other segments for the purpose of managing the Company.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The shares in the Company are held by Wilmington Trust SP Services (London) Limited a Declaration of Trust for charitable purposes.

The National Bank of Greece S A has no direct ownership interest in the Company. However, in accordance with IFRS, the Originator considers the Company to be its subsidiary and the results of the Company are included in the consolidated financial statements of The National Bank of Greece S A, which are available online at www.nbg.gr

18. CONTINGENCIES AND CAPITAL COMMITMENTS

As at 31 December 2012 the Company did not enter into any capital commitments (2011: none). The Company did not have any contingent liabilities or legal claims outstanding or made against it.

19. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events to report.